

Berger, Cox & Nienaber

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John A. Berger  
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Thomas R. Nienaber

Gregory N. Schabell  
R. Leslie Knight  
Bryan C. Berger

January 5, 2010

Public Service Commission  
Attn: Mr. Jeff Derouen  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

RECEIVED

JAN 06 2010

PUBLIC SERVICE  
COMMISSION

Re: Grant County Sanitary Sewer District  
Case No. 2009-00488


Dear Jeff:

Enclosed please find the District's First Supplemental filing in the subject case, including one original and 4 copies. Please return a stamped copy at your convenience.

If you need any additional information, don't hesitate to call.

Very truly yours,

BERGER, COX & NIENABER, P.S.C.

  
Thomas R. Nienaber

TRN/css  
Enclosure

RECEIVED

JAN 06 2010

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

APPLICATION OF THE GRANT COUNTY SANITARY SEWER DISTRICT

FOR

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT  
PROPOSED SANITARY SEWER LINE IMPROVEMENTS

AND

APPROVAL OF THE PROPOSED PLAN TO FINANCE THE IMPROVEMENTS

CASE NO. 2009-00488

FIRST SUPPLEMENTAL FILING

Comes now the Grant County Sanitary Sewer District (“District”), by and through its Chairman, Bobby Burgess, and pursuant to duly authorized and adopted resolution of its Commissioners submits the following First Supplemental Filing in response to the Request of the Public Service Commission (“Commission”) dated December 23, 2009.

**Request No. 1 – 807 KAR 5:001: Section 9(2)(b) Copies of franchises or permits, if any, from the proper public authority for the proposed new construction or extension, if not previously filed with the Commission.**

RESPONSE:

- (a) See attached Exhibit “13” representing the December 16, 2009 Energy and Environmental Cabinet, Department for Environmental Protection, Division of Water, (“DOW”) facilities plan and environmental review approval.
- (b) See attached Exhibit “14” representing DOW approval of the Project dated December 23, 2009.

**Request No. 2 – 807 KAR 5:001: Section 11(1)(a) Description of applicants property.**

RESPONSE:

The only real property owned by the District is a 5.3791 acre tract of real estate acquired by the District on April 22, 2004. A photocopy of the Deed of Conveyance is attached hereto as Exhibit “15”. A copy of this Deed was previously filed with the Commission in Case No. 2005-00314 as Exhibit “6” to the Second Supplemental Application filed by the District therein.

**Request No. 3 – 807 KAR 5:001: Section 11(1)(a) Statement of original cost of applicant’s property and the cost to the applicant, if different.**

RESPONSE:

The Real Estate purchased by the District from the City of Crittenden in conjunction with the transfer of the City of Crittenden’s sanitary sewer system as documented in an Agreement dated April 22, 2004 (Exhibit “16”) did not break down the cost allocated to the real estate. The District purchased all assets from the City of Crittenden for \$1,500,000.00.

**Request No. 4 – 807 KAR 5:001: Section 11(2)(b) Copies of all trust deeds or mortgages. If previously filed, state case number.**

RESPONSE:

See response to Item No. 2 above. There is no mortgage against the real estate.

**Request No. 5 – 807 KAR 5:001: Section 11(2)(c) Detailed estimates by USOA account number.**

RESPONSE:

See attached Exhibit “17”.

**Request No. 6 – 807 KAR 5:071: Section 3(1)(b) A copy of a preliminary approval issued by the Division of Water Quality of the Kentucky Department for Natural Resources and Environmental Protection approving the plans and specifications of the proposed construction.**

RESPONSE:

See attached Exhibit “14”.

