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**PUBLIC SERVICE
COMMISSION**


COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

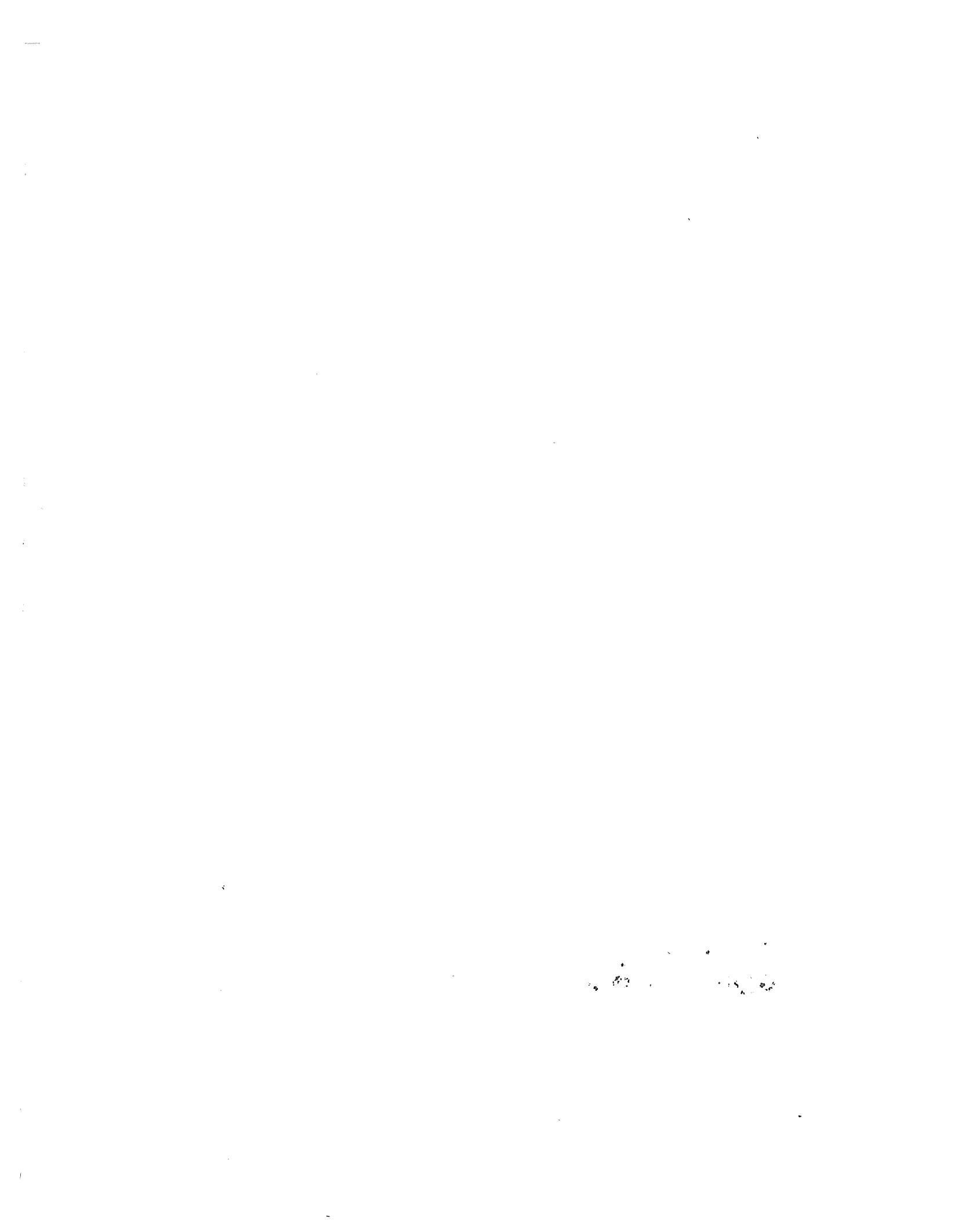
JOINT APPLICATION OF CONSUMERS WATER)
DISTRICT, FANCY FARM WATER DISTRICT,)
HARDEMAN WATER DISTRICT, AND SOUTH) CASE NO.
GRAVES WATER DISTRICT FOR APPROVAL) 2007-00496
OF MERGER AND FORMATION OF THE)
GRAVES COUNTY WATER DISTRICT)

RESPONSE TO STAFF'S FIRST DATA REQUEST

Submitted By:



John N. Hughes
124 West Todd St.
Frankfort, KY 40601
Attorney for Applicants



1. In its explanation of the merger at 10(b), Petitioners state that, “[T]he merger is in the public interest in that Graves County Water District will be able to provide services to a larger area of residents, which should provide economies of scale and offset potential rate increases.” Provide an analysis and/or study that will support the above statement.

WITNESS: Roger Rectenwald and Mark Davis are the witnesses responsible for all responses 1-6.

Response: The South Graves and Consumers districts border and together encompass the entire southern half of Graves County. The Fancy Farm district is located in the north western area of the County and the Hardeman district is located in the north eastern area of the County and both are relatively small in land coverage. Approximately 25% of the County’s land mass, all located in the northern half of the County, is not in the jurisdiction of any of the existing seven water districts or two municipal water systems. Historically, as additional areas of the county seek service additional water districts have been created. This has resulted in the current circumstance wherein the seven districts and two municipal systems still do not yet encompass all of the County’s land area. This has resulted in several duplications of administrative and operations costs, that includes but are not limited to: commissioners’ fees, clerking and bookkeeping personnel costs, billing and other printing costs, space costs as well as multiple operators’ personnel costs, equipment and tool purchases for the respective systems, multiple materials and supplies accounts and other similar cost centers for each system.

With the application now before the Commission the leadership of Graves County seeks to regionalize water services by including the remaining unserved areas in the County in the service area of the consolidated Graves County Water District.

By aggregating administrative and operations costs of the four participating districts and assuring that such costs are not duplicated as service is further extended into currently unserved areas of the County, it is reasonable to conclude that costs per customer will be less and that the resultant economy will be reflected in stabilized service rates. There have been no formal studies to confirm the public policy stated in KRS 74.361.

2. Petitioners state in 10(c)(1) of the application that, “[T]he goods and services buying power of one larger water district would be stronger than any on individual system.”

a. Cite specific examples of the savings that the merged Graves District can expect to achieve. Provide copies of all workpapers, calculations, and assumptions used to derive the expected cost savings.

b. Provide the calendar year 2007 annual cost information requested

in the Table below. The information provided in the table for Graves District should be cost projections. Include copies of all workpapers, calculations, and assumptions used to derive the projected costs for Graves District.

No.	Services	Consumers	Fancy Farm	H a r d e m a	South Graves	Graves District
(	Customer Billing					
(	Meter Reading					
(	Lab Analysis					
(	Contract Costs ¹					
(	Engineering					
(	Accounting					
(	Auditing					
	Legal					
(

c. Explain how Graves District with 3,107 residential water customers will be able to purchase materials, water meters, and chemicals at a lower cost.

RESPONSE: See Attached

2. a,c. As discussed in Item 1, consolidation of services should result in savings from bulk purchases, potential for more bidders due to greater volumes of supplies and materials needed. The table below shows that many services are currently contracted. By aggregating these services, it is expected that more bidders will be interested and lower costs achieved. Also, duplicative services such as legal, engineering and accounting can be eliminated. There are no workpapers or studies.

No.	Services	Consumers	Fancy Farm	Hardeman	South Graves	Graves District
(1)	Customer Billing	Contracted	Contracted	23,045	Contracted	Contracted
(2)	Meter Reading	Contracted	Contracted	Contracted	Contracted	Contracted
(3)	Lab Analysis	5,684	3,718	Contracted	4,677	15,000
(4)	Contract Costs	312,209	124,683	68,564	192,513	650,000
(5)	Engineering	-	26,875	-	-	26,875
(6)	Accounting	Contracted	Contracted	Contracted	Contracted	Contracted
(7)	Auditing	500	500	Contracted	500	3,000
(8)	Legal	2,375	-	Contracted	250	2,500

The Consolidated estimates for 2008 were derived as follows:

Lab Analysis - total the three water districts with figures and round up to \$15,000 to cover Hardeman.

Contracted Costs - total all four water districts and calculated approximate 7% decrease.

Engineering - this is dependent on the number and size of projects during the year.

Auditing - only compilations were done in 2007 for 2006. This will be dependent on whether an audit is needed.

Legal - this is dependent on the number and size of projects.

3. Refer to 10(c)(4) of the application, Replacement of Old Lines. For each district provide its itemized 5-year plan of main and equipment replacements. Show how the projected replacements can be more efficiently accomplished by Graves District.

Response: The districts involved in the proposed merger do not have an "...itemized 5 year plan of main and equipment replacements". However, several of the districts have identified specific facility projects for the improvement of the respective service areas and have completed a project profile on each such project and have logged same in Kentucky's Water Resource Information System database. A cumulative listing of these project profiles is attached to this response.

Additionally, as cited in the application filed with the Commission, the Mayfield Electric and Water System (MEWS), an instrumentality of the City of Mayfield, presently contracts the operations of the Consumers, Fancy Farm and South Graves Water Districts. To best assure its long term capacity to provide treated water to these entities and others that it currently supplies, MEWS authorized a full hydraulic analysis of the its distribution system and the distribution systems and projected demands of each of its contracted systems. This analysis was performed and mapped by Florence & Hutchinson Engineers, Paducah, Kentucky.

KENTUCKY WATER PROJECT PROFILE

Areas indicated with (*) are required fields.

1. Project Title (use title which will be identifiable by local community):

Consumers Water District/MEWS 2ND INTERCONNECT

2. Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage or other)

The Consumers Water District will be adding a second feed to supply water. This feed would be installed along Highway 464 / Bachusburg Road from a connection point with Mayfield's water system near Brand Street and connect to Consumer's existing 6-inch water main near the intersection of Highway 464 and Jeff Davis Road. The proposed water main will be an 8-inch water main and require the installation of a water booster station. It is planned that the existing water booster station that is being replaced as part of the relocation project will be relocated and used as a second feed.

• Project Descriptor: INTERCONNECT

• WRIS Project Number (PNUM): WX21083043

This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Project profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted.

• Project County: Graves

• Is it a multi-county project: Yes No

• Project Submitted By: Purchase

• Select the PWSID# from the list below:

Available:

- 0010082
- 0010702
- 0020386
- 0020956
- 0030007
- 0030239
- 0030660
- 0040015
- 0040020

Selected:

0420084

Include >

< Remove

3. Legal Applicant

• Legal Applicant: Consumers Water District

Water Utility which will own proposed improvements:
(if different from Legal Applicant)

• Organizational Structure: Water District

Authorized Official Information

• First Name: Henry • Last Name: Hodges M.I.:

• Title: CHAIRMAN

• Street Address Line 1: 1002 MEDICAL DR

Street Address Line 2:

• P.O. Box: 588

• City: MAYFIELD

• State: KY

• Zip: 42066

• County: GRAVES
 • Telephone: (270) 251-6222 Ext:
 Fax: (270) 251-6110
 Email: HENRY.HODGES@PURCHASEADD.ORG

Contact Person Information

• First Name: HENRY • Last Name: HODGES M.I.:
 • Title: CHAIRMAN
 • Street Address Line 1: 1002 MEDICAL DR
 Street Address Line 2:
 • P.O. Box: 588
 • City: MAYFIELD • State: KY • Zip: 42066
 • County: GRAVES
 • Telephone: (270) 251-6222 Ext:
 Fax: (270) 251-6110
 Email: HENRY.HODGES@PURCHASEADD.ORG

Project Administrator Information

• First Name: ADAM • Last Name: SCOTT M.I.:
 Title: PROJECT ADMINISTRATOR
 Street Address Line 1: 1002 MEDICAL DR
 Street Address Line 2:
 P.O. Box: 588
 City: MAYFIELD State: KY Zip: 42066
 County: GRAVES
 • Telephone: (270) 251-6138 Ext:
 Fax: (270) 251-6110
 Email: ADAM.SCOTT@PURCHASEADD.ORG

Consulting Engineer Information

• First Name: • Last Name: M.I.:
 Firm:
 Street Address Line 1:
 Street Address Line 2:
 P.O. Box:
 City: State: Zip:
 County:
 • Telephone: Ext:
 Fax:
 Email:

4. Project Type (atleast one required/check all that apply):

- Planning
- Design
- Construction
- Management

5. Project Alternatives: Please list a minimum of three:

- a.* CONSUMERS COULD CONTINUE TO OPERATE UNDER THE CURRENT ARRANGEMENT. HOWEVER, THIS DEMAND IS CLOSE TO THE MAX CAPACITY THAT MAYFIELD ELECTRIC & WATER SYSTEMS CAN PROVIDE
- b.* RESOLVE SAND AND PUMP ISSUES, AND PUT OLD WELL BACK IN SERVICE
- c.* Do nothing

6. Special Impact(s) of Proposed Water Project:

- a.* New service/improve service to 0 unserved 100 underserved households
- b. Number of new jobs: 0 Number of retained jobs: 0
- c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)
IMPROVED WATER CIRCULATION, BACKUP SUPPLY POINT
- d.* Does proposed activity relate to public health protection emergency: Yes No
- e.* Does project involve regionalization: Yes No
- f. Number of systems affected/involved: 2

7.* Median Household Income of Service Area:

\$ 30874

8.* Project Start Schedule:

- Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

- Estimated Local Funding Amount \$ 0
- Estimated Other Funding Amount (all sources) \$ 302280
- Total Estimated Project Cost \$ 302280

10. Project Data - Water (complete all items which apply to your project)

- a.* Is project related to source protection? Yes No

Drinking Water Facilities

- b.* Is project related to source? Yes No
- c.* Is project related to water treatment? Yes No
- d.* Is project related to distribution (Extension/Rehab)? Yes No

Check all that apply to your project

- Extension Water Tank
- Rehab/Improvement Pump Station

Proposed project involves construction of line

Total linear feet 11000 of new line
 Line Size (in inches) 2 3 4 6 8 10 greater than 10
 Material Ductile Iron PVC PE Other

Project activity improves pressure, as a result of

Replacement of 0 total linear feet of inadequately sized lines
 0 total gallons of increased storage due to additional demand
 Leaks, Breaks, or restrictive flows due to age

Project activity improves water quality by providing:

- Adequate turnover of water
- Proper maintenance of disinfection residual

Replacement of 0 total linear feet of lead, copper, asbestos-cement lines

Briefly describe why the above items apply to your project:

e. Management (describe)

f. Other (describe)

g. Date Project was approved by the Area Water Management Planning Council: 11/15/2007

KENTUCKY WATER PROJECT PROFILE

Areas indicated with (*) are required fields.

1. Project Title (use title which will be identifiable by local community):

CONSUMERS WD-SCOTT ROAD LOOP

2. Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage or other)

CONSUMERS WATER DISTRICT PLANS TO CREATE A LOOP ON SCOTT ROAD, SERVING APPROXIMATELY 5 POTENTIAL NEW CUSTOMERS. THIS WILL BRING BETTER FLOW IN THIS AREA, CURRENTLY SERVED BY A NUMBER OF DEAD-END LINES.

• Project Descriptor: EXTENSION

• WRIS Project Number (PNUM): WX21035041

This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Project profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted.

• Project County: Graves

• Is it a multi-county project: Yes No

• Project Submitted By: Purchase

• Select the PWSID# from the list below:

Available:

- 0010082
- 0010702
- 0020386
- 0020956
- 0030007
- 0030239
- 0030660
- 0040015
- 0040020

Include >

< Remove

Selected:

0420084

3. Legal Applicant

• Legal Applicant: CONSUMERS WATER DISTRICT

Water Utility which will own proposed improvements:
(if different from Legal Applicant)

• Organizational Structure: Water District

Authorized Official Information

• First Name: HENRY • Last Name: HODGES M.I.:

• Title: CHAIRMAN

• Street Address Line 1: 1002 MEDICAL DRIVE

Street Address Line 2:

• P.O. Box: 588

• City: MAYFIELD • State: KY • Zip: 42066

• County: GRAVES
 • Telephone: (270) 251-6122 Ext:
 Fax: 270-251-6110
 Email: HENRY.HODGES@PURCHASEADD.ORG

Contact Person Information

• First Name: SHEILA • Last Name: ROGERS M.I.:
 • Title: PROJECT ADMINISTRATOR
 • Street Address Line 1: 1002 MEDICAL DRIVE
 Street Address Line 2:
 • P.O. Box: 588
 • City: MAYFIELD • State: KY • Zip: 42066
 • County: GRAVES
 • Telephone: 270-251-6117 Ext:
 Fax: 270-251-6110
 Email: SHEILA.ROGERS@PURCHASEADD.ORG

Project Administrator Information

• First Name: SHEILA • Last Name: ROGERS M.I.:
 Title: PROJECT ADMINISTRATOR
 Street Address Line 1: 1002 MEDICAL DRIVE
 Street Address Line 2:
 P.O. Box: 588
 City: MAYFIELD State: KY Zip: 42066
 County: GRAVES
 • Telephone: 270-251-6117 Ext:
 Fax: 270-251-6110
 Email: SHEILA.ROGERS@PURCHASEADD.ORG

Consulting Engineer Information

• First Name: TIM • Last Name: GRAVES M.I.:
 Firm: WASTE MANAGEMENT SERVICES
 Street Address Line 1: 111 BUSH ROAD
 Street Address Line 2:
 P.O. Box: 17650
 City: NASHVILLE State: TN Zip: 37217
 County: DAVIDSON
 • Telephone: 615-366-6088 Ext:
 Fax: 615-366-6203
 Email: TGRAVES@WMSENGINEERS.COM

4. Project Type (atleast one required/check all that apply):

- Planning
 Design
 Construction
 Management

5. Project Alternatives: Please list a minimum of three:

- a. SERVE WITH LARGER LINE, UPGRADE EXISTING LINES.
- b. SERVE WITH SMALLER LINE, WHICH MAY NOT COMPLY WITH DOW REQUIREMENTS.
- c. DO NOTHING.

6. Special Impact(s) of Proposed Water Project:

- a. New service/improve service to 5 unserved 0 underserved households
- b. Number of new jobs: 0 Number of retained jobs: 0
- c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)
- d. Does proposed activity relate to public health protection emergency: Yes No
- e. Does project involve regionalization: Yes No
- f. Number of systems affected/involved: 1

7. Median Household Income of Service Area:

\$ 30874

8. Project Start Schedule:

- Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

- Estimated Local Funding Amount \$ 0
- Estimated Other Funding Amount (all sources) \$ 123398
- Total Estimated Project Cost \$ 123398

10. Project Data - Water (complete all items which apply to your project)

- a. Is project related to source protection? Yes No
- Drinking Water Facilities**
- b. Is project related to source? Yes No
- c. Is project related to water treatment? Yes No
- d. Is project related to distribution (Extension/Rehab)? Yes No

Check all that apply to your project

- Extension Water Tank
- Rehab/Improvement Pump Station

Proposed project involves construction of line

- Total linear feet 8700 of new line
- Line Size (in inches) 2 3 4 6 8 10 greater than 10
- Material Ductile Iron PVC PE Other

Project activity improves pressure, as a result of

- Replacement of 0 total linear feet of inadequately sized lines
- 0 total gallons of increased storage due to additional demand
- Leaks, Breaks, or restrictive flows due to age

Project activity improves water quality by providing:

- Adequate turnover of water
- Proper maintenance of disinfection residual
- Replacement of 0 total linear feet of lead, copper, asbestos-cement lines

Briefly describe why the above items apply to your project:

e. Management (describe)

f. Other (describe)

g. Date Project was approved by the Area Water Management Planning Council: 12/14/2006

KENTUCKY WATER PROJECT PROFILE

Areas indicated with (*) are required fields.

1. Project Title (use title which will be identifiable by local community):

BENDEFIELD WATER ASSOCIATION - CONSUMERS WATER DISTRICT MERGER

2. Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage or other)

THIS PROJECT WILL EXTEND A LINE FROM THE CONSUMERS SYSTEM ALONG KY-121 ACROSS THE GRAVES COUNTY LINE, AND DOWN BENDEFIELD LANE. CONSUMERS WILL THEN PROVIDE METERED WATER SERVICE TO THIS SUBDIVISION.

• Project Descriptor: MERGER

• WRIS Project Number (PNUM): WX21035015

This number is assigned by an ACD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Project profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted.

• Project County: Calloway

• Is it a multi-county project: Yes No

• Project Submitted By: Purchase

• Select the PWSID# from the list below:

Available:

- 0010082
- 0010702
- 0020386
- 0020956
- 0030007
- 0030239
- 0030660
- 0040015
- 0040020

Include >

< Remove

Selected:

0180103

3. Legal Applicant

• Legal Applicant: BENDEFIELD WATER ASSOCIATION

Water Utility which will own proposed improvements: CONSUMERS WATER DISTRICT
(if different from Legal Applicant)

• Organizational Structure: Water District

Authorized Official Information

• First Name: JOHN • Last Name: HUDSON • M.I.:

• Title: PRESIDENT

• Street Address Line 1: 78 BENDEFIELD LANE

Street Address Line 2:

• P.O. Box:

• City: FARMINGTON • State: KY • Zip: 42040

• County: CALLOWAY

• Telephone: (270) 489-2990 Ext:

Fax:

Email:

Contact Person Information

• First Name: JOHN • Last Name: HUDSON M.I.:

• Title: PRESIDENT

• Street Address Line 1: 78 BENEFIELD LANE

Street Address Line 2:

• P.O. Box:

• City: FARMINGTON • State: KY • Zip: 42040

• County: CALLOWAY

• Telephone: (270) 489-2990 Ext:

Fax:

Email:

Project Administrator Information

• First Name: JOHN • Last Name: HUDSON M.I.:

Title: PRESIDENT

Street Address Line 1: 78 BENEFIELD LANE

Street Address Line 2:

P.O. Box:

City: FARMINGTON State: KY Zip: 42040

County: CALLOWAY

• Telephone: (270) 489-2990 Ext:

Fax:

Email:

Consulting Engineer Information

• First Name: • Last Name: M.I.:

Firm:

Street Address Line 1:

Street Address Line 2:

P.O. Box:

City: State: Zip:

County:

• Telephone: Ext:

Fax:

Email:

4.- Project Type (atleast one required/check all that apply):

- Planning
- Design
- Construction
- Management

5. Project Alternatives: Please list a minimum of three:

- a.* EXTEND A LINE TO THE MURRAY WATER SYSTEM, A DISTANCE OF APPROXIMATELY TEN MILES.
- b.* DRILL PRIVATE WELLS FOR EACH HOME IN THE BENDEFIELD SUBDIVISION.
- c.* INCREASE THE CURRENT RATE TO COVER ALL OPERATING COSTS ASSOCIATED WITH KENTUCKY DIVISION OF WATER COMPLIANCE.

6. Special Impact(s) of Proposed Water Project:

- a.* New service/improve service to 0 unserved 19 underserved households
- b. Number of new jobs: 0 Number of retained jobs: 0
- c. Other beneficial technical, managerial, fiscal impacts: (20 words or less) IMPROVED MANAGEMENT AND OPERATION.
- d.* Does proposed activity relate to public health protection emergency: Yes No
- e.* Does project involve regionalization: Yes No
- f. Number of systems affected/involved: 2

7.* Median Household Income of Service Area:

\$ 30134

8.* Project Start Schedule:

Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

* Estimated Local Funding Amount \$ 0

* Estimated Other Funding Amount (all sources) \$ 75000

Total Estimated Project Cost \$ 75000

10. Project Data - Water (complete all items which apply to your project)

a.* Is project related to source protection? Yes No

Drinking Water Facilities

b.* Is project related to source? Yes No

Number of new surface/spring sources 0 Total MGD 0

Number of new wells 0 Total MGD 0

Elimination of Public Water Systems through Mergers

1 Number of systems serving 500 or fewer population

0 Number of systems serving 501-3,000 population

0 Number of systems serving 3,001-10,000 population

0 Number of systems serving 10,001 or greater population

Interconnections

1 Number of water treatment plants eliminated

0 Number of supplemental potable water supply

0 Number of emergency backup potable water supply

Source Water Quantity and Quality

1 Number of existing raw water sources replaced

0 Number of existing raw water sources supplemented

Briefly describe why the above items apply to your project:

BENDEFIELD WATER ASSOCIATION CURRENTLY HAS A WELL AND CHLORINATION TANK FOR TREATMENT. IT IS BECOMING INCREASINGLY DIFFICULT TO MEET THE COSTS OF OPERATIONAL COMPLIANCE DUE TO THE ASSOCIATION'S SMALL CUSTOMER BASE.

- c. Is project related to water treatment? Yes No
- d. Is project related to distribution (Extension/Rehab)? Yes No

Check all that apply to your project

- Extension Water Tank
- Rehab/Improvement Pump Station

Proposed project involves construction of line

Total linear feet 2000 of new line

Line Size (in inches) 2 3 4 6 8 10 greater than 10

Material Ductile Iron PVC PE Other

Project activity improves pressure, as a result of

Replacement of 0 total linear feet of inadequately sized lines

0 total gallons of increased storage due to additional demand

Leaks, Breaks, or restrictive flows due to age

Project activity improves water quality by providing:

- Adequate turnover of water
- Proper maintenance of disinfection residual

Replacement of 0 total linear feet of lead, copper, asbestos-cement lines

Briefly describe why the above items apply to your project:

CONSUMERS WATER DISTRICT HAS THE MANPOWER TO ENABLE PROPER MAINTENANCE AND IMPROVE PRESSURE. FLOURIDE IS ALSO ADDED TO THE WATER, WHICH IS CURRENTLY NOT PART OF BENDEFIELD'S TREATMENT PROCESS.

e. Management (describe)

THE CONSUMERS WATER DISTRICT WILL OWN AND MANAGE, AND THE BENDEFIELD WATER ASSOCIATION WILL DISSOLVE.

f. Other (describe)

g. Date Project was approved by the Area Water Management Planning Council: 11/16/2004

KENTUCKY WATER PROJECT PROFILE

Areas indicated with (*) are required fields.

1. Project Title (use title which will be identifiable by local community):

CONSUMERS WD-CUBA WATER TANK

2. Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage or other)

THE CONSUMERS WATER DISTRICT WILL BE REQUIRED TO PLACE A TANK IN THE CUBA COMMUNITY UPON COMPLETION OF THE LOOP PROJECT. THIS PROJECT WILL MOVE AN EXISTING TANK TO CUBA. CUSTOMERS IN THIS AREA WILL EXPERIENCE BETTER PRESSURE AND OVERALL QUALITY OF WATER.

Project Descriptor: WATER TANK

WRIS Project Number (PNUM): WX21083037

This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Project profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted.

Project County: Graves

Is it a multi-county project: Yes No

Project Submitted By: Purchase

Select the PWSID# from the list below:

Available:

- 0010082
- 0010702
- 0020386
- 0020956
- 0030007
- 0030239
- 0030660
- 0040015
- 0040020

Selected:

0420084

Include >

< Remove

3. Legal Applicant

Legal Applicant: CONSUMERS WATER DISTRICT

Water Utility which will own proposed improvements:
(if different from Legal Applicant)

Organizational Structure: Water District

Authorized Official Information

First Name: HENRY

Last Name: HODGES

M.I.:

Title: CHAIRMAN

Street Address Line 1: 1002 MEDICAL DRIVE

Street Address Line 2:

P.O. Box:

City: MAYFIELD

State: KY

Zip: 42066

• County: GRAVES

• Telephone: (270) 247-3531

Ext:

Fax: 270-247-8852

Email:

Contact Person Information

• First Name: HENRY

• Last Name: HODGES

M.I.:

• Title: CHAIRMAN

• Street Address Line 1: 1002 MEDICAL DRIVE

Street Address Line 2:

• P.O. Box:

• City: MAYFIELD

• State: KY

• Zip: 42066

• County: GRAVES

• Telephone: (270) 247-3531

Ext:

Fax: 270-247-8852

Email:

Project Administrator Information

• First Name: SHEILA

• Last Name: ROGERS

M.I.:

Title: PROJECT ADMINISTRATOR

Street Address Line 1: 1002 MEDICAL DRIVE

Street Address Line 2:

P.O. Box:

City: MAYFIELD

State: KY

Zip: 42066

County: GRAVES

• Telephone: 270-247-3531

Ext:

Fax: 270-247-8852

Email:

Consulting Engineer Information

• First Name:

• Last Name:

M.I.:

Firm:

Street Address Line 1:

Street Address Line 2:

P.O. Box:

City:

State:

Zip:

County:

• Telephone:

Ext:

Fax:

Email:

4. Project Type (atleast one required/check all that apply):

Planning

Design

Construction

Management

5. Project Alternatives: Please list a minimum of three:

a. CONSTRUCT NEW TANK, WHICH WILL BE CONSIDERABLY MORE EXPENSIVE.

b. DO NOTHING.

c. DO NOTHING.