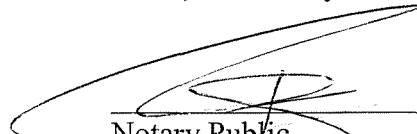
GRANT COUNTY SANITARY SEWER  
DISTRICT

BY:   
BOBBY BURGESS, CHAIRMAN

COMMONWEALTH OF KENTUCKY

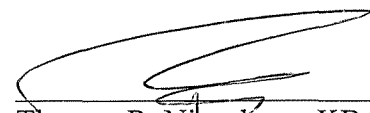
COUNTY OF GRANT

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the said Bobby Burgess, Chairman, Grant County Sanitary Sewer District, this 5<sup>th</sup> day of January, 2010.

  
\_\_\_\_\_  
Notary Public  
My Commission: 3/24/12

Respectfully submitted,

BERGER, COX & NIENABER, P.S.C.

  
\_\_\_\_\_  
Thomas R. Nienaber - KBA#51820  
401 Madison Avenue  
Covington, KY 41011  
(859) 491-9088

# **EXHIBIT “13”**

Steven L. Beshear  
Governor



Leonard K. Peters  
Secretary

**Energy and Environment Cabinet**  
Department for Environmental Protection  
Division of Water  
200 Fair Oaks Lane, 4th Floor  
Frankfort, Kentucky 40601  
Phone: (502) 564-3410  
www.water.ky.gov

December 16, 2009

Bobby Burgess, Chairman  
Grant County Sanitary Sewer District  
P.O. Box 460  
Crittenden, Kentucky 41030

Re: Regional Facilities Plan for  
Grant County Sanitary Sewer Extension Phase I  
Grant County Sanitary Sewer District  
Grant County, Kentucky  
AI ID: 1480; PLN20100001

Dear Mr. Burgess:

The facilities plan and environmental document titled *Grant County Sanitary Sewer Extension Phase I* dated August 26, 2009, has been reviewed by this Division and found to conform with the requirements contained in administrative regulation 401 KAR 5:006.

Approval of the facilities plan is hereby given based on the attached State Planning and Environmental Assessment Report (SPEAR) issued by this Department on November 2, 2009, which has undergone review by the Kentucky State Clearinghouse (State Application Identifier #KY20091103-1853). This approval is subject to any conditions and mitigative measures in Section F of the SPEAR and in the State Clearinghouse review comments.

The Department for Environmental Protection offers free regulatory assistance through its Division of Compliance Assistance. If you have questions related to compliance with any environmental requirements, please contact the division by calling 1-800-926-8111.

If you have any questions, please contact me at (502) 564-3410, extension 4805.

Sincerely,

A handwritten signature in black ink that reads "Anshu Singh".

Anshu Singh, Ph.D., Supervisor  
Wastewater Planning Section  
Water Infrastructure Branch

AS  
Attachments

cc: Obe Cox, Project Engineer, CMW, Inc. (by e-mail)

Steven L. Beshear  
Governor



Leonard K. Peters  
Secretary

Energy and Environment Cabinet  
Department for Environmental Protection  
Division of Water  
300 Fair Oaks Lane  
Frankfort, Kentucky 40601  
Phone: (502) 564-2150  
www.dep.ky.gov

R. Bruce Scott  
Commissioner

NOV - 2 2009

## STATE PLANNING AND ENVIRONMENTAL ASSESSMENT REPORT (SPEAR)

### Regional Facilities Plan

Grant County Sanitary Sewer District, Grant County, Kentucky  
AI 1480; PLN20100001

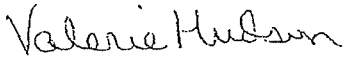
The Department for Environmental Protection (DEP) approved a facilities plan for the City of Crittenden on April 7, 1999 based on a State Planning and Environmental Assessment Report (SPEAR). Grant County Sanitary Sewer District (GCSSD) acquired the ownership of the City of Crittenden WWTP on June 22, 2004. The Grant County Sanitary Sewer District has submitted for approval by the Energy and Environment Cabinet (EEC) an update to the facility plan in the form of an environmental information document titled Grant County Sanitary Sewer District-Phase 1, dated September, 2009. In accordance with KRS Chapter 224 and 401 KAR 5:006, the Department for Environmental Protection (DEP) has prepared a State Planning and Environmental Assessment Report (SPEAR) that summarizes the regional facility plan.

The DEP is required to conduct reviews of the potential environmental impacts of projects applying for funding by the Clean Water State Revolving Fund in accordance with the procedures contained in the State Revolving Fund Operating Agreement between the Environmental Protection Agency Region IV and the Commonwealth of Kentucky. The DEP has included this required review in the attached SPEAR. The DEP has determined that the projects in the SPEAR will not have a significant effect on the environment when all mitigative measures in Section F of the SPEAR are implemented.

The SPEAR contains information supporting this determination in the following sections: A) Project Summary; B) Existing Environment; C) Existing Wastewater Facilities; D) Need for Project; E) Alternatives Analysis; F) Environmental Consequences, Mitigative Measures; G) Public Participation and User Rates; and H) Sources Consulted.

Interested persons are encouraged to submit comments on this SPEAR within 40 days of the above date. The EEC will take no action on this project until after the State Clearinghouse review and public comment period has ended, and will evaluate all comments before a decision is made to proceed with approval of the Regional Facilities Plan or awarding of SRF funds for this project. Send comments to Ms. Anshu Singh, Supervisor, Wastewater Planning Section, Water Infrastructure Branch, Division of Water, 200 Fair Oaks 4<sup>th</sup> Floor, Frankfort, Kentucky 40601, or by e-mail to [anshu.singh@ky.gov](mailto:anshu.singh@ky.gov), or call her at (502) 564-3410, extension 4805.

Sincerely,

  
R. Bruce Scott, Commissioner  
Department for Environmental Protection

RBS/AS

**STATE PLANNING AND ENVIRONMENTAL ASSESMENT REPORT (SPEAR)**  
**Grant County Sanitary Sewer District, Grant County, Kentucky**  
AI # 1480 PLN 2010001

**A. Project Summary and Funding Status**

NOV. 2, 2009

**Project Summary:** The Department for Environmental Protection (DEP) approved a facilities plan for the City of Crittenden on April 7, 1999. It was based on a State Planning and Environmental Assessment Report (SPEAR) for expanding the existing wastewater treatment plant (WWTP) and relocating it from downtown Crittenden to southwest of the city. Grant County Sanitary Sewer District (GCSSD) acquired the wastewater system of the City of Crittenden on June 22, 2004.

Grant County Sanitary Sewer District submitted a facilities plan update in the form of an environmental information document in September 2009 that included expansion of the collection system and elimination of three package treatment plants. This will include construction of 8,940 feet of 8" gravity sewer, 20,450 feet of force main, 7,880 feet of small diameter force main, 43 manholes, four submersible pump stations, two submersible grinder pump stations, 22 individual grinder pumps to serve customers from south of Crittenden to Sherman (Figure 1). This project will eliminate County Mobile Home Park, KOA Campground and Blackwell Mobile Home Park package treatment plants. The estimated cost of the project is \$1,940,000.

CWM, Inc. prepared the facilities plan update. The project is located in the Northern Kentucky Area Development District (NKADD) and within the area covered by the Florence Regional Office of the Division of Water (DOW).

**Funding Status:** Grant County intends to fund the project using different funding sources. These include Kentucky Infrastructure Authority (KIA) loan (American Recovery and Reinvestment Act (ARRA)), Kentucky Infrastructure Authority grant, Mobile Home Park (MHP) Grant and Tap on fees. The total estimated cost of the project is \$1,940,000.

<b>Funding Source</b>	<b>Amount (\$)</b>
KIA 2005 Grant	900,000
KIA 2008 Grant	650,000
Grant MHP.	45,000
KIA Loan (ARRA)	300,000
Total	1,940,000

**B. Existing Environment**

**Topography, Geology and Soil:** The area has a topography that ranges from nearly level to steep with elevation ranging from 960 feet along the highest ridge tops to 640 feet along the major streams. A chain of ridges running north and south along U.S. 25 forms a natural boundary between the Eagle Creek watershed and the Licking River watershed. The Eagle



Creek watershed drains all of the Crittenden area west of U.S. 25, and the eastern portion of the Crittenden area drains to the Licking River.