6. Special Impact(s) of Proposed Water Project:

a. New service/improve service to 0 unserved 200 underserved households

b. Number of new jobs: 0 Number of retained jobs: 0

c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)

THIS WILL INCREASE THE PRESSURE IN THE CUBA AREA, AND AID IN FURTHER GROWTH OF THE WATER SYSTEM.

d. Does proposed activity relate to public health protection emergency: Yes No

e. Does project involve regionalization: Yes No

f. Number of systems affected/involved: 1

7. Median Household Income of Service Area:

\$ 30874

8. Project Start Schedule:

Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

Estimated Local Funding Amount \$ 0

Estimated Other Funding Amount (all sources) \$ 337480

Total Estimated Project Cost \$ 337480

10. Project Data - Water (complete all items which apply to your project)

a. Is project related to source protection? Yes No

Drinking Water Facilities

b. Is project related to source? Yes No

c. Is project related to water treatment? Yes No

d. Is project related to distribution (Extension/Rehab)? Yes No

Check all that apply to your project

Extension Water Tank

Rehab/Improvement Pump Station

Proposed project involves construction of line

Total linear feet 0 of new line

Line Size (in inches) 2 3 4 6 8 10 greater than 10

Material Ductile Iron PVC PE Other

Project activity improves pressure, as a result of

Replacement of 0 total linear feet of inadequately sized lines

0 total gallons of increased storage due to additional demand

Leaks, Breaks, or restrictive flows due to age

Project activity improves water quality by providing:

Adequate turnover of water

Proper maintenance of disinfection residual

Replacement of 0 total linear feet of lead, copper, asbestos-cement lines

Briefly describe why the above items apply to your project:

e. Management (describe)

f. Other (describe)

g. Date Project was approved by the Area Water Management Planning Council: 10/27/2005

KENTUCKY WATER PROJECT PROFILE

Areas indicated with (*) are required fields.

1. Project Title (use title which will be identifiable by local community):

CONSUMERS WD-SEDALIA WATER DISTRICT INTERCONNECT

2. Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage or other)

THE CONSUMERS WATER DISTRICT CURRENTLY SURROUNDS THE SEDALIA WATER DISTRICT. THIS PROJECT WILL COMPLETE TWO INTERCONNECTS WITH THE SEDALIA WATER DISTRICT, WHICH WILL AID AS A BACKUP IN CASE OF EMERGENCY. IT WILL ALSO ALLOW CONSUMERS TO EVENTUALLY CONSOLIDATE SERVICE WITH THE SEDALIA WATER DISTRICT. THE PROJECT WILL ALSO ADD 18 NEW CUSTOMERS WITH THE EXTENSIONS.

• Project Descriptor: INTERCONNECTION

• WRIS Project Number (PNUM): WX21083005

This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Project profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted.

• Project County: Graves

• Is it a multi-county project: Yes No

• Project Submitted By: Purchase

• Select the PWSID# from the list below:

Available:

- 0010082
- 0010702
- 0020386
- 0020956
- 0030007
- 0030239
- 0030660
- 0040015
- 0040020

Selected:

0420084

Include >

< Remove

3. Legal Applicant

• Legal Applicant: CONSUMERS WATER DISTRICT

Water Utility which will own proposed improvements:
(if different from Legal Applicant)

• Organizational Structure: Water District

Authorized Official Information

• First Name: HENRY

• Last Name: HODGES

M.I.:

• Title: CHAIRMAN

• Street Address Line 1: 1002 MEDICAL DRIVE

Street Address Line 2:

• P.O. Box:

• City: MAYFIELD

• State: KY

• Zip: 42066

• County: GRAVES
 • Telephone: (270) 247-3531 Ext:
 Fax: 270-247-8852
 Email:

Contact Person Information

• First Name: HENRY • Last Name: HODGES M.I.:
 • Title: CHAIRMAN
 • Street Address Line 1: 1002 MEDICAL DRIVE
 Street Address Line 2:
 • P.O. Box:
 • City: MAYFIELD • State: KY • Zip: 42066
 • County: GRAVES
 • Telephone: 270-247-3531 Ext:
 Fax: 270-247-8852
 Email:

Project Administrator Information

• First Name: SHEILA • Last Name: ROGERS M.I.:
 Title: PROJECT ADMINISTRATOR
 Street Address Line 1: 1002 MEDICAL DRIVE
 Street Address Line 2:
 P.O. Box:
 City: MAYFIELD State: KY Zip: 42066
 County: GRAVES
 • Telephone: 270-247-3531 Ext:
 Fax: 270-247-8852
 Email:

Consulting Engineer Information

• First Name: • Last Name: M.I.:
 Firm:
 Street Address Line 1:
 Street Address Line 2:
 P.O. Box:
 City: State: Zip:
 County:
 • Telephone: Ext:
 Fax:
 Email:

4. Project Type (atleast one required/check all that apply):

- Planning
- Design
- Construction
- Management

5. Project Alternatives: Please list a minimum of three:

a.* MERGE THE TWO WATER SYSTEMS.

b.* COMPLETE ONLY ONE INTERCONNECT.

c.* DO NOTHING.

6. Special Impact(s) of Proposed Water Project:

a.* New service/improve service to 18 unserved 140 underserved households

b. Number of new jobs: 0 Number of retained jobs: 0

c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)

d.* Does proposed activity relate to public health protection emergency: Yes No

e.* Does project involve regionalization: Yes No

f. Number of systems affected/involved: 2

7. Median Household Income of Service Area:

\$ 30874

8. Project Start Schedule:

Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

Estimated Local Funding Amount \$ 0

Estimated Other Funding Amount (all sources) \$ 225000

Total Estimated Project Cost \$ 225000

10. Project Data - Water (complete all items which apply to your project)

a.* Is project related to source protection? Yes No

Acres 0

Cost (\$/acre) 0

Use control (r/c)

Drinking Water Facilities

b.* Is project related to source? Yes No

Number of new surface/spring sources 0 Total MGD 0

Number of new wells 0 Total MGD 0

Elimination of Public Water Systems through Mergers

1 Number of systems serving 500 or fewer population

0 Number of systems serving 501-3,000 population

0 Number of systems serving 3,001-10,000 population

0 Number of systems serving 10,001 or greater population

Interconnections

1 Number of water treatment plants eliminated

0 Number of supplemental potable water supply

0 Number of emergency backup potable water supply

Source Water Quantity and Quality

- 1 Number of existing raw water sources replaced
 - 0 Number of existing raw water sources supplemented
- Briefly describe why the above items apply to your project:

c. Is project related to water treatment? Yes No

If new or expanded plant, proposed design capacity 0 MGD (as a result of this project)

Project will involve expansion or modification of Microbiology and Turbidity

- Pre-filtration (CT/Microbial removal)
- Filtration (Surface Water Treatment Rule Compliance)
- Disinfection Process (CT/Microbial Inactivation)

Best Available Technologies

- VOCs IOCs SOCs Radionuclides
- Disinfectants Disinfection by-products
- Secondary contaminants

d. Is project related to distribution (Extension/Rehab)? Yes No

Check all that apply to your project.

- Extension Water Tank

KENTUCKY WATER PROJECT PROFILE

Areas indicated with (*) are required fields.

1. Project Title (use title which will be identifiable by local community):

Consumers Water District/South Graves Water District Interconnection

2. Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage or other)

This interconnect, between Consumers Water District and South Graves Water District, would provide a backup source of water in the event of an emergency,

• Project Descriptor: Consumers / South Graves Interconnect

• WRIS Project Number (PNUM): WX21083022

This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Project profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted.

• Project County: Graves

• Is it a multi-county project: Yes No

• Project Submitted By: Purchase

• Select the PWSID# from the list below:

Available:

- 0010082
- 0010702
- 0020386
- 0020956
- 0030007
- 0030239
- 0030660
- 0040015
- 0040020

Selected:

0420084

Include >

< Remove

3. Legal Applicant

• Legal Applicant: Consumers Water District

Water Utility which will own proposed improvements: Consumers Water District
(if different from Legal Applicant)

• Organizational Structure: Water District

Authorized Official Information

• First Name: Henry • Last Name: Hodges • M.I.:

• Title: Chairman

• Street Address Line 1: 4182 State Route 121 S

Street Address Line 2:

• P.O. Box:

• City: Mayfield

• State: KY • Zip: 42066

• County: Graves
 • Telephone: (270) 251-6122 Ext:
 Fax: 270-251-6110
 Email: henry.hodges@mail.state.ky.us

Contact Person Information

• First Name: Debbie • Last Name: Ivy M.I.:
 • Title: Office Manager
 • Street Address Line 1: 4182 State Route 121 S
 Street Address Line 2:
 • P.O. Box:
 • City: Mayfield • State: KY • Zip: 42066
 • County: Graves
 • Telephone: 270-247-3531 Ext:
 Fax: 270-247-8852
 Email: consumerwater@wk.net

Project Administrator Information

• First Name: Mark • Last Name: Davis M.I.:
 Title: Physical Planning Director
 Street Address Line 1: 1002 Medical Drive
 Street Address Line 2:
 P.O. Box: 588
 City: Mayfield State: KY Zip: 42066
 County: Graves
 • Telephone: 270-251-6126 Ext:
 Fax: 270-251-6110
 Email: mark.davis@mail.state.ky.us

Consulting Engineer Information

• First Name: • Last Name: M.I.:
 Firm:
 Street Address Line 1:
 Street Address Line 2:
 P.O. Box:
 City: State: Zip:
 County:
 • Telephone: Ext:
 Fax:
 Email:

4. Project Type (atleast one required/check all that apply):

- Planning
 Design
 Construction
 Management

5. Project Alternatives: Please list a minimum of three:

- a.* Complete an interconnection between the Consumers and South Graves systems.
- b.* Continue to operate both systems independently.
- c.* Explore the possibility of establishing a link with Mayfield Electric & Water for both systems.

6. Special Impact(s) of Proposed Water Project:

- a.* New service/improve service to unserved underserved households
- b. Number of new jobs: Number of retained jobs:
- c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)
- d.* Does proposed activity relate to public health protection emergency: Yes No
- e.* Does project involve regionalization: Yes No
- f. Number of systems affected/involved:

7. Median Household Income of Service Area:

\$

8. Project Start Schedule:

- Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

- Estimated Local Funding Amount \$
- Estimated Other Funding Amount (all sources) \$
- Total Estimated Project Cost \$

10. Project Data - Water (complete all items which apply to your project)

- a.* Is project related to source protection? Yes No
- Acres
- Cost (\$/acre)
- Use control (r/c)

Drinking Water Facilities

- b.* Is project related to source? Yes No
- Number of new surface/spring sources Total MGD
- Number of new wells Total MGD

Elimination of Public Water Systems through Mergers

- Number of systems serving 500 or fewer population
- Number of systems serving 501-3,000 population
- Number of systems serving 3,001-10,000 population
- Number of systems serving 10,001 or greater population

Interconnections

- Number of water treatment plants eliminated
- Number of supplemental potable water supply
- Number of emergency backup potable water supply

Source Water Quantity and Quality

0 Number of existing raw water sources replaced
 0 Number of existing raw water sources supplemented
 Briefly describe why the above items apply to your project:



c. Is project related to water treatment? Yes No

If new or expanded plant, proposed design capacity MGD (as a result of this project)

Project will involve expansion or modification of Microbiology and Turbidity

- Pre-filtration (CT/Microbial removal)
- Filtration (Surface Water Treatment Rule Compliance)
- Disinfection Process (CT/Microbial Inactivation)

Best Available Technologies

- VOCs IOCs SOCs Radionuclides
- Disinfectants Disinfection by-products
- Secondary contaminants

d. Is project related to distribution (Extension/Rehab)? Yes No

Check all that apply to your project

- Extension Water Tank

KENTUCKY WATER PROJECT PROFILE

Areas indicated with (*) are required fields.

1. Project Title (use title which will be identifiable by local community):

CONSUMERS WD-GRAVES COUNTY/CUBA SOUTHERN LOOP

2. Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage or other)

Extend the Consumers Water District line from Lynnville, through the Cuba Community, and complete the Graves County southern loop by connecting with an existing line at the intersection of KY 303 and KY 339. This project will also serve the Cuba Elementary School. Completion of this loop will increase system efficiency by improving pressure and water circulation in the system.

• Project Descriptor: Cuba Water Line

• WRIS Project Number (PNUM): WX21083023

This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Project profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted.

• Project County: Graves

• Is it a multi-county project: Yes No

• Project Submitted By: Purchase

• Select the PWSID# from the list below:

Available:

- 0010082
- 0010702
- 0020386
- 0020956
- 0030007
- 0030239
- 0030660
- 0040015
- 0040020

Selected:

0420084

Include >

< Remove

3. Legal Applicant

• Legal Applicant: Consumers Water District

Water Utility which will own proposed improvements:
(if different from Legal Applicant)

• Organizational Structure: Water District

Authorized Official Information

• First Name: Henry • Last Name: Hodges • M.I.:

• Title: Chairman

• Street Address Line 1: 1002 Medical Drive

Street Address Line 2:

• P.O. Box: 588

• City: Mayfield • State: KY • Zip: 42066

• County: Graves
 • Telephone: (270) 251-6122 Ext:
 Fax: 270-251-6110
 Email: henry.hodges@purchaseadd.org

Contact Person Information

• First Name: Sheila • Last Name: Rogers M.I.:
 • Title: Project Administrator
 • Street Address Line 1: 1002 Medical Drive
 Street Address Line 2:
 • P.O. Box: 588
 • City: Mayfield • State: KY • Zip: 42066
 • County: Graves
 • Telephone: 270-247-7171 Ext:
 Fax: 270-251-6110
 Email: sheila.rogers@purchaseadd.org

Project Administrator Information

• First Name: Sheila • Last Name: Rogers M.I.:
 Title: Project Administrator
 Street Address Line 1: 1002 Medical Drive
 Street Address Line 2:
 P.O. Box: 588
 City: Mayfield State: KY Zip: 42066
 County: Graves
 • Telephone: 270-251-6117 Ext:
 Fax: 270-251-6110
 Email: sheila.rogers@purchaseadd.org

Consulting Engineer Information

• First Name: Tim • Last Name: Graves M.I.:
 Firm: Water Management Services
 Street Address Line 1: 111 Bush Road
 Street Address Line 2:
 P.O. Box: 17650
 City: Nashville State: TN Zip: 37217
 County: Davidson
 • Telephone: 615-366-6088 Ext:
 Fax: 615-366-6203
 Email: tgraves@wmsengineers.com

4. Project Type (atleast one required/check all that apply):

- Planning
 Design
 Construction
 Management

5. Project Alternatives: Please list a minimum of three:

- a.* Complete the Consumers south Graves County water line loop.
- b.* Continue to operate the Cuba Water System, Cuba Elementary System and numerous individual wells.
- c.* Extend a line from South Graves Water District to serve the Cuba Area.

6. Special Impact(s) of Proposed Water Project:

- a.* New service/improve service to unserved underserved households
- b. Number of new jobs: Number of retained jobs:
- c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)
 This project increases the District's customer base, improves pressure & water circulation and provides high quality water at a moderate price.
- d.* Does proposed activity relate to public health protection emergency: Yes No
- e.* Does project involve regionalization: Yes No
- f. Number of systems affected/involved:

7. Median Household Income of Service Area:

\$

8. Project Start Schedule:

- Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

- Estimated Local Funding Amount \$
- Estimated Other Funding Amount (all sources) \$
- Total Estimated Project Cost \$

10. Project Data - Water (complete all items which apply to your project)

- a.* Is project related to source protection? Yes No

Drinking Water Facilities

- b.* Is project related to source? Yes No

Number of new surface/spring sources Total MGD

Number of new wells Total MGD

Elimination of Public Water Systems through Mergers

- Number of systems serving 500 or fewer population
- Number of systems serving 501-3,000 population
- Number of systems serving 3,001-10,000 population
- Number of systems serving 10,001 or greater population

Interconnections

- Number of water treatment plants eliminated
- Number of supplemental potable water supply
- Number of emergency backup potable water supply

Source Water Quantity and Quality

- Number of existing raw water sources replaced
- Number of existing raw water sources supplemented

Briefly describe why the above items apply to your project:

c. Is project related to water treatment? Yes No

d. Is project related to distribution (Extension/Rehab)? Yes No

Check all that apply to your project

Extension Water Tank

Rehab/Improvement Pump Station

Proposed project involves construction of line

Total linear feet 77000 of new line

Line Size (in inches) 2 3 4 6 8 10 greater than 10

Material Ductile Iron PVC PE Other

Project activity improves pressure, as a result of

Replacement of 0 total linear feet of inadequately sized lines

0 total gallons of increased storage due to additional demand

Leaks, Breaks, or restrictive flows due to age

Project activity improves water quality by providing:

Adequate turnover of water

Proper maintenance of disinfection residual

Replacement of 0 total linear feet of lead, copper, asbestos-cement lines

Briefly describe why the above items apply to your project:

The line currently serving this area dead ends. Completion of the proposed loop will provide for improved water turnover. This partially funded project has only 38,200 L.F. left to be constructed.

e. Management (describe)

f. Other (describe)

g. Date Project was approved by the Area Water Management Planning Council: 06/24/2003

KENTUCKY WASTEWATER PROJECT PROFILE

Areas indicated with (*) are required fields.

1. Project Title (use title which will be identifiable by local community):

GRAVES COUNTY-HARDEMAN COMMUNITY

2. Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage or other)

The proposed line picks up the community of Hardeman and other residents of Graves County. This is an area that has both residential and industrial growth potential. Approximately 9 miles of new 8" PVC and 3 lift stations will be needed to provide adequate sewer service.

Project Descriptor: LINE EXTENSION

WRIS Project Number (PNUM): SX21083002

This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Project profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted.

Project County: Graves

Is it a multi-county project: Yes No

Project Submitted By: Purchase

If wastewater project, KPDES#(s):

Available:

- KY0002801
- KY0020001
- KY0020010
- KY0020036
- KY0020044
- KY0020061
- KY0020079
- KY0020087
- KY0020095
- KY0020117

Include >

< Remove

Selected:

KY0021211

OR (atleast one required)

If wastewater collection project, KIMOP#(s)

Available:

- KYP000015
- KYP000032
- KYP000034
- KYP000035
- KYP000036
- KYP000037
- KYP000038
- KYP000039
- KYP000040
- KYP000041

Include >

< Remove

Selected:

None Selected..

3. Legal Applicant

Legal Applicant: GRAVES COUNTY FISCAL COURT

Wastewater Utility which will own proposed improvements:
(if different from Legal Applicant)

Organizational Structure: Fiscal Court

Authorized Official Information

• First Name: TONY • Last Name: SMITH M.I.:
 • Title: JUDGE/EXECUTIVE
 • Street Address Line 1: GRAVES COUNTY COURTHOUSE
 Street Address Line 2:
 • P.O. Box:
 • City: MAYFIELD • State: KY • Zip: 42066
 • County: GRAVES
 • Telephone: (270) 247-3626 Ext:
 Fax: 270-247-1274
 Email:

Contact Person Information

• First Name: TONY • Last Name: SMITH M.I.:
 • Title: JUDGE/EXECUTIVE
 • Street Address Line 1: GRAVES COUNTY COURTHOUSE
 Street Address Line 2:
 • P.O. Box:
 • City: MAYFIELD • State: KY • Zip: 42066
 • County: GRAVES
 • Telephone: 270-247-3626 Ext:
 Fax: 270-247-1274
 Email:

Project Administrator Information

• First Name: PURCHASE • Last Name: ADD M.I.:
 Title:
 Street Address Line 1: 1002 MEDICAL DRIVE
 Street Address Line 2:
 P.O. Box: 588
 City: MAYFIELD State: KY Zip: 42066
 County: GRAVES
 • Telephone: 270-247-7171 Ext:
 Fax: 270-251-6110
 Email:

Consulting Engineer Information

• First Name: • Last Name: M.I.:
 Firm:
 Street Address Line 1:
 Street Address Line 2:
 P.O. Box:
 City: State: Zip:
 County:
 • Telephone: Ext:
 Fax:
 Email:

4. Project Type (atleast one required/check all that apply):

- Facilities Planning
- Sewer System Evaluation Survey Report
- Design
- Construction
- Management

5. Project Alternatives: Please list a minimum of three:

- a.* CONTINUE TO USE SEPTIC TANKS WHERE THER IS HIGH CLAY CONTENT
- b.* SEPTIC SYSTEMS WILL EVENTUALLY FAIL IF NOT ALREADY FAILING
- c.* CONTAMINATION OF SURFACE STREAMS, ENVIRONMENTAL PROBLEMS/HEALTH HAZARDS

6. Special Impact(s) of Proposed Wastewater Project:

- a.* New service/improve service to 163 unserved 0 underserved households
- b. Number of new jobs: 0 Number of retained jobs: 0
- c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)
- d.* Does proposed activity relate to public health protection emergency: Yes No
- e.* Does project involve regionalization: Yes No
- f. Number of systems affected/involved: 1

7. Median Household Income of Service Area:

\$ 30874

8. Project Start Schedule:

- Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

- Estimated Local Funding Amount \$ 0
- Estimated Other Funding Amount (all sources) \$ 1620000
- Total Estimated Project Cost \$ 1620000

10. Project Data - Wastewater (complete all items which apply to this discrete project)

- a.* Is project related to modifications to treatment plant? Yes No
- b.* Is project related to new collector sewer construction? Yes No
Total linear feet 49000
- c.* Is project related to new interceptor sewer construction? Yes No
- d.* Is project related to sewer rehab? Yes No
- e. Number of lift stations required 0
- f. Management (describe)
- g.* Does your agency currently provide sewer service Yes No

TABLE 1: COST

Category						
Secondary Treatment	Advanced Treatment	I/I Removal	Sewer Rehab	Collector Sewers	Interceptor Sewers	Combined Sewer Overflows NPS Urban

0 0 0 0 1620000 0 0 0

--

Should be equal to Estimated Project Cost (q. 9)

Estimated Project Cost: \$ 1620000

Allocated: \$ 1620000

Remaining Funds: \$ 0

TABLE 2: NEEDS

Public Health Concerns as a results of this Project				
Number of Raw Sewage Discharges Eliminated	Number of Failing Septic Systems Eliminated	Septic Systems to be Eliminated	Total No. of WWTPs to be Eliminated	Total Average Design Flow from Eliminated WWTPs (MGD)
0	110	163	0	0

KPDES No.	Name of Plant Eliminated	Average Design Flow (MGD)
		0
		0
		0
		0
		0
		0

• Date Project was approved by the Area Water Management Planning Council: 11/13/2002

KENTUCKY WATER PROJECT PROFILE

Areas indicated with (*) are required fields.

1. Project Title (use title which will be identifiable by local community):

HARDEMAN WD-MAYFIELD INTERCONNECT

2. Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage or other)

The Hardeмон WD should be looped together at the northern and eastern points. Mayfield Electric and Water System should connect with Hardeмон Water District along KY 80 to provide a back up system for each supplier. HWD also has a need for a new well, tower, and several transmission lines.

• Project Descriptor: SYSTEM UPGRADE AND INTERCONNECT

• WRIS Project Number (PNUM): WX21083010

This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Project profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted.

• Project County: Graves

• Is it a multi-county project: Yes No

• Project Submitted By: Purchase

• Select the PWSID# from the list below:

Available:

- 0010082
- 0010702
- 0020386
- 0020956
- 0030007
- 0030239
- 0030660
- 0040015
- 0040020

Selected:

0420172

Include >

< Remove

3. Legal Applicant

• Legal Applicant: Hardeмон Water District

Water Utility which will own proposed improvements:
(if different from Legal Applicant)

• Organizational Structure: Water District

Authorized Official Information

• First Name: LOWELL • Last Name: SMITH M.I.:

• Title: CHAIRMAN

• Street Address Line 1: 25 STATE ROUTE 131

Street Address Line 2:

• P.O. Box:

• City: Mayfield

• State: KY

• Zip: 42066

• County: Graves
 • Telephone: (270) 247-3626 Ext: _____
 Fax: 270-247-1274
 Email: _____

Contact Person Information

• First Name: Eric • Last Name: Young M.I.: _____
 • Title: _____
 • Street Address Line 1: 25 STATE ROUTE 131
 Street Address Line 2: _____
 • P.O. Box: _____
 • City: MAYFIELD • State: KY • Zip: 42066
 • County: Graves
 • Telephone: 270-247-2222 Ext: _____
 Fax: _____
 Email: _____

Project Administrator Information

• First Name: Eric • Last Name: Young M.I.: _____
 Title: _____
 Street Address Line 1: 25 STATE ROUTE 131
 Street Address Line 2: _____
 P.O. Box: _____
 City: Mayfield State: Ky Zip: 42066
 County: Graves
 • Telephone: 270-247-2222 Ext: _____
 Fax: _____
 Email: _____

Consulting Engineer Information

• First Name: _____ • Last Name: _____ M.I.: _____
 Firm: _____
 Street Address Line 1: _____
 Street Address Line 2: _____
 P.O. Box: _____
 City: _____ State: _____ Zip: _____
 County: _____
 • Telephone: _____ Ext: _____
 Fax: _____
 Email: _____

4. Project Type (atleast one required/check all that apply):

- Planning
- Design
- Construction
- Management

5. Project Alternatives: Please list a minimum of three:

a.* do nothing



b.* do nothing



c.* do nothing



6. Special Impact(s) of Proposed Water Project:

a.* New service/improve service to 45 unserved 0 underserved households

b. Number of new jobs: 0 Number of retained jobs: 0

c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)



d.* Does proposed activity relate to public health protection emergency: Yes No

e.* Does project involve regionalization: Yes No

f. Number of systems affected/involved: 1

7. Median Household Income of Service Area:

\$ 30874

8. Project Start Schedule:

Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

* Estimated Local Funding Amount \$ 0

* Estimated Other Funding Amount (all sources) \$ 122096

Total Estimated Project Cost \$ 122096

10. Project Data - Water (complete all items which apply to your project)

a.* Is project related to source protection? Yes No

Drinking Water Facilities

b.* Is project related to source? Yes No

Number of new surface/spring sources 0 Total MGD 0

Number of new wells 0 Total MGD 0

Elimination of Public Water Systems through Mergers

0 Number of systems serving 500 or fewer population

0 Number of systems serving 501-3,000 population

0 Number of systems serving 3,001-10,000 population

0 Number of systems serving 10,001 or greater population

Interconnections

0 Number of water treatment plants eliminated

1 Number of supplemental potable water supply

0 Number of emergency backup potable water supply

Source Water Quantity and Quality

0 Number of existing raw water sources replaced

0 Number of existing raw water sources supplemented

Briefly describe why the above items apply to your project:

c. Is project related to water treatment? Yes No

d. Is project related to distribution (Extension/Rehab)? Yes No

e. Management (describe)

f. Other (describe)

g. Date Project was approved by the Area Water Management Planning Council: 05/09/2001

KENTUCKY WATER PROJECT PROFILE

Areas indicated with (*) are required fields.

1. Project Title (use title which will be identifiable by local community):

HARDEMAN WATER DISTRICT-TELEMETRY AND FENCE

2. Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage or other)

THIS PROJECT WILL UPGRADE THE TELEMETRY OF THE WATER PLANT AND PROVIDE FOR THE INSTALLATION OF A PERIMETER FENCE. ALSO, IN ORDER TO ACCURATELY INSTALL THE FENCE ALONG THE CORRECT PROPERTY LINES, SURVEY AND GPS WORK WILL ALSO BE INCLUDED AS PART OF THIS PROJECT.

Project Descriptor: TELEMETRY UPGRADE AND PERIMETER FENCE

WRIS Project Number (PNUM): WX21083031

This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Project profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted.