The project area is part of the outer bluegrass physiographic region of Kentucky. The outer Bluegrass Region is underlain by inter-bedded limestone, calcareous shale, and siltstone-sedimentary rocks of the Ordovician Geologic age.

The U.S. Soil Conservation Service indicates that the Crittenden planning area is made up of two major soils associations, the Eden association and Lowell-Nicholson associations. Both soil types are slowly permeable and thus not suitable for septic tanks and leach fields.

**Surface Waters:** The planning area is located primarily within the Kentucky River Basin Unit and the Ten Mile Creek Watershed. None of the surface waters segments in the area have been assessed. In 2005, the Kentucky Division of Water awarded funds to the Northern Kentucky Independent District Health Department to develop a Watershed Plan for the Ten Mile Creek Watershed and to initiate straight pipe abatement. Also within the vicinity of the project area is Bullock Pen Lake, which was assessed as partially supporting warm water aquatic habitat.

The project area is not within a designated SWAPP zone, however just north of the city is designated as SWAPP Zone 1. The area is not within a designated DOW priority watershed or a Wellhead Protection Area. The project area is rated as having moderate groundwater sensitivity.

Drinking water service in the project area is provided by Bullock Pen Water District.

**Groundwater:** There are limited groundwater supplies available for domestic or other uses due to the soils and topography of the Crittenden area. Most drilled wells do not produce enough water for a dependable domestic supply of about 100 gallons per day and almost all residents in the Crittenden area depend on the Bullock Pen Water District.

### C. Existing Wastewater Facilities

Wastewater Treatment Plants: The Grant County Sanitary Sewer District owns and operates a 0.3 mgd WWTP. The original plant (0.15 mgd) was constructed in 1988 and was located in downtown Crittenden. This Crittenden WWTP was relocated to its current location in 2003 and GCSSD acquired the ownership in 2004. It is an extended aeration plant with sludge holding tanks, clarifiers, centrifugal blowers, hypochlorite disinfection, dechlorination system, metering and post aeration facilities. Sludge is transported to Dry Creek Wastewater Treatment Plant for disposal. The plant discharges to Ten Mile Creek at mile point 14.4 pursuant to Kentucky Pollutant Discharge Elimination (KPDES) Permit No. KY0091634. The annual average flow rate for July 2008 to June 2009 was 0.176 mgd.

Monthly average effluent limits that must be met by the existing WWTP are as follows:

Parameters	Limits
CBOD <sub>5</sub>	20 mg/l
Ammonia Nitrogen	4 mg/l (summer)/10 mg/l (winter)
DO	Not less than 7mg/l
TSS	30 mg/l
Chlorine Residual	0.011 mg/l
E. Coli	130/100 ml
Total Nitrogen	Report
Total Phosphorus	Report

There are three package treatment plants in the planning area. These include: Blackwell Estates Mobile Home Park (KPDES #KY0091031); Cincinnati South Campground (KPDES #KY0080080); and Gant Mobile Home Park (KPDES #KY0083631). All of them are in good operating conditions.

Collection system: GCSSD's collection system consists of 113,136 linear feet gravity lines, 52,014 linear feet force main and 536 manholes. The sewer system maintenance was neglected prior to GCSSD acquisition. A Vactor (sewer cleaner) truck was purchased in order to clean all the stations. A large amount of grit and debris was removed from each of the stations. GCSSD maintenance crew has been busy reconfiguring lift stations in an effort to improve pump performance and reduce the overall cost of maintaining the collection system.

#### D. Need for Project

The project is needed to extend services to unserved areas. This project will eliminate approximately 76 septic tank systems which are a potential source of water pollution. The proposed project is expected to maintain the water quality of local streams.

#### E. Alternatives Analysis

**Alternative No.1- No Action:** This alternative involves no expansion or modification of the existing facilities. This alternative was rejected from consideration because it does not meet the current needs of the planning area. The system has 76 septic systems some of which are failing and polluting the water resources. This alternative was not considered environmentally feasible and was eliminated from further consideration.

**Alternative No. 2 - All Gravity System:** This alternative will involve digging deep trenches and deep manhole structures resulting in higher maintenance/repair cost. The estimated cost of the project is \$1,636,502 with a 20 year present worth of \$ 1,683,692. This alternative was not selected because it is not cost effective.

**Alternative No. 3 - All Pressurized Small Line System:** This option was considered but eventually denied due to the long term maintenance cost. The wear and tear of each grinder pump over time and the overall cost of operation and maintenance resulted in removing this alternative from further consideration. The estimated cost of the project is \$1,576,590 with a 20 year present worth of \$ 2,141,616.

**Alternative No. 4 - Combination of Gravity and Pressurized System:** This alternative will involve a combination of gravity lines and pressurized system. This option will be easier to maintain both in short and long term and also allow the system to budget for future repair costs and allow future growth to be connected to this section of extension. The total project cost is \$1,372, 018 with a 20 year present worth of \$ 1,488,813. **This is the selected alternative as it is the most cost effective.**

#### **F. Environmental Consequences, Mitigative Measures**

##### Impact on Historic Properties and Archeological Sites:

A Phase I archeological survey was conducted and a report entitled *A Phase I Archaeological Survey of Proposed 8 Km Long Sewer Line Extensions in Sherman and South of Crittenden, Grant County, Kentucky*, by Great Rivers Archaeological Services was submitted to the Kentucky Heritage Council (KHC) for review and approval. The survey documented one previously unrecorded archeological resource, Site 15GR57 and one isolated find. In a letter dated August 19, 2009, the KHC stated that they concur with the survey findings and the recommendation that the isolated find is not considered eligible for listing in the National Register of Historic Places. They also concurred that the Site 15GR57 is not eligible for listing in the National Register of Historic places since the artifacts found there are located in disturbed contexts and no structural remains or intact cultural features were identified and no further work is necessary.

##### Impact on Threatened and Endangered Species:

A biological survey was conducted and a report titled *Field Survey/Habitat Assessment for Running Buffalo Clover (*Trifolium stoloniferum*) and Indiana Bat (*Myotis sodalis*) for The Proposed Grant County Sewer Extension-Phase I, Grant County*, by Skybax Ecological Services was submitted to US Fish and Wildlife Service (USFWS) for review and comments. The report indicated that neither the Running Buffalo Clover nor suitable Indiana Bat hibernacula were found within the project area. However, a total of 26 potential Indiana Bat roost trees were identified. Of these 26 trees, 10 would be removed between October 15 and March 31; thus avoiding potential direct impacts to Indiana Bat. Provided that the seasonal clearing is adhered to, USFWS in a letter dated September 1, 2009, concurred that the proposed project will not likely adversely affect the Indiana Bat.

Kentucky Fish and Wildlife resources in a letter dated July 16, 2009, stated that the project will not significantly affect fish and wildlife. However, Best Management Practices should be followed during construction to reduce siltation and erosion and sowing ground cover on construction sites as soon as possible after completion of work.

Impacts on Air Quality:

Kentucky Division for Air Quality Regulation 401 KAR 63:010 Fugitive Emissions states that no person shall cause, suffer, or allow any material to be handled, processed, transported, or stored without taking reasonable precaution to prevent particulate matter from becoming airborne. Additional requirements include the covering of open bodied trucks, operating outside the work area transporting materials likely to become airborne, and that no one shall allow earth or other material being transported by truck or earth moving equipment to be deposited onto a paved street or roadway. Please note the Fugitive Emissions Fact Sheet located at [http://www.air.ky.gov/homepage\\_repository/e-Clearinghouse.htm](http://www.air.ky.gov/homepage_repository/e-Clearinghouse.htm).