Project County: Graves

Is it a multi-county project: Yes No

Project Submitted By: Purchase

Select the PWSID# from the list below:

Available:

- 0010082
- 0010702
- 0020386
- 0020956
- 0030007
- 0030239
- 0030660
- 0040015
- 0040020

Include >

< Remove

Selected:

0420172

3. Legal Applicant

Legal Applicant: HARDEMAN WATER DISTRICT

Water Utility which will own proposed improvements:
(if different from Legal Applicant)

Organizational Structure: Water District

Authorized Official Information

First Name: LOWELL Last Name: SMITH M.I.:

Title: CHAIRMAN

Street Address Line 1: 2365 STATE ROUTE 80 EAST

Street Address Line 2:

P.O. Box: 26

City: MAYFIELD State: KY Zip: 42066

• County: GRAVES
 • Telephone: (270) 247-2222 Ext: _____
 Fax: _____
 Email: _____

Contact Person Information

• First Name: LOWELL • Last Name: SMITH M.I.: _____
 • Title: CHAIRMAN
 • Street Address Line 1: 2365 STATE ROUTE 80 EAST
 Street Address Line 2: _____
 • P.O. Box: 26
 • City: MAYFIELD • State: KY • Zip: 42066
 • County: GRAVES
 • Telephone: (270) 247-2222 Ext: _____
 Fax: _____
 Email: _____

Project Administrator Information

• First Name: GRANT • Last Name: GREEN M.I.: _____
 Title: REGIONAL PLANNER
 Street Address Line 1: 2365 STATE ROUTE 80 EAST
 Street Address Line 2: _____
 P.O. Box: 26
 City: MAYFIELD State: KY Zip: 42066
 County: GRAVES
 • Telephone: (270) 247-2222 Ext: _____
 Fax: _____
 Email: _____

Consulting Engineer Information

• First Name: _____ • Last Name: _____ M.I.: _____
 Firm: _____
 Street Address Line 1: _____
 Street Address Line 2: _____
 P.O. Box: _____
 City: _____ State: _____ Zip: _____
 County: _____
 • Telephone: _____ Ext: _____
 Fax: _____
 Email: _____

4. Project Type (atleast one required/check all that apply):

- Planning
- Design
- Construction
- Management

5. Project Alternatives: Please list a minimum of three:

a. INSTALL OTHER TYPE PERIMETER FENCE.

b. FOREGO THE TELEMETRY UPGRADES.

c. DO NOT ERECT FENCE.

6. Special Impact(s) of Proposed Water Project:

a. New service/improve service to 0 unserved 390 underserved households

b. Number of new jobs: 0 Number of retained jobs: 0

c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)

d. Does proposed activity relate to public health protection emergency: Yes No

e. Does project involve regionalization: Yes No

f. Number of systems affected/involved: 1

7. Median Household Income of Service Area:

\$ 30874

8. Project Start Schedule:

Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

Estimated Local Funding Amount \$ 0

Estimated Other Funding Amount (all sources) \$ 62000

Total Estimated Project Cost \$ 62000

10. Project Data - Water (complete all items which apply to your project)

a. Is project related to source protection? Yes No

Drinking Water Facilities

b. Is project related to source? Yes No

c. Is project related to water treatment? Yes No

d. Is project related to distribution (Extension/Rehab)? Yes No

Check all that apply to your project

Extension Water Tank

Rehab/Improvement Pump Station

Proposed project involves construction of line

Total linear feet 0 of new line

Line Size (in inches) 2 3 4 6 8 10 greater than 10

Material Ductile Iron PVC PE Other

Project activity improves pressure, as a result of

Replacement of 0 total linear feet of inadequately sized lines

0 total gallons of increased storage due to additional demand

Leaks, Breaks, or restrictive flows due to age

Project activity improves water quality by providing:

Adequate turnover of water

Proper maintenance of disinfection residual

Replacement of 0 total linear feet of lead, copper, asbestos-cement lines

Briefly describe why the above items apply to your project:



e. Management (describe)



f. Other (describe)



g. Date Project was approved by the Area Water Management Planning Council: 05/25/2004

KENTUCKY WATER PROJECT PROFILE

Areas indicated with (*) are required fields.

1. Project Title (use title which will be identifiable by local community):

HARDEMAN WATER DISTRICT-WATER TANK REHAB

2. Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage or other)

TANK INSPECTORS RECOMMENDED REMOVING THE GREASE LINING AND AN EPOXY COATING BE APPLIED. OVERFLOW PIPE NEEDS REPAIR.

[Empty text area for project description]

• Project Descriptor: WATER TANK REHAB

• WRIS Project Number (PNUM): WX21083018

This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Project profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted

• Project County: Graves

• Is it a multi-county project: Yes No

• Project Submitted By: Purchase

• Select the PWSID# from the list below:

Available:

- 0010082
- 0010702
- 0020386
- 0020956
- 0030007
- 0030239
- 0030660
- 0040015
- 0040020

Include >

< Remove

Selected:

0420172

3. Legal Applicant

• Legal Applicant: HARDEMAN WATER DISTRICT

Water Utility which will own proposed improvements:
(if different from Legal Applicant)

• Organizational Structure: Water District

Authorized Official Information

• First Name: LOWELL • Last Name: SMITH • M.I.:

• Title: CHAIRMAN

• Street Address Line 1: 2365 STATE ROUTE 80 EAST

Street Address Line 2:

• P.O. Box: 26

• City: MAYFIELD • State: KY • Zip: 42066

• County: GRAVES
 • Telephone: (270) 247-2222 Ext:
 Fax:
 Email:

Contact Person Information

• First Name: LOWELL • Last Name: SMITH M.I.:
 • Title: CHAIRMAN
 • Street Address Line 1: 2365 STATE ROUTE 80 EAST
 Street Address Line 2:
 • P.O. Box: 26
 • City: MAYFIELD • State: KY • Zip: 42066
 • County: GRAVES
 • Telephone: (270) 247-2222 Ext:
 Fax:
 Email:

Project Administrator Information

• First Name: GRANT • Last Name: GREEN M.I.:
 Title: REGIONAL PLANNER
 Street Address Line 1: 1002 MEDICAL DRIVE
 Street Address Line 2:
 P.O. Box:
 City: MAYFIELD State: KY Zip: 42066
 County: GRAVES
 • Telephone: 270-251-6156 Ext:
 Fax:
 Email:

Consulting Engineer Information

• First Name: • Last Name: M.I.:
 Firm:
 Street Address Line 1:
 Street Address Line 2:
 P.O. Box:
 City: State: Zip:
 County:
 • Telephone: Ext:
 Fax:
 Email:

4. Project Type (atleast one required/check all that apply):

- Planning
- Design
- Construction
- Management

5. Project Alternatives: Please list a minimum of three:

- a.* GENERATOR TO KEEP PUMPS RUNNING
- b.* NEW TANK
- c.* DO NOTHING

6. Special Impact(s) of Proposed Water Project:

- a.* New service/improve service to 0 unserved 390 underserved households
- b. Number of new jobs: 0 Number of retained jobs: 0
- c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)
- d.* Does proposed activity relate to public health protection emergency: Yes No
- e.* Does project involve regionalization: Yes No
- f. Number of systems affected/involved: 0

7.* Median Household Income of Service Area:

\$ 30874

8.* Project Start Schedule:

- Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

- * Estimated Local Funding Amount \$ 0
- * Estimated Other Funding Amount (all sources) \$ 50000
- Total Estimated Project Cost \$ 50000

10. Project Data - Water (complete all items which apply to your project)

- a.* Is project related to source protection? Yes No

Drinking Water Facilities

- b.* Is project related to source? Yes No
- c.* Is project related to water treatment? Yes No
- d.* Is project related to distribution (Extension/Rehab)? Yes No

Check all that apply to your project

- Extension Water Tank
- Rehab/Improvement Pump Station

Proposed project involves construction of line

Total linear feet 0 of new line

Line Size (in inches) 2 3 4 6 8 10 greater than 10

Material Ductile Iron PVC PE Other

Project activity improves pressure, as a result of

Replacement of 0 total linear feet of inadequately sized lines

0 total gallons of increased storage due to additional demand

Leaks, Breaks, or restrictive flows due to age

Project activity improves water quality by providing:

Adequate turnover of water

Proper maintenance of disinfection residual

Replacement of 0 total linear feet of lead, copper, asbestos-cement lines

Briefly describe why the above items apply to your project:

TO IMPROVE THE LIFE OF THE TANK AND REGAIN STORAGE CAPACITY



e. Management (describe)



f. Other (describe)



g. Date Project was approved by the Area Water Management Planning Council: 11/13/2002

KENTUCKY WATER PROJECT PROFILE

Areas indicated with (*) are required fields.

1. Project Title (use title which will be identifiable by local community):

SOUTH GRAVES WATER DISTRICT-BOYD ROAD/WRAY ROAD LOOP

2. Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage or other)

THIS PROJECT WILL IMPROVE THE DISTRIBUTION SYSTEM BY CONNECTING 2 DEAD ENDS AND IMPROVING THE PRESSURE TO CUSTOMERS BY INSTALLING APPROXIMATELY 6,000 LF OF 4" PVC.

• Project Descriptor: WATERLINE EXTENSION

• WRIS Project Number (PNUM): WX21083019

This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Project profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted.

• Project County: Graves

• Is it a multi-county project: Yes No

• Project Submitted By: Purchase

• Select the PWSID# from the list below:

Available:

0010082
0010702
0020386
0020956
0030007
0030239
0030660
0040015
0040020

Selected:

0420405

Include >

< Remove

3. Legal Applicant

• Legal Applicant: SOUTH GRAVES WATER DISTRICT

Water Utility which will own proposed improvements:
(if different from Legal Applicant)

• Organizational Structure: Water District

Authorized Official Information

• First Name: RANDY • Last Name: STARKS M.I.:

• Title: BOARD CHAIRMAN

• Street Address Line 1: 40 EXCHANGE STREET

Street Address Line 2:

• P.O. Box: 65

• City: WINGO

• State: KY • Zip: 42088

• County: GRAVES
 • Telephone: (270) 376-5552 Ext:
 Fax:
 Email:

Contact Person Information

• First Name: ERIC • Last Name: YOUNG M.I.:
 • Title: SYSTEM OPERATOR
 • Street Address Line 1: 626 ELMO ROAD
 Street Address Line 2:
 • P.O. Box:
 • City: SEDALIA • State: KY • Zip: 42079
 • County: GRAVES
 • Telephone: 270-382-2546 Ext:
 Fax:
 Email:

Project Administrator Information

• First Name: CASSA • Last Name: GOSSUM M.I.:
 Title:
 Street Address Line 1: 40 EXCHANGE STREET
 Street Address Line 2:
 P.O. Box: 65
 City: WINGO State: KY Zip: 42088
 County: GRAVES
 • Telephone: 270-376-5552 Ext:
 Fax:
 Email:

Consulting Engineer Information

• First Name: • Last Name: M.I.:
 Firm:
 Street Address Line 1:
 Street Address Line 2:
 P.O. Box:
 City: State: Zip:
 County:
 • Telephone: Ext:
 Fax:
 Email:

4.- Project Type (atleast one required/check all that apply):

- Planning
- Design
- Construction
- Management

5. Project Alternatives:

KENTUCKY WATER PROJECT PROFILE

Areas indicated with (*) are required fields.

1. Project Title (use title which will be identifiable by local community):

Fulton Municipal to South Graves Interconnect

2. Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage or other)

The FMWS needs to connect with South Graves Water System along US 45 in order to fill the gap between systems and also to provide back up assistance for either system.

Project Descriptor: INTERCONNECT FMWS AND SOUTH GRAVES WATER SYSTEM

WRIS Project Number (PNUM): WX21075003

This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Project profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted.

Project County: Fulton

Is it a multi-county project: Yes No

Project Submitted By: Purchase

Select the PWSID# from the list below:

Available:

- 0010082
- 0010702
- 0020386
- 0020956
- 0030007
- 0030239
- 0030660
- 0040015
- 0040020

Include >

< Remove

Selected:

None Selected..

3. Legal Applicant

Legal Applicant: Fulton Municipal Water System

Water Utility which will own proposed improvements:
(if different from Legal Applicant)

Organizational Structure: Municipality

Authorized Official Information

First Name: EDDIE Last Name: CRITTENDEN M.I.:

Title: MAYOR

Street Address Line 1: CITY HALL

Street Address Line 2:

P.O. Box: 1350

City: Fulton

State: KY Zip: 42041

5. Project Alternatives: Please list a minimum of three:

a. do nothing



b. do nothing



c. do nothing



6. Special Impact(s) of Proposed Water Project:

a. New service/improve service to 25 unserved 0 underserved households

b. Number of new jobs: 0 Number of retained jobs: 0

c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)



d. Does proposed activity relate to public health protection emergency: Yes No

e. Does project involve regionalization: Yes No

f. Number of systems affected/involved: 1

7. Median Household Income of Service Area:

\$ 24382

8. Project Start Schedule:

Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

Estimated Local Funding Amount \$ 0

Estimated Other Funding Amount (all sources) \$ 65572

Total Estimated Project Cost \$ 65572

10. Project Data - Water (complete all items which apply to your project)

a. Is project related to source protection? Yes No

Drinking Water Facilities

b. Is project related to source? Yes No

Number of new surface/spring sources 0 Total MGD 0

Number of new wells 0 Total MGD 0

Elimination of Public Water Systems through Mergers

0 Number of systems serving 500 or fewer population

0 Number of systems serving 501-3,000 population

0 Number of systems serving 3,001-10,000 population

0 Number of systems serving 10,001 or greater population

Interconnections

0 Number of water treatment plants eliminated

1 Number of supplemental potable water supply

1 Number of emergency backup potable water supply

Source Water Quantity and Quality

0 Number of existing raw water sources replaced

0 Number of existing raw water sources supplemented

Briefly describe why the above items apply to your project:

- c. Is project related to water treatment? Yes No
- d. Is project related to distribution (Extension/Rehab)? Yes No
- e. Management (describe)

f. Other (describe)

g. Date Project was approved by the Area Water Management Planning Council: 05/09/2001



KENTUCKY WATER PROJECT PROFILE

Areas indicated with (*) are required fields.

1. Project Title (use title which will be identifiable by local community):

South Graves Loop

2. Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage or other)

To complete the loop between systems and supply water to 50 customers South Graves needs to connect with the Cuba Water Works. This connection is expected to be made in the vicinity of the intersection of KY 94 and KY 303.

• Project Descriptor: WATERLINE EXTENSION; INTERCONNECTION

• WRIS Project Number (PNUM): WX21083003

This number is assigned by an ADE through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Project profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted.

• Project County: Graves

• Is it a multi-county project: Yes No

• Project Submitted By: Purchase

• Select the PWSID# from the list below:

Available:

- 0010082
- 0010702
- 0020386
- 0020956
- 0030007
- 0030239
- 0030660
- 0040015
- 0040020

Include >

< Remove

Selected:

None Selected..

3. Legal Applicant

• Legal Applicant: South Graves Water District

Water Utility which will own proposed improvements:
(if different from Legal Applicant)

• Organizational Structure: Water District

Authorized Official Information

• First Name: Randy • Last Name: Starks M.I.:

• Title: Commissioner

• Street Address Line 1: 40 Exchange St

Street Address Line 2:

• P.O. Box: 65

• City: Wingo

• State: KY • Zip: 42079

• County: Graves
 • Telephone: (270) 376-5552 Ext:
 Fax: 270-376-5552
 Email:

Contact Person Information

• First Name: Eric • Last Name: Young M.I.:
 • Title:
 • Street Address Line 1: 626 ELMOS RD
 Street Address Line 2:
 • P.O. Box:
 • City: SEDALIA • State: KY • Zip: 42079
 • County: Graves
 • Telephone: (270) 376-5552 Ext:
 Fax:
 Email:

Project Administrator Information

• First Name: Cassa • Last Name: Gossum M.I.:
 Title:
 Street Address Line 1: 40 Exchange St.
 Street Address Line 2:
 P.O. Box: 65
 City: Wingo State: Ky Zip: 42079
 County: Graves
 • Telephone: 270-376-5552 Ext:
 Fax: 270-376-5552
 Email:

Consulting Engineer Information

• First Name: • Last Name: M.I.:
 Firm:
 Street Address Line 1:
 Street Address Line 2:
 P.O. Box:
 City: State: Zip:
 County:
 • Telephone: Ext:
 Fax:
 Email:

4. Project Type (atleast one required/check all that apply):

- Planning
- Design
- Construction
- Management

5. Project Alternatives: Please list a minimum of three:

a.* No emergency potable water supply

b.* Customers will continue to draw water from wells

c.* Do nothing

6. Special Impact(s) of Proposed Water Project:

a.* New service/improve service to 50 unserved 0 underserved households

b. Number of new jobs: 0 Number of retained jobs: 0

c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)

d.* Does proposed activity relate to public health protection emergency: Yes No

e.* Does project involve regionalization: Yes No

f. Number of systems affected/involved: 2

7.* Median Household Income of Service Area:

\$ 30874

8.* Project Start Schedule:

Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

* Estimated Local Funding Amount \$ 0

* Estimated Other Funding Amount (all sources) \$ 133755

Total Estimated Project Cost \$ 133755

10. Project Data - Water (complete all items which apply to your project)

a.* Is project related to source protection? Yes No

Drinking Water Facilities

b.* Is project related to source? Yes No

Number of new surface/spring sources 0 Total MGD 0

Number of new wells 0 Total MGD 0

Elimination of Public Water Systems through Mergers

0 Number of systems serving 500 or fewer population

0 Number of systems serving 501-3,000 population

0 Number of systems serving 3,001-10,000 population

0 Number of systems serving 10,001 or greater population

Interconnections

0 Number of water treatment plants eliminated

0 Number of supplemental potable water supply

1 Number of emergency backup potable water supply

Source Water Quantity and Quality

0 Number of existing raw water sources replaced

0 Number of existing raw water sources supplemented

Briefly describe why the above items apply to your project:

will provide emergency back-up potable water supply



c. Is project related to water treatment? Yes No

d. Is project related to distribution (Extension/Rehab)? Yes No

Check all that apply to your project

Extension Water Tank

Rehab/Improvement Pump Station

Proposed project involves construction of line

Total linear feet 9000 of new line

Line Size (in inches) 2 3 4 6 8 10 greater than 10

Material Ductile Iron PVC PE Other

Project activity improves pressure, as a result of

Replacement of 0 total linear feet of inadequately sized lines

0 total gallons of increased storage due to additional demand

Leaks, Breaks, or restrictive flows due to age

Project activity improves water quality by providing:

Adequate turnover of water

Proper maintenance of disinfection residual

Replacement of 0 total linear feet of lead, copper, asbestos-cement lines

Briefly describe why the above items apply to your project:

Will provide interconnection between the two systems



e. Management (describe)



f. Other (describe)



g. Date Project was approved by the Area Water Management Planning Council: 05/09/2001

KENTUCKY WATER PROJECT PROFILE

Areas indicated with (*) are required fields.

1. Project Title (use title which will be identifiable by local community):

CONSUMERS WATER DISTRICT/MURRAY NO. 3 WATER DISTRICT CONNECTION

2. Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage or other)

CONSUMERS WATER DISTRICT PROPOSES TO EXTEND A 6" WATER LINE FROM TRI-CITY, ALONG KY-94, TO THE MURRAY NO. 3 WATER DISTRICT. THIS LINK WILL IMPROVE AND EXPAND SERVICE TO THE AREA. IN ADDITION, IT WILL PROVIDE A BACKUP WATER SOURCE FOR BOTH SYSTEMS.

Project Descriptor: WATERLINE EXTENSION

WRIS Project Number (PNUM): WX21083017

This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Project profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted.

Project County: Graves

Is it a multi-county project: Yes No

Project Submitted By: Purchase

Select the PWSID# from the list below:

Available:

- 0010082
- 0010702
- 0020386
- 0020956
- 0030007
- 0030239
- 0030660
- 0040015
- 0040020

Include >

< Remove

Selected:

None Selected..

3. Legal Applicant

Legal Applicant: Consumers Water District

Water Utility which will own proposed improvements:
(if different from Legal Applicant)

Organizational Structure: Water District

Authorized Official Information

First Name: Henry Last Name: Hodges M.I.:

Title: Chairman

Street Address Line 1: 4182 State Route 121S

Street Address Line 2:

P.O. Box:

City: Mayfield State: KY Zip: 42066

• County: Graves
 • Telephone: (270) 247-3531 Ext:
 Fax: 270-247-8852
 Email: henry.hodges@mail.state.ky.us

Contact Person Information

• First Name: Debbie • Last Name: Ivy M.I.:
 • Title:
 • Street Address Line 1: 4182 State Route 121S
 Street Address Line 2:
 • P.O. Box:
 • City: Mayfield • State: KY • Zip: 42066
 • County: Graves
 • Telephone: 270-247-3531 Ext:
 Fax: 270-247-8852
 Email: consumerwater@wk.net

Project Administrator Information

• First Name: Mark • Last Name: Davis M.I.:
 Title: Physical Planning Director
 Street Address Line 1: 1002 Medical Drive
 Street Address Line 2:
 P.O. Box: 588
 City: Mayfield State: KY Zip: 42066
 County: Graves
 • Telephone: 270-247-7171 Ext:
 Fax: 270-251-6110
 Email: mark.davis@mail.state.ky.us

Consulting Engineer Information

• First Name: • Last Name: M.I.:
 Firm: Water Management Services
 Street Address Line 1: 1310 Clinton Street, Suite 107
 Street Address Line 2:
 P.O. Box:
 City: Nashville State: TN Zip: 37203
 County:
 • Telephone: 615-963-9995 Ext:
 Fax: 615-963-9997
 Email: watermgt@watermgt.com

4. Project Type (atleast one required/check all that apply):

- Planning
- Design
- Construction
- Management

5. Project Alternatives: Please list a minimum of three:

- a. EXPANSION OF EACH SYSTEM INDEPENDENTLY
- b. CONTINUED OPERATION OF THE EXISTING SYSTEMS
- c. CONNECTING CONSUMERS WATER DISTRICT AND MURRAY NO. 3 WATER DISTRICT

6. Special Impact(s) of Proposed Water Project:

- a. New service/improve service to 25 unserved 0 underserved households
- b. Number of new jobs: 0 Number of retained jobs: 0
- c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)
 SHARED TECHNICAL EXPERTISE, BULK PURCHASING, AND EXPANDED CUSTOMER BASE. MODERATE EXPENDITURE REQUIRED, HOWEVER, SOME GRANT FUNDING MAY BE NECESSARY TO AVOID A RATE INCREASE.
- d. Does proposed activity relate to public health protection emergency: Yes No
- e. Does project involve regionalization: Yes No
- f. Number of systems affected/involved: 2

7. Median Household Income of Service Area:

\$ 30874

8. Project Start Schedule:

- Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

- Estimated Local Funding Amount \$ 0
- Estimated Other Funding Amount (all sources) \$ 500000
- Total Estimated Project Cost \$ 500000

10. Project Data - Water (complete all items which apply to your project)

- a. Is project related to source protection? Yes No

Drinking Water Facilities

- b. Is project related to source? Yes No
- c. Is project related to water treatment? Yes No
- d. Is project related to distribution (Extension/Rehab)? Yes No

Check all that apply to your project

- Extension Water Tank
- Rehab/Improvement Pump Station

Proposed project involves construction of line

Total linear feet 25000 of new line
 Line Size (in inches) 2 3 4 6 8 10 greater than 10
 Material Ductile Iron PVC PE Other

Project activity improves pressure, as a result of

Replacement of 0 total linear feet of inadequately sized lines
 0 total gallons of increased storage due to additional demand

- Leaks, Breaks, or restrictive flows due to age

Project activity improves water quality by providing:

- Adequate turnover of water
- Proper maintenance of disinfection residual

Replacement of 0 total linear feet of lead, copper, asbestos-cement lines

Briefly describe why the above items apply to your project:

e. Management (describe)

f. Other (describe)

g. Date Project was approved by the Area Water Management Planning Council: 11/13/2002

KENTUCKY WATER PROJECT PROFILE

Areas indicated with (*) are required fields.

1. Project Title (use title which will be identifiable by local community):

Mayfield Consumers Interconnect

2. Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage or other)

To close the gap between Mayfield Electric & Water System (MEWS) and Consumer Water District (CWD), Mayfield should connect with CWD at KY 303 and on Old Dukedom Road. This will allow CWD to use MEWS as a back up and also provide water to an estimated 40 customers.

• Project Descriptor: MEWS AND CWD INTERCONNECT

• WRIS Project Number (PNUM): WX21083004

This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Project profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted.

• Project County: Graves

• Is it a multi-county project: Yes No

• Project Submitted By: Purchase

• Select the PWSID# from the list below:

Available:

0010082
0010702
0020386
0020956
0030007
0030239
0030660
0040015
0040020

Selected:

None Selected..

Include >

< Remove

3. Legal Applicant

• Legal Applicant: Mayfield Electric & Water System

Water Utility which will own proposed improvements:
(if different from Legal Applicant)

• Organizational Structure: Municipality

Authorized Official Information

• First Name: ARTHUR • Last Name: BYRN M.I.:

• Title: MAYOR

• Street Address Line 1: 201 E BROADWAY

Street Address Line 2:

• P.O. Box:

• City: Mayfield • State: KY • Zip: 42066

• County: Graves
 • Telephone: (270) 247-1981 Ext:
 Fax: 270-247-2485
 Email:

Contact Person Information

• First Name: KEVIN • Last Name: LEONARD M.I.:
 • Title: Assistant Superintendent
 • Street Address Line 1: 301 EAST BROADWAY
 Street Address Line 2:
 • P.O. Box:
 • City: Mayfield • State: KY • Zip: 42066
 • County: Graves
 • Telephone: 270-247-4661 Ext:
 Fax: 270-247-0550
 Email:

Project Administrator Information

• First Name: KEVIN • Last Name: LEONARD M.I.:
 Title: Assistant Superintendent
 Street Address Line 1: 301 E Broadway
 Street Address Line 2:
 P.O. Box:
 City: Mayfield State: KY Zip: 42066
 County: Graves
 • Telephone: 270-247-4661 Ext:
 Fax: 270-247-0550
 Email:

Consulting Engineer Information

• First Name: • Last Name: M.I.:
 Firm:
 Street Address Line 1:
 Street Address Line 2:
 P.O. Box:
 City: State: Zip:
 County:
 • Telephone: Ext:
 Fax:
 Email:

4.- Project Type (atleast one required/check all that apply):

- Planning
 Design
 Construction
 Management

5. Project Alternatives: Please list a minimum of three:

a. do nothing



b. do nothing



c. do nothing



6. Special Impact(s) of Proposed Water Project:

a. New service/improve service to 40 unserved 0 underserved households

b. Number of new jobs: 0 Number of retained jobs: 0

c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)



d. Does proposed activity relate to public health protection emergency: Yes No

e. Does project involve regionalization: Yes No

f. Number of systems affected/involved: 1

7. Median Household Income of Service Area:

\$ 30874

8. Project Start Schedule:

Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

Estimated Local Funding Amount \$ 0

Estimated Other Funding Amount (all sources) \$ 20904

Total Estimated Project Cost \$ 20904

10. Project Data - Water (complete all items which apply to your project)

a. Is project related to source protection? Yes No

Drinking Water Facilities

b. Is project related to source? Yes No

Number of new surface/spring sources 0 Total MGD 0

Number of new wells 0 Total MGD 0

Elimination of Public Water Systems through Mergers

0 Number of systems serving 500 or fewer population

0 Number of systems serving 501-3,000 population

0 Number of systems serving 3,001-10,000 population

0 Number of systems serving 10,001 or greater population

Interconnections

0 Number of water treatment plants eliminated

1 Number of supplemental potable water supply

1 Number of emergency backup potable water supply

Source Water Quantity and Quality

0 Number of existing raw water sources replaced

0 Number of existing raw water sources supplemented

Briefly describe why the above items apply to your project:

c. Is project related to water treatment? Yes No

d. Is project related to distribution (Extension/Rehab)? Yes No

e. Management (describe)

f. Other (describe)

g. Date Project was approved by the Area Water Management Planning Council: 05/09/2001

KENTUCKY WATER PROJECT PROFILE

Areas Indicated with (*) are required fields.

1. Project Title (use title which will be identifiable by local community):

Consumers Water District-KY2205 & Tri-City

2. Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage or other)

Consumers Water District needs to absorb the Tri-City Water System, which is in need of major assistance, both financially and operationally. Most of the water lines would need to be replaced and water meters would need to be added to the current customer base in these communities. The loop can be completed for Consumer by connecting the system at Tri-City and continuing to the current end point in the Farmington community. There will be a need for a water tower in the Farmington area and also some transmission lines will need to be replaced to complete this project. Consumers also needs to close a

• Project Descriptor: waterline improvement; tank; takeover system

• WRIS Project Number (PNUM): WX21083002

This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Project profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted.