Kentucky Division for Air Quality Regulation 401 KAR 63:005 states that open burning is prohibited. Open Burning is defined as the burning of any matter in such a manner that the products of combustion resulting from the burning are emitted directly into the outdoor atmosphere without passing through a stack or chimney. However, open burning may be utilized for the expressed purposes listed on the Open Burning Fact Sheet located at [http://www.air.ky.gov/homepage\\_repository/e-Clearinghouse.htm](http://www.air.ky.gov/homepage_repository/e-Clearinghouse.htm).

Impacts on Floodplains:

A floodplain construction permit may be required from the Surface Water Permits Branch, Floodplain Management Section, if there are any disturbances in or along a stream or within the 100-year floodplain.

Miscellaneous Impacts:

The environmental impact of constructing the proposed facilities includes those temporary impacts of noise, dust, and traffic disruption in the construction area. The proposed project will improve the surface water and groundwater quality over the next 20 years. This action will also provide a planned development for economic growth in the planning area.

### **G. Public Participation and User Rates**

There were three public meetings held to discuss this project. The two meetings held on January 15 and February 25, 2009, were not advertised in the newspaper whereas the meeting held on July 7 was advertised in "The Enquirer" on June 29, 2009. The Division of Water is not aware of any unresolved public objections that may have been voiced before or after the public meeting in relation to the proposed project. The current monthly sewer rate based on 4,000 gallons of usage is \$37.56. This project will not result in monthly sewer rate increment.

### **H. Sources Consulted**

Kentucky Department of Fish & Wildlife Resources  
Kentucky Division for Air Quality  
Kentucky Division of Forestry  
Kentucky Division of Waste Management

Kentucky Division of Water  
Kentucky Heritage Council  
Kentucky State Clearinghouse  
Natural Resources Conservation Service Web Soil Survey  
U.S. Fish & Wildlife Service  
CMW, Inc. Consulting Engineer  
Grant County Judge-Executive  
Northern Kentucky Area Development District