• Project County: Graves

• Is it a multi-county project: Yes No

• Project Submitted By: Purchase

• Select the PWSID# from the list below:

Available:

0010082
0010702
0020386
0020956
0030007
0030239
0030660
0040015
0040020

Selected:

0420084

Include >

< Remove

3. Legal Applicant

• Legal Applicant: Consumers Water District

Water Utility which will own proposed improvements:
(if different from Legal Applicant)

• Organizational Structure: Water District

Authorized Official Information

• First Name: Henry

• Last Name: Hodges

M.I.:

• Title: Chairman

• Street Address Line 1: 4182 St. Rt. 121 S

Street Address Line 2:

• P.O. Box:

• City: Mayfield

• State: KY

• Zip: 42066

• County: Graves
 • Telephone: (270) 247-3531 Ext:
 Fax: 270-247-8852
 Email: henry.hodges@mail.state.ky.us

Contact Person Information

• First Name: Debbie • Last Name: Ivy M.I.:
 • Title: Operations Manager
 • Street Address Line 1: 4182 Rt 121 S.
 Street Address Line 2:
 • P.O. Box:
 • City: Mayfield • State: Ky • Zip: 42066
 • County: Graves
 • Telephone: 270-247-3531 Ext:
 Fax: 270-247-8852
 Email:

Project Administrator Information

• First Name: Mark • Last Name: Davis M.I.:
 Title: Physical Planning Director
 Street Address Line 1: 1002 Medical Drive
 Street Address Line 2:
 P.O. Box: 588
 City: Mayfield State: Ky Zip: 42066
 County: Graves
 • Telephone: 270-251-6126 Ext:
 Fax: 270-251-6110
 Email: mark.davis@mail.state.ky.us

Consulting Engineer Information

• First Name: Sam • Last Name: McMillwain M.I.:
 Firm: Water Management Services
 Street Address Line 1: 111 Bush Road
 Street Address Line 2:
 P.O. Box: 17650
 City: Nashville State: TN Zip: 37217
 County:
 • Telephone: 615-366-6088 Ext:
 Fax: 615-366-6203
 Email:

4. Project Type (atleast one required/check all that apply):

- Planning
 Design
 Construction
 Management

5. Project Alternatives: Please list a minimum of three:

a.* Do nothing

b.* Do nothing

c.* Do nothing

6. Special Impact(s) of Proposed Water Project:

a.* New service/improve service to 183 unserved 1815 underserved households

b. Number of new jobs: 0 Number of retained jobs: 0

c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)

Tri-City will be managed and operated by Consumer Water District

d.* Does proposed activity relate to public health protection emergency: Yes No

e.* Does project involve regionalization: Yes No

f. Number of systems affected/involved: 2

7.* Median Household Income of Service Area:

\$ 29677

8.* Project Start Schedule:

Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

• Estimated Local Funding Amount \$ 0

• Estimated Other Funding Amount (all sources) \$ 1117868

Total Estimated Project Cost \$ 1117868

10. Project Data - Water (complete all items which apply to your project)

a.* Is project related to source protection? Yes No

Drinking Water Facilities

b.* Is project related to source? Yes No

Number of new surface/spring sources 0 Total MGD 0

Number of new wells 0 Total MGD 0

Elimination of Public Water Systems through Mergers

1 Number of systems serving 500 or fewer population

0 Number of systems serving 501-3,000 population

0 Number of systems serving 3,001-10,000 population

0 Number of systems serving 10,001 or greater population

Interconnections

0 Number of water treatment plants eliminated

0 Number of supplemental potable water supply

0 Number of emergency backup potable water supply

Source Water Quantity and Quality

0 Number of existing raw water sources replaced

0 Number of existing raw water sources supplemented

Briefly describe why the above items apply to your project:

Tri-City water treatment plant would not be used by Consumers

- c. Is project related to water treatment? Yes No
- d. Is project related to distribution (Extension/Rehab)? Yes No

Check all that apply to your project

- Extension Water Tank
- Rehab/Improvement Pump Station

Proposed project involves construction of line

Total linear feet 46741 of new line

Line Size (in inches) 2 3 4 6 8 10 greater than 10

Material Ductile Iron PVC PE Other

Project activity improves pressure, as a result of

Replacement of 1056 total linear feet of inadequately sized lines

0 total gallons of increased storage due to additional demand

Leaks, Breaks, or restrictive flows due to age

Project activity improves water quality by providing:

- Adequate turnover of water
- Proper maintenance of disinfection residual

Replacement of 0 total linear feet of lead, copper, asbestos-cement lines

Briefly describe why the above items apply to your project:

e. Management (describe)

f. Other (describe)

g. Date Project was approved by the Area Water Management Planning Council: 04/01/2002

4. At 10(c)(6) of the application, Petitioners state that, “[A] larger consolidated district would have a better opportunity than smaller individual districts to secure and pay financing of projects necessary to serve new, unserved areas in the County.” Provide documentation to support the above statement.

a. At 10(e)(2) of the application, Petitioners state that the Kentucky Infrastructure Authority (“KIA”) has refinanced the Fancy Farm loan. As of December 31, 2006, Fancy Farm’s only outstanding long-term debt is a KIA Fund B Loan issued July 1, 2006 in the amount of \$582,544.² State if this was the KIA loan that was refinanced, provide the KIA loan agreement, and cite the proceeding where Commission approval of the refinancing was granted.

Response: It is the County’s intent to support expansion of water services into presently unserved areas of the County. Similarly, it is reasonable to expect that certain water district facilities owned by systems participating in the proposed merger -- that have been in service for a long period of time will require replacement to guarantee the continuation of quality service. Some of the participating districts have successfully secured and are retiring debt associated with both extensions and facility improvements, but all participants are not in that position. While not a panacea, the proposed merger gives area residents the best chance to obtain necessary facilities to assure quality, long term water service. Again, such a circumstance is reasonable. As cited by Patrick C. Mann, Ph.D. in a National Regulatory Research Institute report (99-16) “...Regionalization, consolidation, or merger/acquisition can be the solution to the problem of small water systems in financing capital investment to replace aging infrastructure, comply with the amended Safe Drinking Water Act, or facilitate the development of regional water supplies.” The combined revenue from the merged district will support greater debt and thus help acquire more funds to expand service.

a. The Fancy Farm Water District refinanced a USDA Rural Development loan with the KIA Fund B loan issued July 1, 2006 in the amount of \$582,544. This is the only debt of the Fancy Farm Water District. This refinancing was not approved by the PSC.

5. At 10(e)(6) of the application, Petitioners state that, “[T]o the extent feasible, existing employees and service contractors, who are in place, effective as of the date of the merger, with any one or more water district(s) participating in the merger shall be offered available, similar positions or contractual arrangements for the initial year of operations.”

a. For each water district provide the employee information requested in the table below.

No.	Description	District Name 12/31/07
(	Name	
(	Title	
(	Length of Employment	
(	Job Duties	
(5)	Current Annual Salary	

b. Identify the employees listed in the response to 6(a) that will be employed by Graves District.

c. Identify the employees listed in the response to 6(a) that will not be employed by Graves District. Include the reason they will not be employees of Graves District.

d. Provide the service contracts for each water district and the proposed service contracts for Graves District. Identify any fee changes that will occur due to the proposed merger.

Response: See attached.

Consumers, Fancy Farm, and South Graves Water Districts presently do not have employees. Mayfield Electric and Water Systems is contracted to provide the daily management activities for these districts. Hardeman Water District has one employee, Shelby Galloway, who is the bookkeeper and basically handles all transactions at the office of Hardeman Water District. She was paid \$23,045 in 2007.

Hardeman Water District

Name	Shelby Galloway	Kim Rogers
Title	Office Manager	Fills in when Ms. Galloway is not available
Length of Employment	18 + years	6 + years
Job Duties	administrative, billing	administrative, billing
Current Annual Salary	\$21,300 annually	\$7 per hour (average \$212 per month)

5.b.

Based on section 10 of the joint application for merger, Ms. Shelby Galloway will be employed by the Graves County Water District for a minimum period of one year at a salary comparable to her current rate.

5.c.

The only full time employee identified in 5.a. will be employed by the Graves County Water District.

5.d.

Written Service Contracts

Consumers Water District contracts with Mayfield Electric & Water Systems for operational and some administrative services (contract attached).

Fancy Farm Water & Sewer District contracts with Mayfield Electric & Water Systems for all operational and administrative services.

South Graves Water District contracts with Mayfield Electric & Water Systems for all operational and administrative services.

Contractors With No Written Agreement

Mr. Dale Barnett has a long standing relationship with the Hardeman Water District to provide maintenance/construction services. Mr. Barnett provides these services on an as needed basis and is paid an amount established by agreement based on the usual and customary hourly rate plus materials associated with each job. Mr. Barnett was paid \$8,570 in 2007.

Ms. Kim Rogers provides part time administrative services to the Hardeman Water District at the rate of \$7 per hour. She works three days per month plus up to 10 days of Ms. Galloway's vacation and up to six sick days per year.

Mr. Joey Rogers also reads meters for the Hardeman Water District. Mr. Rogers was paid \$4,706.99 in 2007 to read the District's 390 meters.

Mr. Eric Young serves as the Certified Operator for the Hardeman Water District and was paid 47,731.22 in 2007.

Ms. Sheila Roger provides administrative service to the Consumers Water District on an as needed basis at the rate of \$10 per hour.

CONTRACT AGREEMENT FOR OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES

THIS CONTRACT AGREEMENT is entered into on the 31st day of October with an effective commencement date of ~~October 15, 2003,~~ October 31, 2003. MTI
RS
by and between:

The **SOUTH GRAVES COUNTY WATER DISTRICT**, with its principal address at 40 Exchange Street, P.O. Box 65, Wingo, Kentucky 42088 (hereinafter, "District"),

AND

The **MAYFIELD ELECTRIC AND WATER SYSTEMS**, an instrumentality of the City of Mayfield, Kentucky, with its principal address at P.O. Box 347, Mayfield, Kentucky 42066 (hereinafter, "MEWS").

The District and MEWS may be referred to in this Agreement individually as "Party" or collectively as the "Parties",

WHEREAS, the District owns a water treatment plant, distribution system and related facilities (the "System") that are more particularly described in Section 1, below; and

WHEREAS, the District desires to employ the services of MEWS in the operation, maintenance and management of its System, and MEWS is willing and capable to perform such services in consideration of the compensation provided for herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the District and MEWS agree as follows:

SECTION 1. DEFINITIONS

The following definitions shall apply to the terms used in this Agreement.

1. "**Capital Expenditures**" means those expenditures for (1) the purchase of new equipment or System items that cost more than Two Thousand Dollars (\$2,000); or (2) major repairs which significantly extend equipment or System service life and which costs more than Two Thousand Dollars (\$2,000), or (3) other planned, non-routine and budgeted facility improvements to the System.

2. **“Cost”** means all direct cost and indirect cost determined on an accrual basis in accordance with generally accepted accounting principles, which benefit the System, including, but not limited to, expenditures for System management and labor, employee benefits, chemicals, power, outside contract labor and services, lab supplies, repairs, repair parts, maintenance parts, safety supplies, gasoline, oil, equipment rental, legal and professional services, quality assurance, travel, office supplies, other supplies, uniforms, telephone, postage, utilities, tools, memberships and training supplies.
3. **“Management Report”** means a cumulative report of System activities to be provided by MEWS in accordance with the District policies and procedures which includes a technical, financial, and managerial report on all System activities. The form of report is contained in Appendix D.
4. **“Service Fee”** means that sum invoiced monthly for MEWS services, which in the first year of the contract is estimated to be \$108,115.76, as established by the District’s procurement procedure. A copy of the fee formula for the first year of this Agreement is contained in Appendix C.
5. **“System”** means all equipment, tools, properties, easements and facilities now existing within the jurisdiction or control of or being used by the District to provide water service. More specifically, “system” means the District’s raw water wells and related pumping equipment, water treatment plant, water storage tanks, pump stations, distribution mains and related appurtenances, and customer meters. The business address of the District is P.O. Box 65 Wingo, Kentucky 42088. The water treatment plant has an engineering design capacity of .5 MGD and typical daily usage of 104,000 gpd. The District serves approximately 700 customers in its approved jurisdiction in Graves County, Kentucky.
6. **“Repairs”** means those non-routine/non-repetitive activities required for operational continuity, safety and performance generally due to failure, or to avert a failure of the equipment, mains, appurtenances or facilities or some component thereof.
7. **“Unforeseen Circumstances”** shall mean any event or condition which has an effect on the rights or obligations of the Parties under this Agreement, or upon the System, which is beyond the reasonable control of the Party relying thereon, and constitutes a justification for a delay in, or non-performance of, action required by this Agreement, including, but not limited to: (i) an Act of God, landslide, lightning, earthquake, tornado, fire, explosion, flood, failure to possess sufficient property rights, acts of the public enemy, war, blockade, sabotage, insurrection, riot or civil disturbance; (ii) preliminary or final order of any local, province, administrative agency or governmental body of competent jurisdiction; (iii) any change in law, regulation, rule, requirement, interpretation or

statute adopted, promulgated, issued or otherwise specifically modified or changed by any local, state or other governmental body; (iv) loss of, or inability to obtain service from a third entity necessary to furnish electric power for the operation and maintenance of the System; or (v) the failure of the District to make any Capital Expenditure previously identified as necessary for the System to attain applicable performance standards.

SECTION 2. GENERAL PROVISIONS

- 2.1 All land, buildings, facilities, easements, licenses, rights-of-way, equipment and appurtenances presently owned or hereafter acquired by the District shall remain the exclusive property of the District, unless specifically provided for otherwise in this Agreement.
- 2.2 This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Kentucky and any action arising under this agreement or as a result of performance hereunder shall be in the venue of the appropriate court in Graves County, Kentucky.
- 2.3 This Agreement shall be binding upon the successors and assigns of each of the Parties, but neither Party shall assign this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld.
- 2.4 All notices shall be in writing and transmitted to the Party's address stated above. All notices shall be deemed effectively given:
 - 2.4.1 If delivered personally, or by courier mail service (e.g., United Parcel Service, Airborne Express, etc.) upon delivery.
 - 2.4.2 If mailed by certified or registered U.S. mail, return receipt requested or upon deposit in the United States mail, postage prepaid.
 - 2.4.3 If in any other manner, with written acknowledgement of such receipt of notice.
- 2.5 This Agreement, including appendices, is the entire Agreement between the Parties. This Agreement may be modified only by subsequent written amendments signed by both Parties.
- 2.6 Wherever used, the terms "District" and "MEWS" shall include the respective officers, agents, directors, elected or appointed officials and employees and, where appropriate, subcontractors of, or anyone acting on their behalf.

- 2.7 If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.
- 2.8 It is understood and agreed by the Parties that the relationship of MEWS to the District is that of independent contractor to owner. The services provided for under this Agreement are of a professional nature, and shall be performed in accordance with good and accepted industry practices typical for professional contract operators similarly situated in the Commonwealth of Kentucky, and which are providing such services during the time period generally co-terminus with the dates of the term of this Agreement.
- 2.9 The District and MEWS are the only parties to this Agreement. No third party rights or benefits are intended to or shall arise by reason of this Agreement.
- 2.10 If any litigation is necessary to enforce the terms of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees, which are directly attributed to such litigation in addition to any other relief to which it may be entitled.
- 2.11 The District and MEWS respectively represent that each has the authority to enter into this Agreement, and each represents that it has complied with all governmental action necessary to bind it to the terms hereof.

SECTION 3. SCOPE OF SERVICES TO BE PROVIDED BY MEWS

- 3.1 Effective October 15, 2003, MEWS shall initiate service under this Agreement and shall deploy staff who are qualified and are capable of and have met appropriate licensing and certification requirements of the Commonwealth of Kentucky to operate, maintain and manage the System.
- 3.2 MEWS shall operate, maintain and manage the System such that District customers receive service 24-hours per day, 7 day per-week. It is understood that routine service activities and office access is provided during the normal business day, 8:00 a.m. through 4:00 p.m., Monday – Friday, except holidays. Operational services shall be performed by certified personnel and may be provided either by onsite presence or by remote monitoring as permitted.

- 3.3 MEWS shall be responsible for all aspects of the day-to-day operations, maintenance and management of the water treatment plant, water distribution system, customer service, billing, collection, accounting and reporting in compliance with regulatory requirements and District policy. A delineation of these activities is set out in Appendix A. Included in its management responsibilities, MEWS shall provide a comprehensive monthly Management Report to the District substantially in the same form as that contained in Appendix E, and prepare a listing of payable invoices, a check register and draft checks for signature by the District at its monthly meetings.
- 3.4 MEWS shall manage, operate and maintain the District's System within the existing design capacity and permit limitations of the System so that water produced and delivered to customers meets the requirements specified in Appendix B.
- 3.5 Within sixty (60) days after MEWS begins service under this Agreement, it shall provide the District with a physical inventory of the District's equipment and tools in use at the time of initiation of service under this Agreement, and shall make recommendations to the District regarding capital needs, if any, required by the District to rehabilitate, expand or modify the System's facilities or equipment to comply with governmental regulations or to improve operability to best achieve compliance with, but not limited to the Safe Drinking Water Act and the Clean Water Act.
- 3.6 MEWS shall be responsible for maintaining all manufacturers' warranties on new equipment purchased by the District and shall assist the District in enforcing existing equipment warranties and guarantees.
- 3.7 Within six (6) months after MEWS begins service under this Agreement, MEWS shall provide the District with documentation that preventive maintenance is being performed on the District owned equipment in accordance with manufacturer's recommendations at intervals, and in sufficient detail, as may be feasibly determined by MEWS.
- 3.8 MEWS shall utilize its existing computerized programs relating to financial accounting and reporting on the System.
- 3.9 MEWS shall perform all routine maintenance and repair activities including modification of any process and/or any component of the System to achieve the objectives of this Agreement. However, any routine maintenance and repair activity or process or component modification which requires labor, parts, materials or services

costing in excess of \$2,000 shall require prior authorization by the District.

- 3.10 In any emergency affecting the safety of persons or property, including an Unforeseeable Circumstance, MEWS may act without prior written authorization to prevent threatened damage, injury or loss. MEWS shall make reasonable effort to communicate, regarding the emergency, to the District as soon as possible. MEWS shall be compensated by the District for any such emergency work notwithstanding the lack of a written authorization. Such compensation shall include MEWS's itemized costs for labor and service required for response to the emergency.
- 3.11 As required by law, permit or regulation, MEWS shall prepare, sign, and submit System performance reports to appropriate state authorities, maintaining a complete file copy accessible to the District.
- 3.12 MEWS shall provide or coordinate the provision of labor to perform raw and treated water sampling for submission to an independent laboratory for analysis as required the Safe Drinking Water Act and/or any other applicable federal, state or local laws or regulations, the cost of which shall be borne by the District.
- 3.13 MEWS will maintain a log of customer inquiries, complaints and any and all regulatory agency notices or correspondence, and provide copies of same to the District at the monthly meeting of the District's board of commissioners.
- 3.14 MEWS may provide additional services beyond the scope of this Agreement at the District's request, subject to mutually agreeable terms and conditions and encapsulated in written amendments to this Agreement.

SECTION 4. DISTRICT'S REPRESENTATIONS AND DUTIES

- 4.1 The District shall continue, without restriction, as owner of the System, and shall control all assets and be responsible for all liabilities of same.
- 4.2 The District shall pay to MEWS the agreed upon Service Fee, as contained in MEWS's response to the District's RFQ-P, a copy of which is included in full as Appendix C, to this Agreement. Such payment shall be upon presentation of invoice at the District's monthly meeting.

- 4.3 The District shall provide MEWS with exclusive access to and use of all of the premises, tools, equipment or other components of the System at no cost to MEWS.
- 4.4 The District shall represent itself by the presence of authorized members of the Board of Commissioners at its monthly meetings and at other times as required by law or regulation. The District delegates to MEWS the authorization to represent the District only to the extent as expressed in this Agreement.
- 4.5 The District shall conduct monthly business meetings pursuant to the agenda format contained in Appendix D of this Agreement; minutes of District meetings shall be taken and maintained by the duly elected secretary of the District and the minutes of each months meeting shall be reviewed and approved at the next subsequent meeting of the District.
- 4.6 The District shall provide funding for all necessary Capital Expenditures via cash funds, when available, or via loan or bond proceeds, when and as sound financing arrangements allow. Priority for such funding shall be given to those Capital Expenditures recommended by MEWS and deemed by the District to be necessary to address system operational concerns relating to public health, the environment, property, and proper functioning of system components. Any loss, damage, or injury resulting from the District's failure to provide Capital Expenditures and/or funds for maintenance and repair materials and services, when reasonably required by MEWS, shall be the sole responsibility of the District.
- 4.7 The District shall keep in force all System related warranties, guarantees, easements, licenses and permits that have been acquired by the District.
- 4.8 The District shall review and authorize for payment, as appropriate, all invoices presented by MEWS, including the monthly Service Fee, and all System related vendor invoices for parts, materials, supplies and services.
- 4.9 The District shall make appropriate payment of all taxes, disposal charges, or other fees, if any, levied or charged to the System.
- 4.10 The District will procure an annual audit of its books by a certified public accountant (CPA) and will continue to prepare and file, on a timely basis, the annual report to the Public Service Commission and shall bear the expense of same.

- 4.11 The District shall procure professional services, such as legal representation and services as well as consulting engineering services, as may be required from time to time, and shall bear the expense of same.

SECTION 5. ADDITIONAL PROVISIONS OF MUTUAL AGREEMENT

The District and MEWS mutually agree as regards the following:

- 5.1 MEWS, at the request of the District, will assist the District in properly procuring consulting engineers, accountants, and other professional service providers necessary for the preparation of documentation for capital projects, customer rate analyses and financial analyses as may be necessary to secure funding for Capital Expenditures or improved managerial or fiscal performance of the System.
- 5.2 MEWS, at the request of the District, will assist the District in keeping in force all System related warranties, guarantees, easements, licenses and permits that have been acquired by the District.
- 5.3 MEWS, at the request of the District, will assist the District in the preparation of the Public Service Commission report.

SECTION 6. COMPENSATION, ADJUSTMENT AND PAYMENT

- 6.1 MEWS's compensation under this Agreement shall consist of a Service Fee which is comprised of an annually fixed amount for System Operator plus a System Maintenance amount which varies monthly based on the number of customers serviced the previous month. The actual and estimated amounts for the first year of service under this Agreement is contained in Appendix C of this Agreement, being those offered by MEWS and accepted by the District in response to the District's Request for Statement of Qualification and Price Proposal. The Total Annual Contract amount estimated for the first year of operation is \$108,115.76.
- 6.2 The Service Fee shall be reviewed and adjusted each year, to become effective as of the anniversary of the Commencement Date, as defined in Section 9.1.

- 6.3 Should the District and MEWS fail to agree as regards an adjusted annual Service Fee, the Parties shall engage a certified mediator and abide by the results there from.
- 6.4 The District shall fully pay to MEWS, the invoiced Service Fee each month, in the course of the District monthly meeting.

SECTION 7. SCOPE CHANGES

- 7.1 Change in the scope of services may occur when and if both Parties agree as to modifications of any element contained in Section 3, above, or Appendix A Such change may be precipitated by:
 - 7.1.1 Any change in System operations, personnel qualifications, staffing levels, or other costs which are mandated or otherwise required in response to a change in law, rule or regulation, or an action or forbearance of any governmental body having jurisdiction to order, dictate or require such change;
 - 7.1.2 Any federal or state mandated increase in employee compensation, compensation rates and related rate increases associated with employee benefits greater or lesser than those in force at the Commencement Date of this Agreement;
 - 7.1.3 The District's request and MEWS's consent to provide additional services beyond the scope of this Agreement.

SECTION 8. INDEMNITY, LIABILITY AND INSURANCE

- 8.1 MEWS hereby agrees to indemnify and hold the District harmless from any liability or damages for bodily injury, including death, which may arise from MEWS's negligence or willful misconduct under this Agreement, provided MEWS shall be liable only for that percentage of total damages that corresponds to its percentage of total negligence or fault.
- 8.2 The District agrees to indemnify and hold MEWS harmless from any liability or damage or bodily injury, including death, which may arise from all causes of any kind other than MEWS's gross negligence or willful misconduct including, but not limited to, breach of a the District warranty.

- 8.3 The District shall be liable for those fines, civil penalties or costs imposed by any regulatory or enforcement agencies on the District or on the facilities which are directly related to the District's ownership of the System, and shall indemnify and hold MEWS harmless from the payment of any such fines, costs and/or penalties.
- 8.4 MEWS shall be liable for those fines or civil penalties imposed by any regulatory or enforcement agencies on the District which are directly related to MEWS operation and management of the System, and shall indemnify and hold the District harmless from the payment of any such fines and/or penalties, provided, however that such fines or civil penalties do not arise from failure of the District to act on recommendations provided by MEWS.
- 8.5 Indemnity obligations provided for in this Agreement shall survive the termination of the Agreement.
- 8.6 Each Party shall obtain and maintain insurance coverage of a type and in the amounts described in **Appendix E**. Each Party shall provide the other Party with satisfactory proof of insurance.

SECTION 9. TERM, TERMINATION AND DEFAULT

- 9.1 The term of this Agreement shall be for a period of two (2) years commencing on October 15, 2003 and expiring on December 31, 2005.
- 9.2 The Agreement shall automatically renew for an additional term of two (2) years commencing on the expiration date stated in Section 9.1 unless written notice of non-renewal is transmitted by either Party to the other at least ninety (90) days prior to the expiration date stated in Section 9.1. Such notice, if any, shall also be provided to all regulatory and funding agencies of the District, at the same time.
- 9.3 Either Party may terminate this Agreement prior to its expiration for any reason but only after giving written notice to the other Party at least sixty (60) days before the date of such termination. Such notice, if any, shall also be provided to all regulatory and funding agencies of the District, at the same time it is provided to the other Party.

- 9.4 This Agreement shall be submitted to the Kentucky Public Service Commission. If, for any reason, the Commission fails to approve or otherwise disallows the District to continue with the Agreement, the Agreement shall be considered terminated.
- 9.5 Upon termination of this Agreement and any and all renewals and extensions thereof, MEWS shall return the System to the District in the same or similar condition, as it was upon the effective date of this Agreement, ordinary wear and tear accepted. Equipment and other personal property purchased by the District for use in the operation or maintenance of the System shall remain the property of the District upon termination of this Agreement, unless the property was directly paid for by MEWS, or the District has not reimbursed MEWS for the cost incurred to purchase the property, or this Agreement specifically provides to the contrary.

SECTION 10. DISPUTES AND FORCE MAJEURE

- 10.1 Neither Party shall be liable for its failure to perform its obligations under this Agreement unless such failure is due to any Unforeseen Circumstances beyond its reasonable control, or force majeure. However, this section may not be used by either Party to avoid, delay or otherwise affect any payments due to the other Party.

* * * * *

Each Party indicates its respective approval of this Agreement by signature of its designated, authorized representative, and each Party warrants that all corporate action necessary to bind the Parties to the terms of this Agreement has been and will be taken.

SOUTH GRAVES COUNTY WATER DISTRICT

By: Randy Starks

Name: Mr. Randy Starks

Title: Chair

ATTEST: [Signature]

DATE: 10/31/03

MAYFIELD ELECTRIC AND WATER SYSTEMS

By: Marty T. Ivy

Name: Mr. Marty T. Ivy

Title: General Superintendent

ATTEST: [Signature]

DATE: 10-31-03

APPENDIX A

DESCRIPTION OF SCOPE OF SERVICES

1. **Services Relating to Water Supply and Treatment System.**
 - (A) MEWS will be responsible for all aspects of the day-to-day operation, maintenance and management of the water treatment plant (WTP), with the exception of those responsibilities specifically retained by the District.
 - (B) MEWS will provide the labor required to operate, maintain and manage the WTP to include both normal business day hours and as required, (24) twenty-four hours each weekday and (24) twenty-four hours, as required, each weekend day and holiday. MEWS's employees assigned to the System shall be certified by the State of Kentucky to operate the WTP at the level required in the permit.
 - (C) MEWS will maintain accurate and complete records on WTP operation and laboratory data as required by the Natural Resources and Environmental Protection Cabinet (NREPC) and the Cabinet for Human Resources, Department of Health, and will submit and fulfill all operating report requirements and send copies to the District.
 - (D) MEWS shall provide routine checks of the WTP and will be responsible for identifying and reporting to the District in writing all repairs and maintenance required or advisable at the WTP. Except as specified in Sections 3.10, MEWS shall not undertake any such repairs or maintenance without the District's prior authorization.
 - (E) MEWS shall operate the WTP so the finished water will meet the requirements of the applicable rules and regulations relating standards as set out in Appendix B.
 - (F) MEWS shall be liable for and pay any and all fines or civil penalties or damages which may be imposed by a court, governmental entity or regulatory agency for violations of the water quality requirements specified in the regulations that are a result of MEWS's reckless or negligent operation or management of the WTP. However, should the District refuse to make corrections to the WTP recommended or proposed by MEWS as necessary to ensure the WTP's compliance with the permit or if the WTP's actual demand is greater than its

permitted or actual capacity, MEWS will not be liable for any such fines, penalties or damages to the extent attributable to such refusal by the District or such excess water demand. The District shall reasonably assist MEWS in contesting any such fines or civil penalties in any administrative, judicial or other proceeding, case, dispute or action prior to any such payment by MEWS.

- (G)** MEWS will perform monthly compliance sampling for required parameters for water quality analysis.
- (H)** MEWS will coordinate with the District for full compliance with any and all applicable District rules and regulations as well as those of the Kentucky Public Service Commission, the Natural Resources and Environmental Protection Cabinet, Division of Water, Kentucky Infrastructure Authority or other federal or state agency having jurisdiction or investment of funding in the District's System.
- (I)** MEWS will coordinate lab activities; establish sampling procedures and test schedules.
- (J)** MEWS will perform field-testing for chlorine residual, pH, pressure and flow calculations and related record keeping.
- (K)** MEWS will supply the District with copies of all sampling schedules and test results in a timely manner.
- (L)** MEWS as specified in Section 2.10 will provide twenty-four (24) hour per day access to the WTP for designated representatives of the District and other authorized persons. All persons entering the WTP shall sign in and out and comply with MEWS's operating and safety procedures.
- (M)** MEWS will order necessary water treatment chemicals to maintain an adequate supply at the WTP. The District will pay for all chemicals directly.
- (N)** MEWS will provide notification to regulatory agencies of all abnormal events and permit non-compliance as required by statute and regulations.
- (O)** MEWS will post an emergency, 24-hour, toll-free phone number for District customers on the monthly billing statement.
- (P)** Parts, materials, services and supplies will be itemized and submitted for payment by the District monthly.

- (Q)** MEWS will develop and comply with a preventative maintenance schedule that includes all water supply and treatment equipment,. The goal of the preventative maintenance program will be to increase equipment life and overall facility reliability, and to thereby reduce the potential for permit violation and enforcement action by regulatory agencies.
- (R)** MEWS will coordinate the provision of general building and grounds maintenance to include grass cutting, trimming, touch-up painting, minor plumbing and electrical maintenance, and other minor facilities maintenance services as authorized by the District and as time permits. Costs associated with labor, parts, materials and supplies will be borne by the District.
- (S)** MEWS will provide preventative maintenance services to include periodic lubrication of pumps and motors, belt and air filter replacements, packing adjustments, and other minor related equipment adjustments on a routine basis, during the course of normal business. Costs, with cost of parts and supplies to be borne by the District.
- (T)** MEWS will attend meetings with State Agencies on behalf of or in conjunction with the District relative to operation of the WTP at no additional cost to the District if the request for meeting is caused by problems or deficiencies in the operation of the facility caused by MEWS.
- (U)** MEWS will coordinate the provision of perimeter security and access control and install locks on gates, doors and electrical control panels at the WTP, as authorized by the District and as time permits. Costs associated with labor, parts, materials and supplies will be borne by the District.
- (V)** Upon the District's authorization, MEWS will update operation and maintenance manuals for the WTP acceptable to the District as soon as possible after the commencement of the term of this Agreement, to include:

- Process Descriptions
- Operating and Safety Instructions
- Maintenance Requirements and Procedures
- Maintenance Schedules
- Emergency Operating Procedures
- Testing/Sampling Requirements and Procedures

Cost for this service is not included in the Base Monthly Service Fee, and upon authorization, will be billed at rates agreed to prior to authorization by both Parties.

2. Services Relating to the Water Distribution System.

- (A) MEWS will be responsible for all aspects of the day-to-day operation, maintenance and management of the water distribution system, with the exception of those responsibilities specifically retained by the District.
- (B) MEWS will provide the required number of distribution system operators certified by the State of Kentucky to operate the District's distribution system.
- (C) MEWS will maintain accurate and complete records on water distribution system operation and laboratory data as required by the Natural Resources and Environmental Protection Cabinet (NREPC) and the Kentucky Public Service Commission, submit and fulfill all operating report requirements and send copies to the District.
- (D) MEWS will provide the District with qualified personnel to monitor the water quality within the District's water distribution system. MEWS will flush the distribution system on a monthly basis or as needed, in order to maintain a minimum free chlorine residual of 0.2 mg/l at the most remote location in the distribution system.
- (E) MEWS will perform microbiological sampling of the distribution system on a monthly basis as required. If a "positive" coliform count is determined, all actions mandated by regulatory agencies will be taken by MEWS on a timely basis and reported to the District.
- (F) MEWS will perform sampling of the distribution system for chemical analysis such as lead and copper, asbestos, trihalomethanes and other parameters pursuant to regulatory agencies directives.
- (G) MEWS will assist in locating and mapping the District's hydrants to help ensure the proper operation.
- (H) MEWS will make a reasonable effort using probing and magnetic locating equipment to locate the District's main line valves. MEWS will paint each potable water valve box lid blue, which denotes potable water, as needed. MEWS will repair valves as required. Costs associated with labor, parts, materials and supplies will be borne by the District.
- (I) MEWS shall provide routine checks of the water distribution system and will be responsible for identifying and reporting to the District, in writing, all repairs and maintenance required or advisable in the potable water distribution system. Except as specified in Sections without the District's prior authorization.

- (J)** MEWS shall be liable for and pay any and all fines or civil penalties or damages which may be imposed by a court, governmental entity or regulatory agency for violations of requirements specified in the Kentucky Administrative Code that are a result of MEWS's reckless or negligent operation or management of the water distribution system. However, should the District refuse to make corrections to the water distribution system recommended or proposed by MEWS as necessary to ensure the system's compliance with the regulations or if the water distribution system's actual demand is greater than its permitted or actual capacity, MEWS will not be liable for any such fines, penalties or damages to the extent attributable to such refusal by the District or such excess water demand. The District shall reasonably assist MEWS in contesting any such fines or civil penalties in any administrative, judicial or other proceeding, case, dispute or action prior to any such payment by MEWS.
- (K)** Upon the District's authorization, MEWS will initiate the development of electronic mapping for the System with the goal of having complete as-built coverage of the System. MEWS will continually update the as-built drawings as information about the System become available from field verification and discovery. Cost for providing this service will be separately negotiated between the District and MEWS, and amended into this Agreement in the manner set out herein.
- (L)** MEWS will post an emergency, 24-hour, toll-free phone number for District customers on the monthly billing statement so that customers may report problems relating to the System.
- (M)** If and when service is disrupted due to a third party action, MEWS will furnish the District an itemized billing invoice, which will indicate any reimbursements in which the District should seek payment from the third party for its action causing the problem. (eg., vehicle striking and dislodging a hydrant, or an excavation contractor hitting and rupturing a water main, etc.) In such an instance, MEWS will perform the repair as in any emergency situation. The District will be responsible for the costs relating to parts, repair materials and services as well as for labor performed by MEWS, regardless of the ultimate ability of the District to collect reimbursement from the third party.
- (N)** MEWS will provide water line marking service during normal business hours when requested by the District. MEWS will utilize temporary spray paint, flags, or other means as determined by MEWS, to the best of the MEWS's ability, using the latest system map information. In any event, regardless of whether or not

marking was accurate, MEWS will not be responsible for any repair costs if water system components are damaged by any third party.

- (O) MEWS will attend meetings with regulatory or funding agencies on behalf of or in conjunction with the District relative to operation of the water distribution system at no additional cost to the District if the request for meeting is caused by problems or deficiencies in the operation of the water distribution system caused by MEWS.
- (P) MEWS will coordinate the provision of perimeter security and access control and install locks on gates, doors and electrical control panels at all water distribution facilities remote to the WTP. Costs associated with labor, parts, materials and supplies will be borne by the District.
- (Q) MEWS will perform miscellaneous service work to the District's water distribution system, to include but not be limited to: repair and/or replacement of meter boxes, water meters, curb stops, valves, and service lines. Costs associated with labor, parts, materials and supplies will be borne by the District.
- (R) MEWS will coordinate the provision of general grounds maintenance to include grass cutting, trimming, touch-up painting, minor plumbing and electrical maintenance, and other minor facilities maintenance services as time allows during the course of the normal business day. Costs associated with labor, parts, materials and supplies will be borne by the District.
- (S) MEWS will provide notification to the NREPC of all abnormal events and permit non-compliance as required by NREPC rules and regulations, including notification to the Graves County Health Department if a boil-water notice is to be made.
- (T) MEWS will provide customer field services for the System to include such items as response to water quality complaints, pressure complaints, water reinstatement and disconnect services, and miscellaneous other related customer service calls during the course of the normal business day.

3. Services Relating to Billing, Collection, Accounting, Reporting, Customer Service and System Management.

- (A) MEWS will read each of the District's water meters every month to accommodate a monthly (30-day) customer usage cycle.

- (B)** As warranted, MEWS will provide proper notice and proceed with disconnection of System customer water service for non-payment and reconnect service after payment is received in accordance with District procedures approved by the PSC. Service disconnection will be accomplished by installing a lock on the meter stop, plugging the meter itself, or by removing the meter at the discretion of MEWS.
- (C)** MEWS will not provide field payment collection at time of service disconnection.
- (D)** MEWS will generate bills and maintain billing records via its existing computer software program, and mail all customer bills monthly.
- (E)** MEWS will receive and post all customer payments when and as received.
- (F)** MEWS will procure all required materials, parts, equipment chemicals, and other items required for proper operation, maintenance and management of the System in the name of the District, and report same via the monthly Management Report. However, with the authorization of the District, MEWS will place orders for and take delivery of materials, parts, equipment chemicals, and other items in its own name for use on the District's System in order to achieve the benefits of convenience, security and economies of bulk purchasing. Invoicing and other records shall clearly indicate which items are for System use and these items shall be billed to the District for proper payment.
- (G)** MEWS will prepare an itemized listing of all vendor invoices, prepare a check register and draft checks for payment to be signed by the District after review each month at the District's meeting.
- (H)** MEWS will attend the District's monthly meetings and submit the required management report at that time for review and approval by the District.
- (I)** MEWS will assist the District in developing an annual budget for the System, which shall include reasonable cost projections for proper operation and maintenance activities as well as costs for equipment and facilities replacement.
- (J)** MEWS will maintain the District's communication and mail correspondence. Draft correspondence will be prepared on District letterhead stationery for signature by the District. Additionally, the District may delegate the authority a designated employee of MEWS to sign correspondence on a case-by-case basis.

APPENDIX B

TREATMENT STANDARDS AND WATER TESTING REQUIREMENTS

1. MEWS shall operate the System so that water treated will meet the current drinking water standards as established by applicable state or federal law, as specified below.

Turbidity	0.5 NTU
Iron	<0.3 mg/L
Manganese	<0.05 mg/L
Fluoride	0.8 average mg/L
pH	6.9 to 7.3
Color	<15 color units
Corrosivity	Non-corrosive
Odor	<3.0 TON
E. Coli	Negative
Hardness	12 grains/gallon
Alkalinity	6 to 10 grains/gallon

2. As regards water quality sampling and reporting, MEWS shall be responsible during the term of this Agreement to perform or schedule others to perform the following:
 - a. all water sampling, analysis, testing and reporting required for water sources, distribution mains, or customer premises, by a Kentucky-certified laboratory as required by the U.S. Environmental Protection Agency, the Kentucky Division of Water, or future acts of the U.S. Congress, or Kentucky Legislature;
 - b. scheduling, collecting and transporting all water samples to test for microbiological, inorganic and organic constituents;
 - c. preparing monitoring plans; sample collection training; reporting to appropriate regulators; record keeping; analysis interpretation;
 - d. special or emergency sample collection and analysis, and emergency notification to affected customers, if required;
 - e. preparing and distributing all customer reports on water quality; response to customer inquiries on water quality;
 - f. coordination of cross-connection control and potential contamination issues;

- g. conducting a sanitary survey on the System with the Kentucky Division of Water;
- h. obtaining any necessary permits and compliance with appropriate air quality regulations and complying with any hazardous materials control program;
- i. ensuring all operator certification compliance with Kentucky and federal requirements, now existing, or which may be implemented during the term of this Agreement.

APPENDIX C

SERVICE FEE

(insert: "Proposal for Operations of South Graves Water District")

APPENDIX D

The District shall conduct a monthly business meeting generally in accordance with the format of agenda set out below and shall review the monthly management report to the prepared and submitted by MEWS to the District in the following format or substantially in the same format as that presented below.

Agenda

1. Call to Order / determination of quorum
2. Introduction of attendees
3. Review, approval and signing of minutes of previous meeting
4. Review and approval of Monthly Management Report
5. Review and payment of bills, as warranted
6. Consideration of Public Comments
7. Consideration of New Business
8. Adjournment

Monthly Management Report

- Information contained in this report is selected from more detailed operational reports and accounting information and reflects the actual financial and operational status of the utility for the period cited.
- Information should be consistent with the Budget (cash or accrual).
- Report should be signed by General Manager and Clerk/Accountant.

Content of Report

I. Monthly Financial Information

	<u>Annual Budget</u>	<u>Current Month</u>	<u>Year to Date</u>	<u>%Under (over Budget)</u>
A.	Annual Operations Budget Status			
	Operating Revenue			
	Operating Expenses			
	Non-operating Income			
	Non-operating Expenses			
	Income before contributions & Extraordinary expenses			
B.	Current Financial Information (include check register information with Check #, Date, Vendor Name & Amount)			

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C. Debt Service Account

Bond Covenants Require \$ _____ in this account

Beginning Cash & Investments \$ _____

Transfers _____

Interest Paid _____

Principal Paid _____

Ending Cash & Investments _____

D. Equipment Replacement Account

Bond Covenants Require \$ _____ in this account

Beginning Cash & Investments \$ _____

Transfers _____

Interest Paid _____

Principal Paid _____

Ending Cash & Investments _____

(Amounts for C & D are book balances at the end of the month)

II. Technical Operations Report

- a. Gallons purchased
- b. Gallons produced
- c. Gallons billed
- d. Gallons used in process
- e. Gallons accounted for (c + d)
- f. Gallons unaccounted for ((a + b)-e)
- g. Unaccounted as percent purchased/produced (f divided by (a + b))
- h. Cost of unaccounted (g x cost per gallon)
- i. Number of customers billed
- j. Average consumption (c divided by i)
- k. Average bill (j x cost per gallon)
- l. Water sales (actual billed) for wholesale & retail
- m. Number of Termination Notices
- n. Number of actual Disconnects
- o. Number of meters installed (for residential, commercial, industrial)
- p. Major line breaks or plant breakdowns (for each event):
 - 1. Nature of action:
 - 2. Date & time of occurrence:
 - 3. Location
- q. Largest Customer Activity
- r. Comments or concerns

III. Management Issues

Provide brief listing of items to be discussed with the District, which may include but not be limited to: operation, maintenance and management contract issues; physical facilities issues; deferred maintenance; policy or procedures issues; regulatory notices/violations; and allowed closed session issues (such as certain personnel actions, acquisition of property and litigation)

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and employees and, where appropriate, subcontractors of, or
anyone acting on their behalf.

- 17.0 If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.
- 18.0 It is understood and agreed by the Parties that the relationship of MEWS to the District is that of independent contractor to owner. The services provided for under this Agreement are of a professional nature, and shall be performed in accordance with good and accepted industry practices typical for professional contract operators similarly situated in the Commonwealth of Kentucky, and which are providing such services during the time period generally co-terminus with the dates of the term of this Agreement.
- 19.0 The District and MEWS are the only parties to this Agreement. No third party rights or benefits are intended to or shall arise by reason of this Agreement.
- 20.0 If any litigation is necessary to enforce the terms of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees, which are directly attributed to such litigation in addition to any other relief to which it may be entitled.
- 21.0 The District and MEWS respectively represent that each has the authority to enter into this Agreement, and each represents that it has complied with all governmental action necessary to bind it to the terms hereof.

SECTION 3. SCOPE OF SERVICES TO BE PROVIDED BY MEWS

- 11.0 Effective **April 1st 2006**, MEWS shall initiate service under this Agreement and shall deploy staff who are qualified and are capable of and have met appropriate licensing and certification requirements of the Commonwealth of Kentucky to operate, maintain and manage the System.
- 12.0 MEWS shall operate, maintain and manage the System such that District customers receive service 24-hours per day, 7 day per-week. It is understood that routine service activities and office access is provided during the normal business day, 7:00 a.m. through 4:00 p.m., Monday – Friday, except holidays. Operational services shall be performed by certified personnel and may be

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provided either by onsite presence or by remote monitoring as
permitted.

- 13.0 MEWS shall be responsible for all aspects of the day-to-day operations, maintenance and management of the water treatment plant, waste water plant, water distribution system, customer service, billing, collection, accounting and reporting in compliance with regulatory requirements and District policy. A delineation of these activities is set out in Appendix A. Included in its management responsibilities, MEWS shall provide a comprehensive monthly Management Report to the District substantially in the same form as that contained in Appendix E, and prepare a listing of payable invoices, a check register and draft checks for signature by the District at its monthly meetings.
- 14.0 MEWS shall manage, operate and maintain the District's System within the existing design capacity and permit limitations of the System so that water produced and delivered to customers meets the requirements specified in Appendix B.
- 15.0 Within sixty (60) days after MEWS begins service under this Agreement, it shall provide the District with a physical inventory of the District's equipment and tools in use at the time of initiation of service under this Agreement, and shall make recommendations to the District regarding capital needs, if any, required by the District to rehabilitate, expand or modify the System's facilities or equipment to comply with governmental regulations or to improve operability to best achieve compliance with, but not limited to the Safe Drinking Water Act and the Clean Water Act.
- 16.0 MEWS shall be responsible for maintaining all manufacturers' warranties on new equipment purchased by the District and shall assist the District in enforcing existing equipment warranties and guarantees.
- 17.0 Within six (6) months after MEWS begins service under this Agreement, MEWS shall provide the District with documentation that preventive maintenance is being performed on the District owned equipment in accordance with manufacturer's recommendations at intervals, and in sufficient detail, as may be feasibly determined by MEWS.
- 18.0 MEWS shall utilize its existing computerized programs relating to financial accounting and reporting on the System.
- 19.0 MEWS shall perform all routine maintenance and repair activities including modification of any process and/or any component of the System to achieve the objectives of this Agreement. However, any

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routine maintenance and repair activity or process or component
modification which requires labor, parts, materials or services

costing in excess of \$2,000 shall require prior authorization by the
District.

- 20.0 In any emergency affecting the safety of persons or property, including an Unforeseeable Circumstance, MEWS may act without prior written authorization to prevent threatened damage, injury or loss. MEWS shall make reasonable effort to communicate, regarding the emergency, to the District as soon as possible. MEWS shall be compensated by the District for any such emergency work notwithstanding the lack of a written authorization. Such compensation shall include MEWS's itemized costs for labor and service required for response to the emergency.
- 21.0 As required by law, permit or regulation, MEWS shall prepare, sign, and submit System performance reports to appropriate state authorities, maintaining a complete file copy accessible to the District.
- 22.0 MEWS shall provide or coordinate the provision of labor to perform raw and treated water sampling for submission to an independent laboratory for analysis as required the Safe Drinking Water Act and/or any other applicable federal, state or local laws or regulations, the cost of which shall be borne by the District.
- 23.0 MEWS will maintain a log of customer inquiries, complaints and any and all regulatory agency notices or correspondence, and provide copies of same to the District at the monthly meeting of the District's board of commissioners.
- 24.0 MEWS may provide additional services beyond the scope of this Agreement at the District's request, subject to mutually agreeable terms and conditions and encapsulated in written amendments to this Agreement.

SECTION 4. DISTRICT'S REPRESENTATIONS AND DUTIES

- 4.0 The District shall continue, without restriction, as owner of the System, and shall control all assets and be responsible for all liabilities of same.
- 4.0 The District shall pay to MEWS the agreed upon Service Fee, as contained in MEWS's response to the District's RFQ-P, a copy of which is included in full as Appendix C, to this Agreement. Such

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payment shall be upon presentation of invoice at the District's
monthly meeting.

- 4.0 The District shall provide MEWS with exclusive access to and use of all of the premises, tools, equipment or other components of the System at no cost to MEWS.
- 4.0 The District shall represent itself by the presence of authorized members of the Board of Commissioners at its monthly meetings and at other times as required by law or regulation. The District delegates to MEWS the authorization to represent the District only to the extent as expressed in this Agreement.
- 4.0 The District shall conduct monthly business meetings pursuant to the agenda format contained in Appendix D of this Agreement; minutes of District meetings shall be taken and maintained by the duly elected secretary of the District and the minutes of each months meeting shall be reviewed and approved at the next subsequent meeting of the District.
- 4.0 The District shall provide funding for all necessary Capital Expenditures via cash funds, when available, or via loan or bond proceeds, when and as sound financing arrangements allow. Priority for such funding shall be given to those Capital Expenditures recommended by MEWS and deemed by the District to be necessary to address system operational concerns relating to public health, the environment, property, and proper functioning of system components. Any loss, damage, or injury resulting from the District's failure to provide Capital Expenditures and/or funds for maintenance and repair materials and services, when reasonably required by MEWS, shall be the sole responsibility of the District.
- 4.0 The District shall keep in force all System related warranties, guarantees, easements, licenses and permits that have been acquired by the District.
- 4.0 The District shall review and authorize for payment, as appropriate, all invoices presented by MEWS, including the monthly Service Fee, and all System related vendor invoices for parts, materials, supplies and services.
- 4.0 The District shall make appropriate payment of all taxes, disposal charges, or other fees, if any, levied or charged to the System.
- 4.0 The District will procure an annual audit of its books by a certified public accountant (CPA) and will continue to prepare and file, on a

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timely basis, the annual report to the Public Service Commission
and shall bear the expense of same.

- 4.0 The District shall procure professional services, such as legal representation and services as well as consulting engineering services, as may be required from time to time, and shall bear the expense of same.

SECTION 5. ADDITIONAL PROVISIONS OF MUTUAL AGREEMENT

The District and MEWS mutually agree as regards the following:

- 11.0 MEWS, at the request of the District, will assist the District in properly procuring consulting engineers, accountants, and other professional service providers necessary for the preparation of documentation for capital projects, customer rate analyses and financial analyses as may be necessary to secure funding for Capital Expenditures or improved managerial or fiscal performance of the System.
- 12.0 MEWS, at the request of the District, will assist the District in keeping in force all System related warranties, guarantees, easements, licenses and permits that have been acquired by the District.
- 13.0 MEWS, at the request of the District, will assist the District in the preparation of the Public Service Commission report.

SECTION 6. COMPENSATION, ADJUSTMENT AND PAYMENT

- 11.0 MEWS's compensation under this Agreement shall consist of a Service Fee which is comprised of an annually fixed amount for System Operator plus a System Maintenance amount which varies monthly based on the number of customers serviced the previous month. The actual and estimated amounts for the first year of service under this Agreement is contained in Appendix C of this Agreement, being those offered by MEWS and accepted by the District in response to the District's Request for Statement of Qualification and Price Proposal. The Total Annual Contract amount estimated for the first year of operation is **\$115,525.56.**

- 12.0 The Service Fee shall be reviewed and adjusted each year, to become effective as of the anniversary of the Commencement Date, as defined in Section 9.1.
- 13.0 Should the District and MEWS fail to agree as regards an adjusted Annual Service Fee, the Parties shall engage a certified mediator and abide by the results there from.
- 14.0 The District shall fully pay to MEWS, the invoiced Service Fee each month, in the course of the District monthly meeting.

SECTION 7. SCOPE CHANGES

- 11.0 Change in the scope of services may occur when and if both Parties agree as to modifications of any element contained in Section 3, above, or Appendix A Such change may be precipitated by:
 - 11.0.0 Any change in System operations, personnel qualifications, staffing levels, or other costs which are mandated or otherwise required in response to a change in law, rule or regulation, or an action or forbearance of any governmental body having jurisdiction to order, dictate or require such change;
 - 12.0.0 Any federal or state mandated increase in employee compensation, compensation rates and related rate increases associated with employee benefits greater or lesser than those in force at the Commencement Date of this Agreement;
 - 13.0.0 The District's request and MEWS's consent to provide additional services beyond the scope of this Agreement.

SECTION 8. INDEMNITY, LIABILITY AND INSURANCE

- 11.0 MEWS hereby agrees to indemnify and hold the District harmless from any liability or damages for bodily injury, including death, which may arise from MEWS's negligence or willful misconduct under this Agreement, provided MEWS shall be liable only for that percentage of total damages that corresponds to its percentage of total negligence or fault.

- 12.0 The District agrees to indemnify and hold MEWS harmless from any liability or damage or bodily injury, including death, which may arise from all causes of any kind other than MEWS's gross negligence or willful misconduct including, but not limited to, breach of a the District warranty.
- 13.0 The District shall be liable for those fines, civil penalties or costs imposed by any regulatory or enforcement agencies on the District or on the facilities which are directly related to the District's ownership of the System, and shall indemnify and hold MEWS harmless from the payment of any such fines, costs and/or penalties.
- 14.0 MEWS shall be liable for those fines or civil penalties imposed by any regulatory or enforcement agencies on the District which are directly related to MEWS operation and management of the System, and shall indemnify and hold the District harmless from the payment of any such fines and/or penalties, provided, however that such fines or civil penalties do not arise from failure of the District to act on recommendations provided by MEWS.
- 15.0 Indemnity obligations provided for in this Agreement shall survive the termination of the Agreement.
- 16.0 Each Party shall obtain and maintain insurance coverage of a type and in the amounts described in **Appendix E**. Each Party shall provide the other Party with satisfactory proof of insurance.

SECTION 9. TERM, TERMINATION AND DEFAULT

- 9.0 The term of this Agreement shall be for a period of three (3) years commencing on **April 1st 2006** and expiring on **May 31st 2009**.
- 9.0 The Agreement shall automatically renew for an additional term of two (2) years commencing on the expiration date stated in Section 9.1 unless written notice of non-renewal is transmitted by either Party to the other at least ninety (90) days prior to the expiration date stated in Section 9.1. Such notice, if any, shall also be provided to all regulatory and funding agencies of the District, at the same time.
- 9.0 Either Party may terminate this Agreement prior to its expiration for any reason but only after giving written notice to the other Party at least sixty (60) days before the date of such termination. Such notice, if any, shall also be provided to all regulatory and funding

Contract Agreement Fancy Farm Water District-MEWS
agencies of the District, at the same time it is provided to the other
Party.

- 9.2 This Agreement shall be submitted to the Kentucky Public Service Commission. If, for any reason, the Commission fails to approve or otherwise disallows the District to continue with the Agreement, the Agreement shall be considered terminated.
- 9.2 Upon termination of this Agreement and any and all renewals and extensions thereof, MEWS shall return the System to the District in the same or similar condition, as it was upon the effective date of this Agreement, ordinary wear and tear accepted. Equipment and other personal property purchased by the District for use in the operation or maintenance of the System shall remain the property of the District upon termination of this Agreement, unless the property was directly paid for by MEWS, or the District has not reimbursed MEWS for the cost incurred to purchase the property, or this Agreement specifically provides to the contrary.

SECTION 10. DISPUTES AND FORCE MAJEURE

- 9.0 Neither Party shall be liable for its failure to perform its obligations under this Agreement unless such failure is due to any Unforeseen Circumstances beyond its reasonable control, or force majeure. However, this section may not be used by either Party to avoid, delay or otherwise affect any payments due to the other Party.

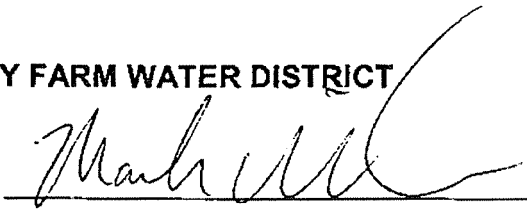
* * * * *

Contract Agreement Fancy Farm Water District-MEWS

Each Party indicates its respective approval of this Agreement by signature of its designated, authorized representative, and each Party warrants that all corporate action necessary to bind the Parties to the terms of this Agreement has been and will be taken.

FANCY FARM WATER DISTRICT

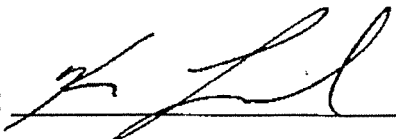
By: _____



Name: Mr. Mark Wilson

Title: Chair

ATTEST: _____

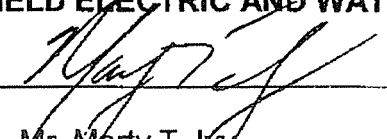


DATE: _____

3/27/06

MAYFIELD ELECTRIC AND WATER SYSTEMS

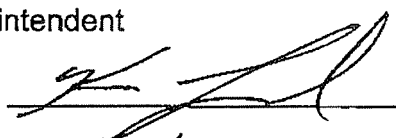
By: _____

 3/27/06

Name: Mr. Marty T. Ivy

Title: General Superintendent

ATTEST: _____



DATE: _____

3/27/06

APPENDIX A

DESCRIPTION OF SCOPE OF SERVICES

1. **Services Relating to Water Supply and Treatment System.**

- () MEWS will be responsible for all aspects of the day-to-day operation, maintenance and management of the water treatment plant (WTP) & Waste water plant (WWTP) with the exception of those responsibilities specifically retained by the District.
- () MEWS will provide the labor required to operate, maintain and manage the WTP & WWTP to include both normal business day hours and as required, (24) twenty-four hours each weekday and (24) twenty-four hours, as required, each weekend day and holiday. MEWS's employees assigned to the System shall be certified by the State of Kentucky to operate the WTP & WWTP at the level required in the permit.
- (C) MEWS will maintain accurate and complete records on WTP & WWTP, operation and laboratory data as required by the Natural Resources and Environmental Protection Cabinet (NREPC) and the Cabinet for Human Resources, Department of Health, and will submit and fulfill all operating report requirements and send copies to the District.
- (D) MEWS shall provide routine checks of the WTP & WWTP and will be responsible for identifying and reporting to the District in writing all repairs and maintenance required or advisable at the WTP & WWTP. Except as specified in Sections 3.10, MEWS shall not undertake any such repairs or maintenance without the District's prior authorization.
- (E) MEWS shall operate the WTP & WWTP so the finished water will meet the requirements of the applicable rules and regulations relating standards as set out in Appendix B.
- (F) MEWS shall be liable for and pay any and all fines or civil penalties or damages which may be imposed by a court, governmental entity or regulatory agency for violations of the water quality requirements specified in the regulations that are a result of MEWS's reckless or negligent operation or management of the WTP & WWTP. However, should the District refuse to make corrections to the WTP

Contract Agreement Fancy Farm Water District-MEWS or WWTP recommended or proposed by MEWS as necessary to ensure the compliance with the permits or if the WTP's or WWTP's actual demand is greater than its permitted or actual capacity, MEWS will not be liable for any such fines, penalties or damages to the extent attributable to such refusal by the District or such excess water demand. The District shall reasonably assist MEWS in contesting any such fines or civil penalties in any administrative, judicial or other proceeding, case, dispute or action prior to any such payment by MEWS.

- (G) MEWS will perform monthly compliance sampling for required parameters for water quality analysis.
- (H) MEWS will coordinate with the District for full compliance with any and all applicable District rules and regulations as well as those of the Kentucky Public Service Commission, the Natural Resources and Environmental Protection Cabinet, Division of Water, Kentucky Infrastructure Authority or other federal or state agency having jurisdiction or investment of funding in the District's System.
- (I) MEWS will coordinate lab activities; establish sampling procedures and test schedules.
- (J) MEWS will perform field-testing for chlorine residual, pH, pressure and flow calculations and related record keeping. MEWS will provide in-house lab services for WWTP for all samples we can provide and all others will be contracted to outside sources with the District bearing the cost.
- (J) MEWS will supply the District with copies of all sampling schedules and test results in a timely manner.
- (J) MEWS as specified in Section 2.10 will provide twenty-four (24) hour per day access to the WTP & WWTP for designated representatives of the District and other authorized persons. All persons entering the WTP shall sign in and out and comply with MEWS's operating and safety procedures.
- (J) MEWS will order necessary water treatment chemicals to maintain an adequate supply at the WTP & WWTP. The District will pay for all chemicals directly.
- (J) MEWS will provide notification to regulatory agencies of all abnormal events and permit non-compliance as required by statute and regulations.
- (J) MEWS will post an emergency, 24-hour, toll-free phone number for District customers on the monthly billing statement.

Contract Agreement Fancy Farm Water District-MEWS

- (J) Parts, materials, services and supplies will be itemized and submitted for payment by the District monthly.

- (J) MEWS will develop and comply with a preventative maintenance schedule that includes all water supplies and treatment equipment, the goal of the preventative maintenance program will be to increase equipment life and overall facility reliability, and to thereby reduce the potential for permit violation and enforcement action by regulatory agencies.

- (J) MEWS will coordinate the provision of general building and grounds maintenance to include grass cutting, trimming, touch-up painting, minor plumbing and electrical maintenance, and other minor facilities maintenance services as authorized by the District and as time permits. Costs associated with labor, parts, materials and supplies will be borne by the District.

- (J) MEWS will provide preventative maintenance services to include periodic lubrication of pumps and motors, belt and air filter replacements, packing adjustments, and other minor related equipment adjustments on a routine basis, during the course of normal business. Costs, with cost of parts and supplies to be borne by the District.

- (J) MEWS will attend meetings with State Agencies on behalf of or in conjunction with the District relative to operation of the WTP & WWTP at no additional cost to the District if the request for meeting is caused by problems or deficiencies in the operation of the facility caused by MEWS.

- (J) MEWS will coordinate the provision of perimeter security and access control and install locks on gates, doors and electrical control panels at the WTP & WWTP, as authorized by the District and as time permits. Costs associated with labor, parts, materials and supplies will be borne by the District.

- (V) Upon the District's authorization, MEWS will update operation and maintenance manuals for the WTP & WWTP acceptable to the District as soon as possible after the commencement of the term of this Agreement, to include:
 - Process Descriptions
 - Operating and Safety Instructions
 - Maintenance Requirements and Procedures
 - Maintenance Schedules

Contract Agreement Fancy Farm Water District-MEWS
Emergency Operating Procedures
Testing/Sampling Requirements and Procedures
Cost for this service is not included in the Base Monthly Service
Fee, and upon authorization, will be billed at rates agreed to prior to
authorization by both Parties.

1. Services Relating to the Water Distribution System.

- () MEWS will be responsible for all aspects of the day-to-day operation, maintenance and management of the water distribution system, with the exception of those responsibilities specifically retained by the District.
- (A) MEWS will provide the required number of distribution system operators certified by the State of Kentucky to operate the District's distribution system.
- (C) MEWS will maintain accurate and complete records on water distribution system operation and laboratory data as required by the Natural Resources and Environmental Protection Cabinet (NREPC) and the Kentucky Public Service Commission, submit and fulfill all operating report requirements and send copies to the District.
- (C) MEWS will provide the District with qualified personnel to monitor the water quality within the District's water distribution system. MEWS will flush the distribution system on a monthly basis or as needed, in order to maintain a minimum free chlorine residual of 0.2 mg/l at the most remote location in the distribution system.
- (D) MEWS will perform microbiological sampling of the distribution system on a monthly basis as required. If a "positive" coliform count is determined, all actions mandated by regulatory agencies will be taken by MEWS on a timely basis and reported to the District.
- (D) MEWS will perform sampling of the distribution system for chemical analysis such as lead and copper, asbestos, trihalomethanes and other parameters pursuant to regulatory agencies directives.
- (D) MEWS will assist in locating and mapping the District's hydrants to help ensure the proper operation.
- (D) MEWS will make a reasonable effort using probing and magnetic locating equipment to locate the District's main line valves. MEWS will paint each potable water valve box lid blue, which denotes potable water, as needed. MEWS will repair valves as required. Costs associated with labor, parts, materials and supplies will be borne by the District.

Contract Agreement Fancy Farm Water District-MEWS

- . scheduling, collecting and transporting all water samples to test for microbiological, inorganic and organic constituents;
- . preparing monitoring plans; sample collection training; reporting to appropriate regulators; record keeping; analysis interpretation;
- . special or emergency sample collection and analysis, and emergency notification to affected customers, if required;
- . preparing and distributing all customer reports on water quality; response to customer inquiries on water quality;
- . coordination of cross-connection control and potential contamination issues;

- . conducting a sanitary survey on the System with the Kentucky Division of Water;
- h. obtaining any necessary permits and compliance with appropriate air quality regulations and complying with any hazardous materials control program;
- i. ensuring all operator certification compliance with Kentucky and federal requirements, now existing, or which may be implemented during the term of this Agreement.

APPENDIX C

SERVICE FEE

(insert: "Proposal for Operations of FANCY FARM Water District")

APPENDIX D

The District shall conduct a monthly business meeting generally in accordance with the format of agenda set out below and shall review the monthly management report to the prepared and submitted by MEWS to the District in the following format or substantially in the same format as that presented below.

Agenda

0. Call to Order / determination of quorum
0. Introduction of attendees
0. Review, approval and signing of minutes of previous meeting
0. Review and approval of Monthly Management Report
0. Review and payment of bills, as warranted
0. Consideration of Public Comments
0. Consideration of New Business
0. Adjournment

Monthly Management Report

- Information contained in this report is selected from more detailed operational reports and accounting information and reflects the actual financial and operational status of the utility for the period cited.
- Information should be consistent with the Budget (cash or accrual).
- Report should be signed by General Manager and Clerk/Accountant.

Content of Report

Monthly Financial Information

	<u>Annual Budget</u>	<u>Current Month</u>	<u>Year to Date</u>	<u>%Under (over Budget)</u>
A. Annual Operations Budget Status				
Operating Revenue				
Operating Expenses				
Non-operating Income				
Non-operating Expenses				
Income before contributions & Extraordinary expenses				
B. Current Financial Information (include check register information with Check #, Date, Vendor Name & Amount)				

Contract Agreement Fancy Farm Water District-MEWS

C. Debt Service Account

Bond Covenants Require \$ _____ in this account

Beginning Cash & Investments \$ _____

Transfers _____

Interest Paid _____

Principal Paid _____

Ending Cash & Investments _____

D. Equipment Replacement Account

Bond Covenants Require \$ _____ in this account

Beginning Cash & Investments \$ _____

Transfers _____

Interest Paid _____

Principal Paid _____

Ending Cash & Investments _____

(Amounts for C & D are book balances at the end of the month)

. Technical Operations Report

- . Gallons purchased
- . Gallons produced
- . Gallons billed
- . Gallons used in process
- . Gallons accounted for (c + d)
- . Gallons unaccounted for ((a + b)-e)
- . Unaccounted as percent purchased/produced (f divided by (a + b))
- . Cost of unaccounted (g x cost per gallon)
- . Number of customers billed
- . Average consumption (c divided by l)
- . Average bill (j x cost per gallon)
- . Water sales (actual billed) for wholesale & retail
- . Number of Termination Notices
- . Number of actual Disconnects
- . Number of meters installed (for residential, commercial, industrial)
- p. Major line breaks or plant breakdowns (for each event):
 - 0. Nature of action:
 - 0. Date & time of occurrence:
 - 0. Location
- q. Largest Customer Activity
- r. Comments or concerns

II. Management Issues

Provide brief listing of items to be discussed with the District, which may include but not be limited to: operation, maintenance and management contract issues; physical facilities issues; deferred maintenance; policy or procedures issues; regulatory notices/violations; and allowed closed session issues (such as certain personnel actions, acquisition of property and litigation)

APPENDIX E

INSURANCE COVERAGE

MEWS SHALL MAINTAIN:

0. Statutory Workers' Compensation insurance coverage for all of MEWS's employees at the System as required by the Commonwealth of Kentucky.
0. Comprehensive general liability insurance, insuring MEWS's negligence, in an amount not less than One Million Dollars (\$1,000,000) combined single limits for bodily injury and/or property damage.

Regarding Insurance:

0. MEWS shall maintain Workers' Compensation insurance coverage for all of its employees associated with the System as required by the Commonwealth of Kentucky.
0. The District shall maintain property damage insurance for all property, owned by the District by used/operated by MEWS under this Agreement.
0. MEWS shall maintain automobile liability insurance, as required by the Commonwealth of Kentucky, on all its motor vehicles used in furtherance of the System.
0. MEWS shall maintain surety bond insurance on itself and its contractors associated with the System.

The Parties shall provide each other at least thirty (30) days notice of the cancellation of any policy it is required to maintain under this Agreement. MEWS may self-insure reasonable deductible amounts under the policies it is required to maintain to the extent permitted by law, but only if such action does not invalidate the property insurance of the District. The Parties, on behalf of themselves and their insurers, waive their rights of subrogation with respect to losses occurring to property dedicated to this System.

- (O) MEWS shall provide routine checks of the water distribution system and will be responsible for identifying and reporting to the District, in writing, all repairs and maintenance required or advisable in the potable water distribution system. Except as specified in Sections without the District's prior authorization.
- (J) MEWS shall be liable for and pay any and all fines or civil penalties or damages which may be imposed by a court, governmental entity or regulatory agency for violations of requirements specified in the Kentucky Administrative Code that are a result of MEWS's reckless or negligent operation or management of the water distribution system. However, should the District refuse to make corrections to the water distribution system recommended or proposed by MEWS as necessary to ensure the system's compliance with the regulations or if the water distribution system's actual demand is greater than its permitted or actual capacity, MEWS will not be liable for any such fines, penalties or damages to the extent attributable to such refusal by the District or such excess water demand. The District shall reasonably assist MEWS in contesting any such fines or civil penalties in any administrative, judicial or other proceeding, case, dispute or action prior to any such payment by MEWS.
- (K) Upon the District's authorization, MEWS will initiate the development of electronic mapping for the System with the goal of having complete as-built coverage of the System. MEWS will continually update the as-built drawings as information about the System become available from field verification and discovery. Cost for providing this service will be separately negotiated between the District and MEWS, and amended into this Agreement in the manner set out herein.
- (L) MEWS will post an emergency, 24-hour, toll-free phone number for District customers on the monthly billing statement so that customers may report problems relating to the System.
- (K) If and when service is disrupted due to a third party action, MEWS will furnish the District an itemized billing invoice, which will indicate any reimbursements in which the District should seek payment from the third party for its action causing the problem. (eg., vehicle striking and dislodging a hydrant, or an excavation contractor hitting and rupturing a water main, etc.) In such an instance, MEWS will perform the repair as in any emergency situation. The District will be responsible for the costs relating to parts, repair materials and services as well as for labor performed by MEWS, regardless of the ultimate ability of the District to collect reimbursement from the third party.

Contract Agreement Fancy Farm Water District-MEWS

- (L) MEWS will provide water line & waste water marking service during normal business hours when requested by the District. MEWS will utilize temporary spray paint, flags, or other means as determined by MEWS, to the best of the MEWS's ability, using the latest system map information. In any event, regardless of whether or not

Marking was accurate; MEWS will not be responsible for any repair costs if water system components are damaged by any third party.

- (M) MEWS will attend meetings with regulatory or funding agencies on behalf of or in conjunction with the District relative to operation of the water distribution system at no additional cost to the District if the request for meeting is caused by problems or deficiencies in the operation of the water distribution system caused by MEWS.
- (N) MEWS will coordinate the provision of perimeter security and access control and install locks on gates, doors and electrical control panels at all water distribution facilities remote to the WTP& WWTP. Costs associated with labor, parts, materials and supplies will be borne by the District.
- (O) MEWS will perform miscellaneous service work to the District's water distribution system, waste water collection system, to include but not be limited to: repair and/or replacement of meter boxes, water meters, curb stops, valves, and service lines. Costs associated with labor, parts, materials and supplies will be borne by the District.
- (P) MEWS will coordinate the provision of general grounds maintenance to include grass cutting, trimming, touch-up painting, minor plumbing and electrical maintenance, and other minor facilities maintenance services as time allows during the course of the normal business day. Costs associated with labor, parts, materials and supplies will be borne by the District.
- (K) MEWS will provide notification to the NREPC of all abnormal events and permit non-compliance as required by NREPC rules and regulations, including notification to the Graves County Health Department if a boil-water notice is to be made.
- (L) MEWS will provide customer field services for the System to include such items as response to water quality complaints, pressure complaints, water reinstatement and disconnect services, and miscellaneous other related customer service calls during the course of the normal business day.

- (M) MEWS will provide maintenance on sewer (mains) in the form of jet rodding for typical obstructions. Any other repairs will be borne by the District.

3. Services Relating to Billing, Collection, Accounting, Reporting, Customer Service and System Management.

- (K) MEWS will read each of the District's water meters every month to accommodate a monthly (30-day) customer usage cycle.
- (K) As warranted, MEWS will provide proper notice and proceed with disconnection of System customer water service for non-payment and reconnect service after payment is received in accordance with District procedures approved by the PSC. Service disconnection will be accomplished by installing a lock on the meter stop, plugging the meter itself, or by removing the meter at the discretion of MEWS.
- (L) MEWS will not provide field payment collection at time of service disconnection.
- (M) MEWS will generate bills and maintain billing records via its existing computer software program, and mail all customer bills monthly.
- (N) MEWS will receive and post all customer payments when and as received.
- (O) MEWS will procure all required materials, parts, equipment chemicals, and other items required for proper operation, maintenance and management of the System in the name of the District, and report same via the monthly Management Report. However, with the authorization of the District, MEWS will place orders for and take delivery of materials, parts, equipment chemicals, and other items in its own name for use on the District's System in order to achieve the benefits of convenience, security and economies of bulk purchasing. Invoicing and other records shall clearly indicate which items are for System use and these items shall be billed to the District for proper payment.
- (P) MEWS will prepare an itemized listing of all vendor invoices, prepare a check register and draft checks for payment to be signed by the District after review each month at the District's meeting.

- (Q) MEWS will attend the District's monthly meetings and submit the required management report at that time for review and approval by the District.
- (R) MEWS will assist the District in developing an annual budget for the System, which shall include reasonable cost projections for proper operation and maintenance activities as well as costs for equipment and facilities replacement.
- (S) MEWS will maintain the District's communication and mail correspondence. Draft correspondence will be prepared on District letterhead stationery for signature by the District. Additionally, the District may delegate the authority a designated employee of MEWS to sign correspondence on a case-by-case basis.

APPENDIX B

TREATMENT STANDARDS AND WATER TESTING REQUIREMENTS

1. MEWS shall operate the System so that water treated will meet the current drinking water standards as established by applicable state or federal law, as specified below.

Turbidity	0.5 NTU
Iron	<0.3 mg/L
Manganese	<0.05 mg/L
Fluoride	0.8 average mg/L
pH	6.9 to 7.3
Color	<15 color units
Corrosivity	Non-corrosive
Odor	<3.0 TON
E. Coli	Negative
Hardness	12 grains/gallon
Alkalinity	6 to 10 grains/gallon

0. As regards water quality sampling and reporting, MEWS shall be responsible during the term of this Agreement to perform or schedule others to perform the following:
 - all water sampling, analysis, testing and reporting required for water sources, distribution mains, or customer premises, by a Kentucky-certified laboratory as required by the U.S. Environmental Protection Agency, the Kentucky Division of Water, or future acts of the U.S. Congress, or Kentucky Legislature;

CONTRACT AGREEMENT FOR OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES

THIS CONTRACT AGREEMENT is entered into on the 7th day of October with an effective commencement date of October 8th 2004, by and between:

The **CONSUMERS WATER DISTRICT**, with its principal address at 4182 St. Rt. 121 South Mayfield, KY. 42066 (hereinafter, "District"),

AND

The **MAYFIELD ELECTRIC AND WATER SYSTEMS**, an instrumentality of the City of Mayfield, Kentucky, with its principal address at P.O. Box 347, Mayfield, Kentucky 42066 (hereinafter, "MEWS").

The District and MEWS may be referred to in this Agreement individually as "Party" or collectively as the "Parties".

WHEREAS, the District owns a water treatment plant, distribution system and related facilities (the "System") that are more particularly described in Section 1, below; and

WHEREAS, the District desires to employ the services of MEWS in the operation, maintenance and management of its System, and MEWS is willing and capable to perform such services in consideration of the compensation provided for herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the District and MEWS agree as follows:

SECTION 1. DEFINITIONS

The following definitions shall apply to the terms used in this Agreement.

1. "Capital Expenditures" means those expenditures for (1) the purchase of new equipment or System items that cost more than Two Thousand Dollars (\$2,000); or (2) major repairs which significantly extend equipment or System service life and which cost more than Two Thousand Dollars (\$2,000), or (3) other planned, non-routine and budgeted facility improvements to the System.

1. **“Cost”** means all direct cost and indirect cost determined on an accrual basis in accordance with generally accepted accounting principles, which benefit the System, including, but not limited to, expenditures for System management and labor, employee benefits, chemicals, power, outside contract labor and services, lab supplies, repairs, repair parts, maintenance parts, safety supplies, gasoline, oil, equipment rental, legal and professional services, quality assurance, travel, office supplies, other supplies, uniforms, telephone, postage, utilities, tools, memberships and training supplies.
1. **“Management Report”** means a cumulative report of System activities to be provided by MEWS in accordance with the District policies and procedures which includes a technical, financial, and managerial report on all System activities. The form of report is contained in Appendix D.
1. **“Service Fee”** means that sum invoiced monthly for MEWS services, which in the first year of the contract is estimated to be \$86,376.92 as established by the District's procurement procedure. A copy of the fee formula for the first year of this Agreement is contained in Appendix C.
1. **“System”** means all equipment, tools, properties, easements and facilities now existing within the jurisdiction or control of or being used by the District to provide water service. More specifically, “system” means the District's raw water wells and related pumping equipment, water treatment plant, water storage tanks, pump stations, distribution mains and related appurtenances, and customer meters. The business address of the District is 4182 St. Rt. 121, Mayfield, Kentucky 42066 The water treatment plant has an engineering design capacity of .5 MGD and typical daily usage of 90,000 gpd. The District serves approximately 1500 customers in its approved jurisdiction in Graves County, Kentucky.
1. **“Repairs”** means those non-routine/non-repetitive activities required for operational continuity, safety and performance generally due to failure, or to avert a failure of the equipment, mains, appurtenances or facilities or some component thereof.
1. **“Unforeseen Circumstances”** shall mean any event or condition which has an effect on the rights or obligations of the Parties under this Agreement, or upon the System, which is beyond the reasonable control of the Party relying thereon, and constitutes a justification for a delay in, or non-performance of, action required by this Agreement, including, but not limited to: (i) an Act of God, landslide, lightning, earthquake, tornado, fire, explosion, flood, failure to possess sufficient property rights, acts of the public enemy, war, blockade, sabotage, insurrection, riot or civil disturbance; (ii) preliminary or final order of any local, province, administrative agency or governmental body of competent jurisdiction; (iii) any change in law, regulation, rule, requirement, interpretation or

statute adopted, promulgated, issued or otherwise specifically modified or changed by any local, state or other governmental body; (iv) loss of, or inability to obtain service from a third entity necessary to furnish electric power for the operation and maintenance of the System; or (v) the failure of the District to make any Capital Expenditure previously identified as necessary for the System to attain applicable performance standards.

SECTION 2. GENERAL PROVISIONS

- 11.0 All land, buildings, facilities, easements, licenses, rights-of-way, equipment and appurtenances presently owned or hereafter acquired by the District shall remain the exclusive property of the District, unless specifically provided for otherwise in this Agreement.
- 12.0 This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Kentucky and any action arising under this agreement or as a result of performance hereunder shall be in the venue of the appropriate court in Graves County, Kentucky.
- 13.0 This Agreement shall be binding upon the successors and assigns of each of the Parties, but neither Party shall assign this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld.
- 14.0 All notices shall be in writing and transmitted to the Party's address stated above. All notices shall be deemed effectively given:
- 11.0.0 If delivered personally, or by courier mail service (e.g., United Parcel Service, Airborne Express, etc.) upon delivery.
- 12.0.0 If mailed by certified or registered U.S. mail, return receipt requested or upon deposit in the United States mail, postage prepaid.
- 13.0.0 If in any other manner, with written acknowledgement of such receipt of notice.
- 15.0 This Agreement, including appendices, is the entire Agreement between the Parties. This Agreement may be modified only by subsequent written amendments signed by both Parties.
- 16.0 Wherever used, the terms "District" and "MEWS" shall include the respective officers, agents, directors, elected or appointed officials and employees and, where appropriate, subcontractors of, or anyone acting on their behalf.

- 17.0 If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.
- 18.0 It is understood and agreed by the Parties that the relationship of MEWS to the District is that of independent contractor to owner. The services provided for under this Agreement are of a professional nature, and shall be performed in accordance with good and accepted industry practices typical for professional contract operators similarly situated in the Commonwealth of Kentucky, and which are providing such services during the time period generally co-terminus with the dates of the term of this Agreement.
- 19.0 The District and MEWS are the only parties to this Agreement. No third party rights or benefits are intended to or shall arise by reason of this Agreement.
- 20.0 If any litigation is necessary to enforce the terms of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees, which are directly attributed to such litigation in addition to any other relief to which it may be entitled.
- 21.0 The District and MEWS respectively represent that each has the authority to enter into this Agreement, and each represents that it has complied with all governmental action necessary to bind it to the terms hereof.

SECTION 3. SCOPE OF SERVICES TO BE PROVIDED BY MEWS

- 3.1 Effective October 8th, 2004, MEWS shall initiate service under this Agreement and shall deploy staff who are qualified and are capable of and have met appropriate licensing and certification requirements of the Commonwealth of Kentucky to operate, maintain and manage the System.
- 12.0 MEWS shall operate, maintain and manage the System such that District customers receive service 24-hours per day, 7 day per-week. It is understood that routine service activities and office access is provided during the normal business day, 7:00 a.m. through 4:00 p.m., Monday – Friday, except holidays. Operational services shall be performed by certified personnel and may be provided either by onsite presence or by remote monitoring as permitted.

- 13.0 MEWS shall be responsible for all aspects of the day-to-day operations, maintenance and management of the water treatment plant, water distribution system, customer service, billing, collection, accounting and reporting in compliance with regulatory requirements and District policy. A delineation of these activities is set out in Appendix A. Included in its management responsibilities, MEWS shall provide a comprehensive monthly Management Report to the District substantially in the same form as that contained in Appendix E, and prepare a listing of payable invoices, a check register and draft checks for signature by the District at its monthly meetings.
- 14.0 MEWS shall manage, operate and maintain the District's System within the existing design capacity and permit limitations of the System so that water produced and delivered to customers meets the requirements specified in Appendix B.
- 15.0 Within sixty (60) days after MEWS begins service under this Agreement, it shall provide the District with a physical inventory of the District's equipment and tools in use at the time of initiation of service under this Agreement, and shall make recommendations to the District regarding capital needs, if any, required by the District to rehabilitate, expand or modify the System's facilities or equipment to comply with governmental regulations or to improve operability to best achieve compliance with, but not limited to the Safe Drinking Water Act and the Clean Water Act.
- 16.0 MEWS shall be responsible for maintaining all manufacturers' warranties on new equipment purchased by the District and shall assist the District in enforcing existing equipment warranties and guarantees.
- 17.0 Within six (6) months after MEWS begins service under this Agreement, MEWS shall provide the District with documentation that preventive maintenance is being performed on the District owned equipment in accordance with manufacturer's recommendations at intervals, and in sufficient detail, as may be feasibly determined by MEWS.
- 18.0 MEWS shall utilize its existing computerized programs relating to financial accounting and reporting on the System.
- 19.0 MEWS shall perform all routine maintenance and repair activities including modification of any process and/or any component of the System to achieve the objectives of this Agreement. However, any routine maintenance and repair activity or process or component modification which requires labor, parts, materials or services

costing in excess of \$2,000 shall require prior authorization by the District.

- 20.0 In any emergency affecting the safety of persons or property, including an Unforeseeable Circumstance, MEWS may act without prior written authorization to prevent threatened damage, injury or loss. MEWS shall make reasonable effort to communicate, regarding the emergency, to the District as soon as possible. MEWS shall be compensated by the District for any such emergency work notwithstanding the lack of a written authorization. Such compensation shall include MEWS's itemized costs for labor and service required for response to the emergency.
- 21.0 As required by law, permit or regulation, MEWS shall prepare, sign, and submit System performance reports to appropriate state authorities, maintaining a complete file copy accessible to the District.
- 22.0 MEWS shall provide or coordinate the provision of labor to perform raw and treated water sampling for submission to an independent laboratory for analysis as required the Safe Drinking Water Act and/or any other applicable federal, state or local laws or regulations, the cost of which shall be borne by the District.
- 23.0 MEWS will maintain a log of customer inquiries, complaints and any and all regulatory agency notices or correspondence, and provide copies of same to the District at the monthly meeting of the District's board of commissioners.
- 24.0 MEWS may provide additional services beyond the scope of this Agreement at the District's request, subject to mutually agreeable terms and conditions and encapsulated in written amendments to this Agreement.

SECTION 4. DISTRICT'S REPRESENTATIONS AND DUTIES

- 4.0 The District shall continue, without restriction, as owner of the System, and shall control all assets and be responsible for all liabilities of same.
- 4.0 The District shall pay to MEWS the agreed upon Service Fee, as contained in MEWS's response to the District's RFQ-P, a copy of which is included in full as Appendix C, to this Agreement. Such payment shall be upon presentation of invoice at the District's monthly meeting.

Contract Agreement Consumers Water District-MEWS

- 4.0 The District shall provide MEWS with exclusive access to and use of all of the premises, tools, equipment or other components of the System at no cost to MEWS.
- 4.0 The District shall represent itself by the presence of authorized members of the Board of Commissioners at its monthly meetings and at other times as required by law or regulation. The District delegates to MEWS the authorization to represent the District only to the extent as expressed in this Agreement.
- 4.0 The District shall conduct monthly business meetings pursuant to the agenda format contained in Appendix D of this Agreement; minutes of District meetings shall be taken and maintained by the duly elected secretary of the District and the minutes of each months meeting shall be reviewed and approved at the next subsequent meeting of the District.
- 4.0 The District shall provide funding for all necessary Capital Expenditures via cash funds, when available, or via loan or bond proceeds, when and as sound financing arrangements allow. Priority for such funding shall be given to those Capital Expenditures recommended by MEWS and deemed by the District to be necessary to address system operational concerns relating to public health, the environment, property, and proper functioning of system components. Any loss, damage, or injury resulting from the District's failure to provide Capital Expenditures and/or funds for maintenance and repair materials and services, when reasonably required by MEWS, shall be the sole responsibility of the District.
- 4.0 The District shall keep in force all System related warranties, guarantees, easements, licenses and permits that have been acquired by the District.
- 4.0 The District shall review and authorize for payment, as appropriate, all invoices presented by MEWS, including the monthly Service Fee, and all System related vendor invoices for parts, materials, supplies and services.
- 4.0 The District shall make appropriate payment of all taxes, disposal charges, or other fees, if any, levied or charged to the System.
- 4.0 The District will procure an annual audit of its books by a certified public accountant (CPA) and will continue to prepare and file, on a timely basis, the annual report to the Public Service Commission and shall bear the expense of same.

- 4.0 The District shall procure professional services, such as legal representation and services as well as consulting engineering services, as may be required from time to time, and shall bear the expense of same.

SECTION 5. ADDITIONAL PROVISIONS OF MUTUAL AGREEMENT

The District and MEWS mutually agree as regards the following:

- 11.0 MEWS, at the request of the District, will assist the District in properly procuring consulting engineers, accountants, and other professional service providers necessary for the preparation of documentation for capital projects, customer rate analyses and financial analyses as may be necessary to secure funding for Capital Expenditures or improved managerial or fiscal performance of the System.
- 12.0 MEWS, at the request of the District, will assist the District in keeping in force all System related warranties, guarantees, easements, licenses and permits that have been acquired by the District.
- 13.0 MEWS, at the request of the District, will assist the District in the preparation of the Public Service Commission report.

SECTION 6. COMPENSATION, ADJUSTMENT AND PAYMENT

- 6.1 MEWS's compensation under this Agreement shall consist of a Service Fee which is comprised of an annually fixed amount for System Operator plus a System Maintenance amount which varies monthly based on the number of customers serviced the previous month. The actual and estimated amounts for the first year of service under this Agreement is contained in Appendix C of this Agreement, being those offered by MEWS and accepted by the District in response to the District's Request for Statement of Qualification and Price Proposal. The Total Annual Contract amount estimated for the first year of operation is \$95,464.32.
- 12.0 The Service Fee shall be reviewed and adjusted each year in July, and will become effective immediately.

- 13.0 Should the District and MEWS fail to agree as regards an adjusted annual Service Fee, the Parties shall engage a certified mediator and abide by the results there from.
- 14.0 The District shall fully pay to MEWS, the invoiced Service Fee each month, in the course of the District monthly meeting.

SECTION 7. SCOPE CHANGES

- 11.0 Change in the scope of services may occur when and if both Parties agree as to modifications of any element contained in Section 3, above, or Appendix A Such change may be precipitated by:

- 11.0.0 Any change in System operations, personnel qualifications, staffing levels, or other costs which are mandated or otherwise required in response to a change in law, rule or regulation, or an action or forbearance of any governmental body having jurisdiction to order, dictate or require such change;

- 12.0.0 Any federal or state mandated increase in employee compensation, compensation rates and related rate increases associated with employee benefits greater or lesser than those in force at the Commencement Date of this Agreement;

- 13.0.0 The District's request and MEWS's consent to provide additional services beyond the scope of this Agreement.

SECTION 8. INDEMNITY, LIABILITY AND INSURANCE

- 11.0 MEWS hereby agrees to indemnify and hold the District harmless from any liability or damages for bodily injury, including death, which may arise from MEWS's negligence or willful misconduct under this Agreement, provided MEWS shall be liable only for that percentage of total damages that corresponds to its percentage of total negligence or fault.
- 12.0 The District agrees to indemnify and hold MEWS harmless from any liability or damage or bodily injury, including death, which may arise from all causes of any kind other than MEWS's gross negligence or willful misconduct including, but not limited to, breach of a the District warranty.

- 13.0 The District shall be liable for those fines, civil penalties or costs imposed by any regulatory or enforcement agencies on the District or on the facilities which are directly related to the District's ownership of the System, and shall indemnify and hold MEWS harmless from the payment of any such fines, costs and/or penalties.
- 14.0 MEWS shall be liable for those fines or civil penalties imposed by any regulatory or enforcement agencies on the District which are directly related to MEWS operation and management of the System, and shall indemnify and hold the District harmless from the payment of any such fines and/or penalties, provided, however that such fines or civil penalties do not arise from failure of the District to act on recommendations provided by MEWS.
- 15.0 Indemnity obligations provided for in this Agreement shall survive the termination of the Agreement.
- 16.0 Each Party shall obtain and maintain insurance coverage of a type and in the amounts described in **Appendix E**. Each Party shall provide the other Party with satisfactory proof of insurance.

SECTION 9. TERM, TERMINATION AND DEFAULT

- 9.1 The term of this Agreement shall be for a period of two (2) years commencing on October 8th, 2004 and expiring on October 7th, 2006.
- 9.0 The Agreement shall automatically renew for an additional term of two (2) years commencing on the expiration date stated in Section 9.1 unless written notice of non-renewal is transmitted by either Party to the other at least ninety (90) days prior to the expiration date stated in Section 9.1. Such notice, if any, shall also be provided to all regulatory and funding agencies of the District, at the same time.
- 9.0 Either Party may terminate this Agreement prior to its expiration for any reason but only after giving written notice to the other Party at least sixty (60) days before the date of such termination. Such notice, if any, shall also be provided to all regulatory and funding agencies of the District, at the same time it is provided to the other Party.

- 9.0 This Agreement shall be submitted to the Kentucky Public Service Commission. If, for any reason, the Commission fails to approve or otherwise disallows the District to continue with the Agreement, the Agreement shall be considered terminated.
- 9.0 Upon termination of this Agreement and any and all renewals and extensions thereof, MEWS shall return the System to the District in the same or similar condition, as it was upon the effective date of this Agreement, ordinary wear and tear accepted. Equipment and other personal property purchased by the District for use in the operation or maintenance of the System shall remain the property of the District upon termination of this Agreement, unless the property was directly paid for by MEWS, or the District has not reimbursed MEWS for the cost incurred to purchase the property, or this Agreement specifically provides to the contrary.

SECTION 10. DISPUTES AND FORCE MAJEURE

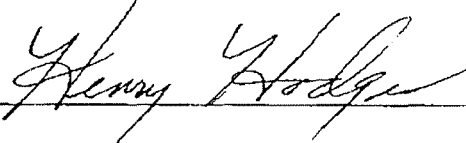
- 11.0 Neither Party shall be liable for its failure to perform its obligations under this Agreement unless such failure is due to any Unforeseen Circumstances beyond its reasonable control, or force majeure. However, this section may not be used by either Party to avoid, delay or otherwise affect any payments due to the other Party.

* * * * *

Contract Agreement Consumers Water District-MEWS

Each Party indicates its respective approval of this Agreement by signature of its designated, authorized representative, and each Party warrants that all corporate action necessary to bind the Parties to the terms of this Agreement has been and will be taken.

CONSUMERS WATER DISTRICT

By: 

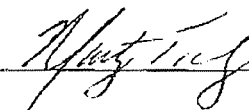
Name: Mr. HENRY HODGES

Title: Chair

ATTEST: 

DATE: 10-7-04

MAYFIELD ELECTRIC AND WATER SYSTEMS

By:  10/7/04

Name: Mr. Marty T. Ivy

Title: General Superintendent

ATTEST: 

DATE: 10/7/04

APPENDIX A

DESCRIPTION OF SCOPE OF SERVICES

1. Services Relating to Water Supply and Treatment System.

- (K) MEWS will be responsible for all aspects of the day-to-day operation, maintenance and management of the water treatment plant (WTP), with the exception of those responsibilities specifically retained by the District.
- (L) MEWS will provide the labor required to operate, maintain and manage the WTP to include both normal business day hours as required, (24) twenty-four hours each weekday and (24) twenty-four hours, as required, each weekend day and holiday. MEWS's employees assigned to the System shall be certified by the State of Kentucky to operate the WTP at the level required in the permit.
- (C) MEWS will maintain accurate and complete records on WTP operation and laboratory data as required by the Natural Resources and Environmental Protection Cabinet (NREPC) and the Cabinet for Human Resources, Department of Health, and will submit and fulfill all operating report requirements and send copies to the District.
- (D) MEWS shall provide routine checks of the WTP and will be responsible for identifying and reporting to the District in writing all repairs and maintenance required or advisable at the WTP. Except as specified in Sections 3.10, MEWS shall not undertake any such repairs or maintenance without the District's prior authorization.
- (E) MEWS shall operate the WTP so the finished water will meet the requirements of the applicable rules and regulations relating standards as set out in Appendix B.
- (F) MEWS shall be liable for and pay any and all fines or civil penalties or damages which may be imposed by a court, governmental entity or regulatory agency for violations of the water quality requirements specified in the regulations that are a result of MEWS's reckless or negligent operation or management of the WTP. However, should the District refuse to make corrections to the WTP recommended or proposed by MEWS as necessary to ensure the WTP's compliance with the permit or if the WTP's actual demand is greater than its

Contract Agreement Consumers Water District-MEWS

permitted or actual capacity, MEWS will not be liable for any such fines, penalties or damages to the extent attributable to such refusal by the District or such excess water demand. The District shall reasonably assist MEWS in contesting any such fines or civil penalties in any administrative, judicial or other proceeding, case, dispute or action prior to any such payment by MEWS.

- (G)** MEWS will perform monthly compliance sampling for required parameters for water quality analysis.
- (H)** MEWS will coordinate with the District for full compliance with any and all applicable District rules and regulations as well as those of the Kentucky Public Service Commission, the Natural Resources and Environmental Protection Cabinet, Division of Water, Kentucky Infrastructure Authority or other federal or state agency having jurisdiction or investment of funding in the District's System.
- (I)** MEWS will coordinate lab activities; establish sampling procedures and test schedules.
- (J)** MEWS will perform field-testing for chlorine residual, pH, pressure and flow calculations and related record keeping.
- (K)** MEWS will supply the District with copies of all sampling schedules and test results in a timely manner.
- (L)** MEWS as specified in Section 2.10 will provide twenty-four (24) hour per day access to the WTP for designated representatives of the District and other authorized persons. All persons entering the WTP shall sign in and out and comply with MEWS's operating and safety procedures.
- (M)** MEWS will order necessary water treatment chemicals to maintain an adequate supply at the WTP. The District will pay for all chemicals directly.
- (N)** MEWS will provide notification to regulatory agencies of all abnormal events and permit non-compliance as required by statute and regulations.
- (O)** MEWS will post an emergency, 24-hour, toll-free phone number for District customers on the monthly billing statement.
- (P)** Parts, materials, services and supplies will be itemized and submitted for payment by the District monthly.

Contract Agreement Consumers Water District-MEWS

- (Q) MEWS will develop and comply with a preventative maintenance schedule that includes all water supply and treatment equipment. The goal of the preventative maintenance program will be to increase equipment life and overall facility reliability, and to thereby reduce the potential for permit violation and enforcement action by regulatory agencies.
- (R) MEWS will coordinate the provision of general building and grounds maintenance to include grass cutting, trimming, touch-up painting, minor plumbing and electrical maintenance, and other minor facilities maintenance services as authorized by the District and as time permits. Costs associated with labor, parts, materials and supplies will be borne by the District.
- (S) MEWS will provide preventative maintenance services to include periodic lubrication of pumps and motors, belt and air filter replacements, packing adjustments, and other minor related equipment adjustments on a routine basis, during the course of normal business. Costs, with cost of parts and supplies to be borne by the District.
- (T) MEWS will attend meetings with State Agencies on behalf of or in conjunction with the District relative to operation of the WTP at no additional cost to the District if the request for meeting is caused by problems or deficiencies in the operation of the facility caused by MEWS.
- (U) MEWS will coordinate the provision of perimeter security and access control and install locks on gates, doors and electrical control panels at the WTP, as authorized by the District and as time permits. Costs associated with labor, parts, materials and supplies will be borne by the District.
- (V) Upon the District's authorization, MEWS will update operation and maintenance manuals for the WTP acceptable to the District as soon as possible after the commencement of the term of this Agreement, to include:

- Process Descriptions
- Operating and Safety Instructions
- Maintenance Requirements and Procedures
- Maintenance Schedules
- Emergency Operating Procedures
- Testing/Sampling Requirements and Procedures

Cost for this service is not included in the Base Monthly Service Fee, and upon authorization, will be billed at rates agreed to prior to authorization by both Parties.

11. Services Relating to the Water Distribution System.

- (K) MEWS will be responsible for all aspects of the day-to-day operation, maintenance and management of the water distribution system, with the exception of those responsibilities specifically retained by the District.
- (K) MEWS will provide the required number of distribution system operators certified by the State of Kentucky to operate the District's distribution system.
- (C) MEWS will maintain accurate and complete records on water distribution system operation and laboratory data as required by the Natural Resources and Environmental Protection Cabinet (NREPC) and the Kentucky Public Service Commission, submit and fulfill all operating report requirements and send copies to the District.
- (K) MEWS will provide the District with qualified personnel to monitor the water quality within the District's water distribution system. MEWS will flush the distribution system on a monthly basis or as needed, in order to maintain a minimum free chlorine residual of 0.2 mg/l at the most remote location in the distribution system.
- (K) MEWS will perform microbiological sampling of the distribution system on a monthly basis as required. If a "positive" coliform count is determined, all actions mandated by regulatory agencies will be taken by MEWS on a timely basis and reported to the District.
- (L) MEWS will perform sampling of the distribution system for chemical analysis such as lead and copper, asbestos, trihalomethanes and other parameters pursuant to regulatory agencies directives.
- (M) MEWS will assist in locating and mapping the District's hydrants to help ensure the proper operation.
- (N) MEWS will make a reasonable effort using probing and magnetic locating equipment to locate the District's main line valves. MEWS will paint each potable water valve box lid blue, which denotes potable water, as needed. MEWS will repair valves as required. Costs associated with labor, parts, materials and supplies will be borne by the District.
- (O) MEWS shall provide routine checks of the water distribution system and will be responsible for identifying and reporting to the District, in writing, all repairs and maintenance required or advisable in the potable water distribution system. Except as specified in Sections without the District's prior authorization.

- (J)** MEWS shall be liable for and pay any and all fines or civil penalties or damages which may be imposed by a court, governmental entity or regulatory agency for violations of requirements specified in the Kentucky Administrative Code that are a result of MEWS's reckless or negligent operation or management of the water distribution system. However, should the District refuse to make corrections to the water distribution system recommended or proposed by MEWS as necessary to ensure the system's compliance with the regulations or if the water distribution system's actual demand is greater than its permitted or actual capacity, MEWS will not be liable for any such fines, penalties or damages to the extent attributable to such refusal by the District or such excess water demand. The District shall reasonably assist MEWS in contesting any such fines or civil penalties in any administrative, judicial or other proceeding, case, dispute or action prior to any such payment by MEWS.
- (K)** Upon the District's authorization, MEWS will initiate the development of electronic mapping for the System with the goal of having complete as-built coverage of the System. MEWS will continually update the as-built drawings as information about the System become available from field verification and discovery. Cost for providing this service will be separately negotiated between the District and MEWS, and amended into this Agreement in the manner set out herein.
- (L)** MEWS will post an emergency, 24-hour, toll-free phone number for District customers on the monthly billing statement so that customers may report problems relating to the System.
- (K)** If and when service is disrupted due to a third party action, MEWS will furnish the District an itemized billing invoice, which will indicate any reimbursements in which the District should seek payment from the third party for its action causing the problem. (eg., vehicle striking and dislodging a hydrant, or an excavation contractor hitting and rupturing a water main, etc.) In such an instance, MEWS will perform the repair as in any emergency situation. The District will be responsible for the costs relating to parts, repair materials and services as well as for labor performed by MEWS, regardless of the ultimate ability of the District to collect reimbursement from the third party.
- (L)** MEWS will provide water line marking service during normal business hours when requested by the District. MEWS will utilize temporary spray paint, flags, or other means as determined by MEWS, to the best of the MEWS's ability, using the latest system map information. In any event, regardless of whether or not

marking was accurate, MEWS will not be responsible for any repair costs if water system components are damaged by any third party.

- (M) MEWS will attend meetings with regulatory or funding agencies on behalf of or in conjunction with the District relative to operation of the water distribution system at no additional cost to the District if the request for meeting is caused by problems or deficiencies in the operation of the water distribution system caused by MEWS.
- (N) MEWS will coordinate the provision of perimeter security and access control and install locks on gates, doors and electrical control panels at all water distribution facilities remote to the WTP. Costs associated with labor, parts, materials and supplies will be borne by the District.
- (O) MEWS will perform miscellaneous service work to the District's water distribution system, to include but not be limited to: repair and/or replacement of meter boxes, water meters, curb stops, valves, and service lines. Costs associated with labor, parts, materials and supplies will be borne by the District.
- (P) MEWS will coordinate the provision of general grounds maintenance to include grass cutting, trimming, touch-up painting, minor plumbing and electrical maintenance, and other minor facilities maintenance services as time allows during the course of the normal business day. Costs associated with labor, parts, materials and supplies will be borne by the District.
- (K) MEWS will provide notification to the NREPC of all abnormal events and permit non-compliance as required by NREPC rules and regulations, including notification to the Graves County Health Department if a boil-water notice is to be made.
- (L) MEWS will provide customer field services for the System to include such items as response to water quality complaints, pressure complaints, water reinstatement and disconnect services, and miscellaneous other related customer service calls during the course of the normal business day.

3. Services Relating to Billing, Collection, Accounting, Reporting, Customer Service and System Management.

- (K) MEWS will read each of the District's water meters every month to accommodate a monthly (30-day) customer usage cycle.

- (K)** As warranted, MEWS will provide proper notice and proceed with disconnection of System customer water service for non-payment and reconnect service after payment is received in accordance with District procedures approved by the PSC. Service disconnection will be accomplished by installing a lock on the meter stop, plugging the meter itself, or by removing the meter at the discretion of MEWS.
- (L)** MEWS will not provide field payment collection at time of service disconnection.
- (M)** MEWS will generate bills and maintain billing records via its existing computer software program, and mail all customer bills monthly.
- (N)** MEWS will receive and post all customer payments when and as received.
- (O)** MEWS will procure all required materials, parts, equipment chemicals, and other items required for proper operation, maintenance and management of the System in the name of the District, and report same via the monthly Management Report. However, with the authorization of the District, MEWS will place orders for and take delivery of materials, parts, equipment chemicals, and other items in its own name for use on the District's System in order to achieve the benefits of convenience, security and economies of bulk purchasing. Invoicing and other records shall clearly indicate which items are for System use and these items shall be billed to the District for proper payment.
- (P)** MEWS will prepare an itemized listing of all vendor invoices, prepare a check register and draft checks for payment to be signed by the District after review each month at the District's meeting.
- (Q)** MEWS will attend the District's monthly meetings and submit the required management report at that time for review and approval by the District.
- (R)** MEWS will assist the District in developing an annual budget for the System, which shall include reasonable cost projections for proper operation and maintenance activities as well as costs for equipment and facilities replacement.
- (S)** MEWS will maintain the District's communication and mail correspondence. Draft correspondence will be prepared on District letterhead stationery for signature by the District. Additionally, the District may delegate the authority a designated employee of MEWS to sign correspondence on a case-by-case basis.

APPENDIX B

TREATMENT STANDARDS AND WATER TESTING REQUIREMENTS

1. MEWS shall operate the System so that water treated will meet the current drinking water standards as established by applicable state or federal law, as specified below.

Turbidity	0.5 NTU
Iron	<0.3 mg/L
Manganese	<0.05 mg/L
Fluoride	0.8 average mg/L
pH	6.9 to 7.3
Color	<15 color units
Corrosivity	Non-corrosive
Odor	<3.0 TON
E. Coli	Negative
Hardness	12 grains/gallon
Alkalinity	6 to 10 grains/gallon

0. As regards water quality sampling and reporting, MEWS shall be responsible during the term of this Agreement to perform or schedule others to perform the following:
 - . all water sampling, analysis, testing and reporting required for water sources, distribution mains, or customer premises, by a Kentucky-certified laboratory as required by the U.S. Environmental Protection Agency, the Kentucky Division of Water, or future acts of the U.S. Congress, or Kentucky Legislature;
 - . scheduling, collecting and transporting all water samples to test for microbiological, inorganic and organic constituents;
 - . preparing monitoring plans; sample collection training; reporting to appropriate regulators; record keeping; analysis interpretation;
 - . special or emergency sample collection and analysis, and emergency notification to affected customers, if required;
 - . preparing and distributing all customer reports on water quality; response to customer inquiries on water quality;
 - . coordination of cross-connection control and potential contamination issues;

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- . conducting a sanitary survey on the System with the Kentucky Division of Water;
- h. obtaining any necessary permits and compliance with appropriate air quality regulations and complying with any hazardous materials control program;
- i. ensuring all operator certification compliance with Kentucky and federal requirements, now existing, or which may be implemented during the term of this Agreement.

APPENDIX C

SERVICE FEE

(insert: "Proposal for Operations of Consumers Water District")

APPENDIX D

The District shall conduct a monthly business meeting generally in accordance with the format of agenda set out below and shall review the monthly management report to the prepared and submitted by MEWS to the District in the following format or substantially in the same format as that presented below.

Agenda

11. Call to Order / determination of quorum
12. Introduction of attendees
13. Review, approval and signing of minutes of previous meeting
14. Review and approval of Monthly Management Report
15. Review and payment of bills, as warranted
16. Consideration of Public Comments
17. Consideration of New Business
18. Adjournment

Monthly Management Report

- Information contained in this report is selected from more detailed operational reports and accounting information and reflects the actual financial and operational status of the utility for the period cited.
- Information should be consistent with the Budget (cash or accrual).
- Report should be signed by General Manager and Clerk/Accountant.

Content of Report

XI. Monthly Financial Information

	<u>Annual Budget</u>	<u>Current Month</u>	<u>Year to Date</u>	<u>%Under (over Budget)</u>
A. Annual Operations Budget Status				
Operating Revenue				
Operating Expenses				
Non-operating Income				
Non-operating Expenses				
Income before contributions & Extraordinary expenses				
B. Current Financial Information (include check register information with Check #, Date, Vendor Name & Amount)				

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C. Debt Service Account

Bond Covenants Require \$ _____ in this account

Beginning Cash & Investments	\$ _____
Transfers	_____
Interest Paid	_____
Principal Paid	_____
Ending Cash & Investments	_____

D. Equipment Replacement Account

Bond Covenants Require \$ _____ in this account

Beginning Cash & Investments	\$ _____
Transfers	_____
Interest Paid	_____
Principal Paid	_____
Ending Cash & Investments	_____

(Amounts for C & D are book balances at the end of the month)

XII. Technical Operations Report

- . Gallons purchased
- . Gallons produced
- . Gallons billed
- . Gallons used in process
- . Gallons accounted for (c + d)
- . Gallons unaccounted for ((a + b)-e)
- . Unaccounted as percent purchased/produced (f divided by (a + b))
- . Cost of unaccounted (g x cost per gallon)
- . Number of customers billed
- . Average consumption (c divided by l)
- . Average bill (j x cost per gallon)
- . Water sales (actual billed) for wholesale & retail
- . Number of Termination Notices
- . Number of actual Disconnects
- . Number of meters installed (for residential, commercial, industrial)
- p. Major line breaks or plant breakdowns (for each event):
 - 0. Nature of action:
 - 0. Date & time of occurrence:
 - 0. Location
- q. Largest Customer Activity
- r. Comments or concerns

XI. Management Issues

Provide brief listing of items to be discussed with the District, which may include but not be limited to: operation, maintenance and management contract issues; physical facilities issues; deferred maintenance; policy or procedures issues; regulatory notices/violations; and allowed closed session issues (such as certain personnel actions, acquisition of property and litigation)

APPENDIX E

INSURANCE COVERAGE

MEWS SHALL MAINTAIN:

8. Statutory Workers' Compensation insurance coverage for all of MEWS's employees at the System as required by the Commonwealth of Kentucky.
9. Comprehensive general liability insurance, insuring MEWS's negligence, in an amount not less than One Million Dollars (\$1,000,000) combined single limits for bodily injury and/or property damage.

Regarding Insurance:

1. MEWS shall maintain Workers' Compensation insurance coverage for all of its employees associated with the System as required by the Commonwealth of Kentucky.
2. The District shall maintain property damage insurance for all property, owned by the District by used/operated by MEWS under this Agreement.
3. MEWS shall maintain automobile liability insurance, as required by the Commonwealth of Kentucky, on all its motor vehicles used in furtherance of the System.
4. MEWS shall maintain surety bond insurance on itself and its contractors associated with the System.

The Parties shall provide each other at least thirty (30) days notice of the cancellation of any policy it is required to maintain under this Agreement. MEWS may self-insure reasonable deductible amounts under the policies it is required to maintain to the extent permitted by law, but only if such action does not invalidate the property insurance of the District. The Parties, on behalf of themselves and their insurers, waive their rights of subrogation with respect to losses occurring to property dedicated to this System.

6. Refer to Exhibit 2 of the application, Graves County District's Cash Flow Analysis.

a. Provide copies of all workpapers, calculations, and assumptions Petitioners used in the projections contained in this analysis.

b. Provide the cash flow analysis comparison that includes the detailed revenue and expense accounts.

c. Provide the following financial statements for the calendar year 2007 for each district involved in the proposed merger:

(1) Balance Sheet

(2) Income Statement

(3) Cash Flow Statement

d. Provide projected financial statements for Graves District by using the financial statements provided in the response to 6(b). Include copies of all workpapers, calculations, and assumptions used in the projections.

Response: Attached

6. b.

**GRAVES COUNTY WATER DISTRICT
CASHFLOW ANALYSIS**

	CWD Projected 2008	SGWD Projected 2008	FFWD Projected 2008	HWD Projected 2008	GCWD Projected 2008
Operating Revenues					
Metered Sales	431,391	239,865	254,723	104,400	1,030,379
Penalties	8,500	6,000	3,500	-	18,000
Service Charges and Misc.	28,800	7,000	11,000	600	47,400
Total Revenues	468,691	252,865	269,223	105,000	1,095,779
Operating Expenses					
Salaries & Commissioner Pay	9,800	6,000	6,000	23,000	44,800
Purchased Power & Utilities	9,000	20,000	26,000	9,000	64,000
Chemicals & Analysis	7,000	25,000	28,000	8,000	68,000
Materials & Supplies	20,000	30,000	66,000	9,000	125,000
Contractual Services	353,000	160,000	160,000	23,000	696,000
Insurance	7,800	3,300	5,300	9,000	25,400
Miscellaneous	18,196	9,768	11,321	1,431	40,716
Less: Depreciation	(92,849)	(42,548)	(72,432)	(3,500)	(211,329)
Total Expenses	331,947	211,520	230,189	78,931	852,587
Operating Income before Depreciation	136,744	41,345	39,034	26,069	243,192
Non-Operating Income and Expenses					
Interest Income	100	33	4,000	265	4,398
Total Non-Operating Income & Expenses	100	33	4,000	265	4,398
Cash Available for Debt Service	136,844	41,378	43,034	26,334	247,590
Debt Service					
Debt Service After Consolidation	-	37,230	42,207	-	79,437
Total Debt Service	-	37,230	42,207	-	79,437
Income After Debt Service	136,844	4,148	827	26,334	168,153
Debt Coverage Ratio	0.00	1.11	1.02	0.00	

Graves County Water District Consolidation Worksheet

	<u>Compiled Numbers Through August 2007</u>					<u>Projections for 2008 = (August 2007 numbers / 8) * 12</u>				
	CWD	SGWD	FFWD	HWD		CWD	SGWD	FFWD	HWD	GCWD
	Actual Aug 2007	Actual Aug 2007	Actual Aug 2007	Actual Aug 2007		Projected 2008	Projected 2008	Projected 2008	Projected 2008	Projected 2008
Operating Revenues										
Metered Sales	287,594	159,910	169,815	69,600		431,391	239,865	254,723	104,400	1,030,379
Penalties	5,667	4,000	2,333	-		8,500	6,000	3,500	-	18,000
Service Charges and Misc.	19,200	4,666	7,333	400		28,800	7,000	11,000	600	47,400
Total Revenues	312,461	168,576	179,481	70,000		468,691	252,865	269,223	105,000	1,095,779
Operating Expenses										
Salaries & Commissioner Pay	6,533	4,000	4,000	15,333		9,800	6,000	6,000	23,000	44,800
Purchased Power & Utilities	6,000	13,333	17,333	6,000		9,000	20,000	26,000	9,000	64,000
Chemicals & Analysis	4,666	16,666	18,667	5,333		7,000	25,000	28,000	8,000	68,000
Materials & Supplies	13,333	20,000	44,000	6,000		20,000	30,000	66,000	9,000	125,000
Contractual Services	235,333	106,667	106,667	15,333		353,000	160,000	160,000	23,000	696,000
Insurance	5,200	2,200	3,533	6,000		7,800	3,300	5,300	9,000	25,400
Miscellaneous	12,131	6,511	7,547	954		18,196	9,768	11,321	1,431	40,716
Less: Depreciation	(61,899)	(28,365)	(48,288)	(2,333)		(92,849)	(42,548)	(72,432)	(3,500)	(211,328)
Total Expenses	221,297	141,012	153,459	52,620		331,947	211,520	230,189	78,931	852,587
Operating Income before Depreciation	91,164	27,564	26,022	17,380		136,744	41,345	39,034	26,069	243,192
Non-Operating Income and Expenses										
Interest Income	67	22	2,667	177		100	33	4,000	265	4,398
Total Non-Operating Income & Expenses	67	22	2,667	177		100	33	4,000	265	4,398
Cash Available for Debt Service	91,231	27,586	28,689	17,557		136,844	41,378	43,034	26,334	247,590

Debt Service Figures are from the old and projected debt schedules included in the first filing. If the \$500,000 grant is allocated differently than proposed in the original filing, the debt service numbers will be different.

6. c.

Consumers Water District
Balance Sheet
As of December 31, 2007

	Dec 31, 07
ASSETS	
Current Assets	
Checking/Savings	
131 · Cash in bank-Exchange Regular	94,580.15
132 · Cash in bank-Exchange Deposits	31,244.62
133 · Cash in bank-Cap Improvements	113,552.28
134 · Cash in Bank-FNB-Captial Improv	108,728.18
Total Checking/Savings	348,105.23
Other Current Assets	
140 · Commercial Account Receivable	1,956.30
141 · Customer Account Receivable	32,193.71
143 · Utility tax receivable	1,006.21
144 · Sales Tax receivable	66.09
145 · Allowance for uncollectible	-526.25
147 · ACCOUNTS RECEIVABLE-OTHER	1,165.81
Total Other Current Assets	35,861.87
Total Current Assets	383,967.10
Fixed Assets	
174 · Utility Plant	3,068,884.60
179 · Capital Improvement-Elderberry	3,591.88
180 · Cap Imp-ST Rt 2205,564,94	352,234.17
181 · Cap Imp-May-Aurora Hwy	240,223.90
182 · Accumulated depreciation	-1,308,178.00
183 · CAPITAL IMPROVEMENT	19,804.29
184 · CAPITAL IMPROV-HWY 303 LOOP	503,628.23
Total Fixed Assets	2,880,189.07
Other Assets	
146 · Prepaid Insurance	3,894.96
Total Other Assets	3,894.96
TOTAL ASSETS	3,268,051.13
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
200 · Account Payable	
2000 · *Accounts Payable	9,142.85
Total 200 · Account Payable	9,142.85
Total Accounts Payable	9,142.85
Other Current Liabilities	
2100 · Payroll Liabilities	
234 · FICA	223.20
235 · Federal Withholding	48.00
236 · State Withholding	100.62
237 · Medicare	52.20
238 · County taxes withheld	36.00
Total 2100 · Payroll Liabilities	460.02
226 · Accrued Interest	1,412.35
232 · Customer Overpaymet	2,296.05
233 · Customer Deposits	39,865.25
239 · KY sales tax payable	192.50
240 · Utility tax payable	1,003.30
242 · Deposit Jim Smith Construction	1,000.00
250 · Advances for construction	13,565.42
Total Other Current Liabilities	59,794.89
Total Current Liabilities	68,937.74

Consumers Water District
Balance Sheet
As of December 31, 2007

	Dec 31, 07
Long Term Liabilities	
223 · Loan-1ST KY Bank Tie In	20,521.38
224 · Bonds KAD-Fifth Third	55,459.79
225 · Loan Payable-1ST KY Bank	23,611.30
Total Long Term Liabilities	99,592.47
Total Liabilities	168,530.21
Equity	
3000 · Unappro RetainedEarnings	
302 · Unappropriated Earning	268,317.71
Total 3000 · Unappro RetainedEarnings	268,317.71
303 · Contribution in aid of construc	1,848,760.00
304 · Meters installed	27,325.00
3900 · Retained Earnings	397,271.79
Net Income	557,846.42
Total Equity	3,099,520.92
TOTAL LIABILITIES & EQUITY	3,268,051.13

Consumers Water District
Profit & Loss
 January through December 2007

Jan - Dec 07

Ordinary Income/Expense		
Income		
401 · Metered Sales-Residential	380,397.42	
402 · Metered Sales-Commercial	21,124.68	
403 · Penalty Revenue	8,301.91	
404 · Service Charge Revenue	8,735.00	
408 · Miscellaneous Income	10,901.25	
413 · OVERTIME FEE FOR MEWS	300.00	
	<hr/>	
Total Income	429,760.26	
Expense		
CONTRACT-JERRY WAYNE CATES	575.80	<i>Contract</i>
508 · Commissioner-Henry Hodges	3,900.00	
509 · Commissioner-Billy Dick	3,900.00	
510 · Commissioner-Johnny Dowdy	3,900.00	
515 · Purchased water	148,079.86	<i>Contract</i>
516 · Power 121 and 303	3,950.91	<i>Contract</i>
517 · Power-office	261.86	
518 · Murray gas expense	274.66	
520 · Analysis	5,683.99	<i>Analysis</i>
521 · Materials and supplies	7,592.65	<i>Contracted</i>
522 · Telephone	342.00	
524 · Contract labor-other	6,959.50	<i>Contracted</i>
527 · Contract service-MEWS	101,275.12	<i>Contracted</i>
528 · Tank maintenance	10,246.42	<i>Contracted</i>
529 · Pump/Well maintenance	75.00	
531 · Audit and accounting	500.00	<i>Auditing</i>
532 · Legal services	2,375.00	<i>Legal</i>
534 · Meeting expense	669.50	
535 · Payroll taxes	895.05	
536 · Insurance expense	7,851.20	
537 · Advertising expense	1,476.00	
538 · Building repairs expense	564.41	
539 · Utility regulation assessment	553.89	
542 · Bad Debt Expense	699.00	
543 · Collection Expense	14.91	
544 · Miscellaneous Expense	2,314.19	
547 · Yard Maintenance	8,545.00	<i>Contracted</i>
548 · Office Supply	28.89	
549 · Postage Expense	82.20	
551 · Underground digging notificatio	867.89	
553 · Labor above Contract-MEWS	24,984.16	<i>Contracted</i>
557 · Property Tax expense	39.20	
	<hr/>	
Total Expense	349,478.26	
Net Ordinary Income	80,282.00	
Other Income/Expense		
Other Income		
400 · Interest Income		
405 · Interest income-Reg acct	167.94	
406 · Interest Income-Deposit acct	823.84	
407 · Interest Income-Cap. Imp. acct.	7,802.58	
	<hr/>	
Total 400 · Interest Income	8,794.36	
409 · Grant Income	561,651.29	
410 · Highway Project Reimbursement	7,955.26	
	<hr/>	
Total Other Income	578,400.91	

Consumers Water District
Profit & Loss
 January through December 2007

	Jan - Dec 07
Other Expense	
500 · Interest Expense	
502 · Bond expense KAD	4,530.00
503 · Interest expense-Other	858.14
504 · Interest expense-Tie in project	1,379.43
559 · Interest Exp-Line of Credit	1,670.21
500 · Interest Expense - Other	341.07
Total 500 · Interest Expense	8,778.85
501 · Depreciation expense	92,057.64
Total Other Expense	100,836.49
Net Other Income	477,564.42
Net Income	557,846.42

**Consumers Water District
Statement of Cash Flows
January through December 2007**

	Jan - Dec 07
OPERATING ACTIVITIES	
Net Income	557,846.42
Adjustments to reconcile Net Income to net cash provided by operations:	
140 · Commercial Account Receivable	-1,166.47
141 · Customer Account Receivable	-5,154.91
143 · Utility tax receivable	-309.27
144 · Sales Tax receivable	-22.19
147 · ACCOUNTS RECEIVABLE-OTHER	3,437.84
200 · Account Payable:2000 · *Accounts Payable	-1,865.41
2100 · Payroll Liabilities:236 · State Withholding	-5.46
232 · Customer Overpayment	0.40
233 · Customer Deposits	322.00
239 · KY sales tax payable	40.26
240 · Utility tax payable	306.36
243 · Interest Owed to Deposit Cust.	-96.85
250 · Advances for construction	-6,408.09
Net cash provided by Operating Activities	546,924.63
INVESTING ACTIVITIES	
174 · Utility Plant	-5,842.46
182 · Accumulated depreciation	92,057.64
183 · CAPITAL IMPROVEMENT	-2,000.00
184 · CAPITAL IMPROV-HWY 303 LOOP	-503,628.23
146 · Prepaid Insurance	-87.50
Net cash provided by Investing Activities	-419,500.55
FINANCING ACTIVITIES	
223 · Loan-1ST KY Bank Tie In	-13,735.76
224 · Bonds KAD-Fifth Third	-10,000.00
225 · Loan Payable-1ST KY Bank	-15,794.36
304 · Meters installed	9,250.00
Net cash provided by Financing Activities	-30,280.12
Net cash increase for period	97,143.96
Cash at beginning of period	250,961.27
Cash at end of period	348,105.23

FANCY FARM WATER DISTRICT

Balance Sheet

As of December 31, 2007

	<u>Dec 31, 07</u>
ASSETS	
Current Assets	
Checking/Savings	
1101 · CASH IN BANK-O&M	3,033.53
1102 · CASH IN BANK-REVENUE	96.54
1103 · CASH IN BANK-METER DEPOSIT	4,385.99
1106 · CDs-FIRST COMMUNITY-WATER	76,433.53
1115 · CASH IN BANK-FIRST COMMUNITY	66.51
2108 · CDs-FIRST COMMUNITY BANK-SEWER	35,277.04
Total Checking/Savings	<u>119,293.14</u>
Accounts Receivable	
1107 · ACCTS. RECEIVABLE-CUSTOMERS	13,518.16
1108 · ACCTS. RECEIVABLE-MILBURN	1,364.50
2107 · ACCTS. RECEIVABLE	8,703.21
Total Accounts Receivable	<u>23,585.87</u>
Other Current Assets	
1113 · PREPAID INSURANCE	1,270.66
1114 · ACCRUED INTEREST REC	232.66
2109 · PREPAID INS-SEWER	1,270.67
2110 · ACCRUED INTEREST REC SEWER	178.97
Total Other Current Assets	<u>2,952.96</u>
Total Current Assets	145,831.97
Other Assets	
1109 · LAND	14,995.00
1110 · UTILITY PLANT	1,176,513.00
1111 · UTILITY PLANT A/D	-624,519.04
2105 · UTILITY PLANT-SEWER	1,564,568.70
2106 · ACCUMULATED DEPRECIATION	-1,009,510.96
Total Other Assets	<u>1,122,046.70</u>
TOTAL ASSETS	<u><u>1,267,878.67</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
1201 · SALES TAX PAYABLE	107.27
1212 · ACCOUNTS PAYABLE	11,428.34
Total Accounts Payable	<u>11,535.61</u>
Other Current Liabilities	
1207 · CUSTOMER DEPOSITS	6,045.84
1209 · UTILITY TAX PAYABLE	300.34
1210 · ACCRUED INTEREST	12.22
Total Other Current Liabilities	<u>6,358.40</u>
Total Current Liabilities	17,894.01
Long Term Liabilities	
1211 · BONDS PAYABLE-LONG TERM	690,896.06
Total Long Term Liabilities	<u>690,896.06</u>
Total Liabilities	708,790.07

FANCY FARM WATER DISTRICT

Balance Sheet

As of December 31, 2007

	<u>Dec 31, 07</u>
Equity	
1301 · UNRES. RETAINED EARNINGS-WATER	-83,553.00
1303 · CONST. IN AID OF TAP ONS	206,079.20
2301 · CONTRIBUTIONS IN AID OF CONST.	1,170,136.36
2303 · UNRES. RETAINED EARNINGS SEWER	-580,366.00
3900 · Retained Earnings	-127,491.02
Net Income	-25,716.94
Total Equity	<u>559,088.60</u>
TOTAL LIABILITIES & EQUITY	<u>1,267,878.67</u>

FANCY FARM WATER DISTRICT

Profit & Loss

January through December 2007

	Jan - Dec 07
Ordinary Income/Expense	
Income	
1401 · WATER SALES	128,715.39
1402 · PENALTIES	3,551.63
1403 · MILBURN	18,837.79
1406 · METER SALES-TAP ON FEES	900.00
1415 · SERVICE CHARGES & MISC. INCOME	10,116.51
2401 · FLAT RATE SEWER RECEIPT	106,757.54
2406 · MISC INCOME	0.00
Total Income	268,878.86
Expense	
1501 · DEPRECIATION EXPENSE	30,176.04
1502 · MISCELLANEOUS EXPENSE	7,182.49
1503 · RETURN CHECK CHARGE	225.00
1507 · SALES TAX	0.00
1509 · ELECTRIC PURCHASES POWER	9,312.82
1510 · CHEMICALS	18,177.80
1511 · MATERIAL & SUPPLIES	13,161.78
1512 · CONTRACT SERVICES	65,200.33
1514 · INSURANCE	5,285.00
1515 · MISC. & TELEPHONE	3,882.06
1519 · WATER-LAB ANALYSIS	3,718.49
1520 · LABOR ABOVE CONTRACT	14,045.29
1521 · COMMISSIONER PAY	2,700.00
1522 · REPAIRS & MAINTENANCE	-113.10
1523 · PSC ASSESSMENT EXPENSE	438.40
1525 · BAD DEBT EXPENSE	722.91
2504 · OPERATION EXPENSE- WATER BILL	253.39
2509 · REPAIRS	2,067.03
2510 · CONTRACTUAL SERVICE EXPENSE	53,963.11
2515 · MISCELLANEOUS	725.00
2517 · DEPRECIATION	42,249.96
2518 · COMMISSIONERS	2,700.00
2519 · LABOR ABOVE CONTRACT-SEWER	4,389.84
2520 · UTILITIES	15,252.28
2521 · BAD DEBT EXPENSE-SW	906.11
2819 · MATERIALS	124.68
Total Expense	296,746.71
Net Ordinary Income	-27,867.85
Other Income/Expense	
Other Income	
1408 · INTEREST-REVENUE	2.81
1410 · INTEREST-METER DEPOSITS	32.88
1416 · INTEREST INCOME-CD	5,505.56
1421 · GRANT INCOME-MEWS INTERCONNECT	26,876.19
1422 · INTEREST-FIRST COMMUNITY GRANT	64.32
Total Other Income	32,481.76
Other Expense	
1516 · INTEREST-BOND	3,455.85
1518 · GRANT EXPENSE-MEWS INTERCONNE...	26,875.00
Total Other Expense	30,330.85
Net Other Income	2,150.91
Net Income	-25,716.94

Contracted
Contracted
Contracted
Contracted
Contracted
Analysis
Contracted
 Water ↑
 Sewer ↓

Engineering

FANCY FARM WATER DISTRICT
Statement of Cash Flows
January through December 2007

	Jan - Dec 07
OPERATING ACTIVITIES	
Net Income	-25,716.94
Adjustments to reconcile Net Income to net cash provided by operations:	
1107 · ACCTS. RECEIVABLE-CUSTOMERS	-5,279.55
1108 · ACCTS. RECEIVABLE-MILBURN	1,608.60
2107 · ACCTS. RECEIVABLE	163.97
1113 · PREPAID INSURANCE	-0.35
2109 · PREPAID INS-SEWER	-0.35
1201 · SALES TAX PAYABLE	13.87
1212 · ACCOUNTS PAYABLE	85.92
1207 · CUSTOMER DEPOSITS	448.00
1209 · UTILITY TAX PAYABLE	7.55
1210 · ACCRUED INTEREST	-16.71
Net cash provided by Operating Activities	-28,685.99
INVESTING ACTIVITIES	
1110 · UTILITY PLANT	-6,621.00
1111 · UTILITY PLANT A/D	30,176.04
2105 · UTILITY PLANT-SEWER	-4,653.71
2106 · ACCUMULATED DEPRECIATION	42,249.96
Net cash provided by Investing Activities	61,151.29
FINANCING ACTIVITIES	
1211 · BONDS PAYABLE-LONG TERM	-38,750.89
Net cash provided by Financing Activities	-38,750.89
Net cash increase for period	-6,285.59
Cash at beginning of period	125,578.73
Cash at end of period	119,293.14

SOUTH GRAVES WATER DISTRICT

Balance Sheet

As of December 31, 2007

Dec 31, 07

ASSETS

Current Assets

Checking/Savings

102 · FNB-DEBT SERVICE	1,756.11
103 · FNB-DEPRECIATION	6,037.75
105 · FNB-REVENUE ACCT.	8,716.36
108 · FNB-OPERATING & MAINT.	2,298.11
110 · FNB-SAV CUSTOMER DEPOSITS	8,449.78

Total Checking/Savings 27,258.11

Total Current Assets 27,258.11

Other Assets

115 · ACCOUNTS RECEIVABLE-BILLED	18,611.17
130 · UTILITY PLANT	1,930,959.01
150 · ACCUMULATED DEPRECIATION	-1,035,803.92
190 · KIA POOL CONTINGENCY	95,679.21
191 · UNAMORTIZED KIA ISSUE COST	2,060.71
192 · UNAMORTIZED BOND ISSUE COSTS	1,929.72
193 · UNAMORTIZED KIA REST.	74,784.94
194 · PREPAID INSURANCE	1,378.46

Total Other Assets 1,089,599.30

TOTAL ASSETS 1,116,857.41

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2000 · *ACCOUNTS PAYABLE	24,926.80
221 · INTEREST PAYABLE ON DEPOSITS	41.70

Total Accounts Payable 24,968.50

Other Current Liabilities

210 · CUSTOMER OVERPAYMENTS	702.71
220 · CUSTOMERS DEPOSITS	16,792.09
240 · SALES TAXES PAYABLE	86.39
245 · SCHOOL TAX PAYABLE	600.85

Total Other Current Liabilities 18,182.04

Total Current Liabilities 43,150.54

Long Term Liabilities

222 · UNION PLANTERS-NOTES PAYABLE	9,098.95
261 · KIA-NOTE PAYABLE	839,851.65
270 · FHA BONDS PAYABLE-SERIES A	47,000.00
271 · FHA BONDS PAYABLE-SERIES B	2,800.00
272 · FHA BONDS PAYABLE-SERIES C	43,000.00

Total Long Term Liabilities 941,750.60

Total Liabilities 984,901.14

Equity

290 · CONTRIBUTION IN AID	368,181.86
303 · RETAINED EARNINGS/	-275,610.15
360 · METER INSTAL & TAP ON FEES	4,050.00
3900 · RETAINED EARNINGS	40,624.69
Net Income	-5,290.13

Total Equity 131,956.27

TOTAL LIABILITIES & EQUITY 1,116,857.41

SOUTH GRAVES WATER DISTRICT
Profit & Loss
 January through December 2007

	<u>Jan - Dec 07</u>	
Ordinary Income/Expense		
Income		
361 · METERED SALES	239,866.42	
370 · PENALTIES	6,950.74	
371 · RECONNECTS	900.00	
372 · SERVICE CHARGES	3,835.00	
373 · MISC INCOME	3,078.10	
Total Income	<u>254,630.26</u>	
Expense		
404 · OFFICE SUPPLIES	813.72	
408 · CHEMICALS	21,851.66	<i>Contracted</i>
411 · TESTING	4,676.74	<i>Analysis</i>
416 · UTILITIES	16,272.65	<i>Contracted</i>
430 · INSURANCE	3,296.26	<i>Contracted</i>
440 · LEGAL & ACCOUNTING	750.00	<i>Leg & Acc</i>
446 · COMMISSIONER SALARIES	3,500.00	
447 · MAINTENANCE-WELL	289.00	
448 · MAINTENANCE-PUMP	588.39	
450 · PUBLIC SERVICE TAX FEE	799.18	
474 · SERVICE CHARGES/	346.90	
475 · DUES-LICENSES	600.00	
476 · ADVERTISING	381.30	
477 · BAD DEBT EXPENSE	3,895.72	
490 · YARD CARE	6,480.00	<i>Contracted</i>
495 · MANAGEMENT CONTRACT	114,476.46	<i>Contracted</i>
496 · LABOR ABOVE CONTRACT	24,385.76	<i>Contracted</i>
498 · MATERIAL AND SUPPLIES	5,749.53	<i>Contracted</i>
499 · MISC. EXPENSE	284.37	
Total Expense	<u>209,437.64</u>	
Net Ordinary Income	45,192.62	
Other Income/Expense		
Other Income		
365 · INTEREST INCOME	73.56	
Total Other Income	73.56	
Other Expense		
417 · INTEREST EXPENSE	8,008.39	
445 · DEPRECIATION	42,547.92	
Total Other Expense	<u>50,556.31</u>	
Net Other Income	-50,482.75	
Net Income	<u><u>-5,290.13</u></u>	

SOUTH GRAVES WATER DISTRICT
Statement of Cash Flows
January through December 2007

	Jan - Dec 07
OPERATING ACTIVITIES	
Net Income	-5,290.13
Adjustments to reconcile Net Income to net cash provided by operations:	
2000 · *ACCOUNTS PAYABLE	-27,256.95
210 · CUSTOMER OVERPAYMENTS	0.03
220 · CUSTOMERS DEPOSITS	-410.00
240 · SALES TAXES PAYABLE	19.30
245 · SCHOOL TAX PAYABLE	73.98
	-32,863.77
INVESTING ACTIVITIES	
115 · ACCOUNTS RECEIVABLE-BILLED	2,904.76
150 · ACCUMULATED DEPRECIATION	42,547.92
194 · PREPAID INSURANCE	151.02
	45,603.70
FINANCING ACTIVITIES	
222 · UNION PLANTERS-NOTES PAYABLE	-5,701.05
270 · FHA BONDS PAYABLE-SERIES A	-45,000.00
271 · FHA BONDS PAYABLE-SERIES B	-2,700.00
272 · FHA BONDS PAYABLE-SERIES C	-2,000.00
	-55,401.05
Net cash increase for period	-42,661.12
Cash at beginning of period	69,919.23
Cash at end of period	27,258.11

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	UTILITY PLANT		437315	437315
101-105	Utility Plant.....	11	\$ 416,724	\$ 437,315
108	Less: Accumulated Depreciation And Amortization.....	11,13	\$ <383,651> 340,140	\$ <388,196> 385,657
	Net Plant.....		\$ 76,084	\$ 52,659
114-115	Utility Plant Acquisition Adjustments (Net)	14	\$ 53,664	\$ 48,519
	Total Net Utility Plant.....		\$ 53,664 76,084	\$ 52,659 48,519
	OTHER PROPERTY AND INVESTMENTS			
121	Nonutility Property.....		\$ _____	\$ _____
122	Less: Accumulated Depreciation And Amortization.....		\$ _____	\$ _____
	Net Nonutility Property.....		\$ _____	\$ _____
124	Utility Investments.....	14	\$ _____	\$ _____
	Total Other Property & Investments...		\$ _____	\$ _____
	CURRENT AND ACCRUED ASSETS			
131	Cash.....		\$ 12,579 27,111	\$ 6,790 12,579
132	Special Deposits.....		\$ _____	\$ _____
141-143	Accounts Receivable, Less Accumulated Provision for Uncollectible Accounts.....	15	\$ 4,035 4,010	\$ 4,106 4,035
151	Plant Materials and Supplies.....		\$ _____	\$ _____
174	Misc. Current and Accrued Assets.....		\$ 3,924 4,035	\$ 5,024 3,024
	Total Current and Accrued Assets		\$ 19,638 43,266	\$ 14,638 13,920
	DEFERRED DEBITS			
186	Misc. Deferred Debits.....	15	\$ _____	\$ _____
	Total Deferred Debits.....		\$ _____	\$ _____
	TOTAL ASSETS AND OTHER DEBITS.....		\$ 73,302 119,350	\$ 62,439 13,302

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
EQUITY CAPITAL				
215.1	Retained Earnings From Income Before Contributions.....	10	(117846)	(126439)
215.2	Donated Capital.....	10	488,827 \$ 187,668	417,846 \$ 187,668
	Total Equity Capital.....		117846 69829	126439 61229
LONG-TERM DEBT				
224	Long-Term Debt.....	16-17	\$ _____	\$ _____
	Total Long-Term Debt.....		\$ _____	\$ _____
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable.....		1200	1000
232	Notes Payable.....	18	850	400
235	Customer Deposits.....		\$ _____	\$ _____
236	Accrued Taxes.....	18	900 189	189 210
237	Accrued Interest.....	19	\$ _____	\$ _____
242	Misc. Current & Accrued Liabilities..	19	\$ 2091	2091
	Total Current and Accrued Liabilities.....		3480 170	1210 3480
NONCURRENT LIABILITIES				
252	Advances For Construction.....	16	\$ _____	\$ _____
253	Other Deferred Credits.....		\$ _____	\$ _____
265	Miscellaneous Operating Reserves.....		18,461 0	0
	Total Noncurrent Liabilities.....		\$ 18,461 0	\$ 0
	TOTAL EQUITY CAPITAL AND LIABILITIES.		117,350 73309	126,439 62439

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet

WATER OPERATING REVENUE

ACCT. NO. (a)	(b)	BEGINNING YEAR NO. CUSTOMERS (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
	Operating Revenues:			
460	Unmetered Water Revenue.....			\$ _____
461	Metered Water Revenue:			
461.1	Sales to Residential Customers.....	<u>312</u>	<u>314</u> 312	\$ <u>93,126</u> 92,197
461.2	Sales to Commercial Customers.....	<u>22</u>	<u>22</u> 22	\$ <u>11,700</u> 19660
461.3	Sales to Industrial Customers.....			\$ _____
461.4	Sales to Public Authorities.....			\$ _____
461.5	Sales to Multiple Family Dwellings....			\$ _____
461.6	Sales through Bulk Loading Stations...			\$ _____
	Total Metered Sales.....	<u>334</u>	<u>336</u> 334	\$ <u>105,826</u> 103,897
462	Fire Protection Revenue			\$ _____
465	Sales to Irrigation Customers.....			\$ _____
466	Sales for Resale.....			\$ _____
	Total Sales of Water			\$ _____
	Other Water Revenues:			
469	Guaranteed Revenues.....			\$ _____
474	Other Water Revenues.....			\$ <u>600,685</u>
	Total Other Water Revenues.....			\$ <u>600,685</u>
	Total Water Operating Revenues.....			\$ <u>1,045,822</u> 106386

WATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)
601	Salaries and Wages-Employees.....	\$ <u>23045</u> <u>21,050</u>
603	Salaries & Wages- Officers, Commissioners & Directors.....	\$ <u>3,600</u> 3600
604	Employee Pensions & Benefits.....	\$ _____
610	Purchased Water.....	\$ <u>0</u>
615	Purchased Power.....	\$ <u>10,998</u> 9793
616	Fuel for Power Production.....	\$ <u>9,410</u> 9528
618	Chemicals.....	\$ <u>9,002</u> 8668
620	Materials & Supplies.....	\$ <u>9,774</u> 9890
630	Contractual Services.....	\$ <u>30,835</u> <u>24,818</u> 14,995
635	Water Testing.....	\$ _____
640	Rents.....	\$ _____
650	Transportation Expenses.....	\$ _____
655	Insurance.....	\$ <u>9775</u> <u>10,058</u>
665	Regulatory Commission Expenses.....	\$ _____
670	Bad Debt Expense.....	\$ _____
675	Miscellaneous Expenses.....	\$ <u>3,161</u> 3005
	Total Water Utility Expenses.....	\$ <u>107989</u> <u>101,871</u> 9349

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**GRAVES COUNTY WATER DISTRICT
CASHFLOW ANALYSIS**

	Projected 2008
<i>Operating Revenues</i>	
Metered Sales	1,030,379
Penalties	18,000
Service Charges and Misc.	47,400
<i>Total Revenues</i>	<u>1,095,779</u>
<i>Operating Expenses</i>	
Salaries & Commissioner Pay	44,800
Purchased Power & Utilities	64,000
Chemicals & Analysis	68,000
Materials & Supplies	125,000
Contractual Services	696,000
Insurance	25,400
Miscellaneous	40,716
Less: Depreciation	<u>(211,329)</u>
<i>Total Expenses</i>	<u>852,587</u>
<i>Operating Income before Depreciation</i>	<u>243,192</u>
<i>Non-Operating Income and Expenses</i>	
Interest Income	4,398
<i>Total Non-Operating Income & Expenses</i>	<u>4,398</u>
Cash Available for Debt Service	247,590
<i>Debt Service</i>	
Debt Service After Consolidation	79,437
<i>Total Debt Service</i>	<u>79,437</u>
Income After Debt Service	<u><u>168,153</u></u>
Debt Coverage Ratio	-