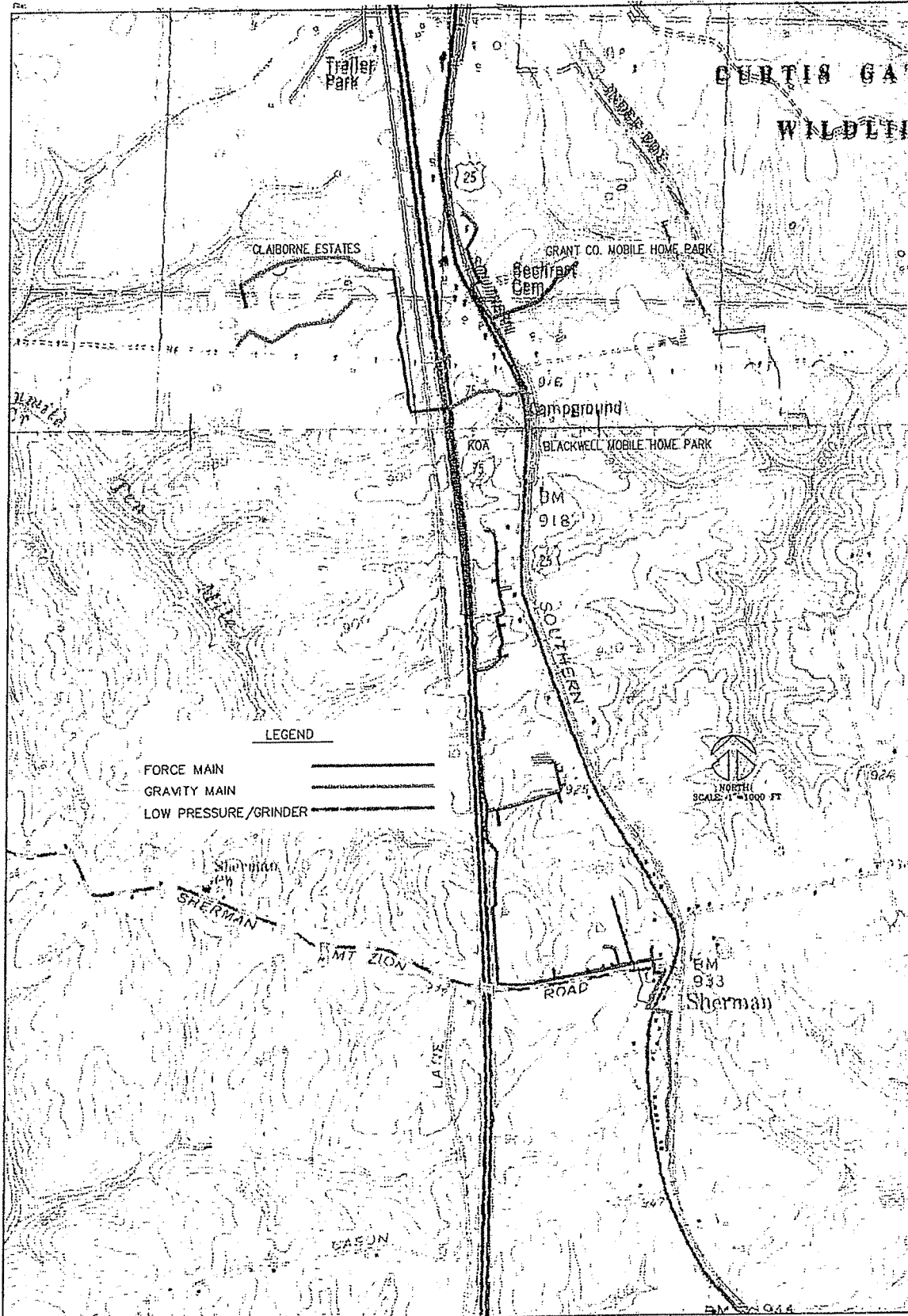


FIGURE 1

# **EXHIBIT “14”**



STEVEN L. BESHEAR  
GOVERNOR

LEONARD K. PETERS  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
DIVISION OF WATER  
200 FAIR OAKS LANE, 4TH FLOOR  
FRANKFORT, KENTUCKY 40601  
[www.kentucky.gov](http://www.kentucky.gov)

December 23, 2009

Mr. William L Catlett  
Grant County Sanitary Sewer District  
PO Box 460  
Crittenden, KY 41030

Re: Grant County Sanitary Sewer Extension Phase 1  
Grant County, Kentucky  
Contract Number: 1  
Grant Co Sanitary Sewer District WWTP – 1480  
Activity ID: APE20090002

Dear Mr. Catlett:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of approximately 9,023 linear feet of 8 inch PVC sanitary sewers, a lift station with 2 pumps of 52 gpm with 118 feet TDH and approximately 10,035 linear feet of 3 inch PVC force main pipe, a lift station with 2 pumps of 72 gpm with 76 feet TDH and approximately 1,526 linear feet of 3 inch PVC force main pipe, a lift station with 2 pumps of 57 gpm with 152 feet TDH and approximately 1,556 linear feet of 2 inch PVC force main pipe, a lift station with 2 pumps of 255 gpm with 77 feet TDH and approximately 4,259 linear feet of 6 inch PVC force main pipe, a lift station with 2 pumps of 39 gpm with 59 feet TDH and approximately 698 linear feet of 2 inch PVC force main pipe, a lift station with 2 pumps of 30 gpm with 75 feet TDH and approximately 1,135 linear feet of 2 inch PVC force main pipe, and 22 grinder pump stations with 9 gpm and 180 TDH. This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the requirements contained in the attached construction permit.

Additionally, your application indicates this project is funded by a State Revolving Fund (SRF) loan with Economic Recovery Funds (ERF) from the American Recovery and Reinvestment Act (ARRA), therefore the following stipulations shall apply:

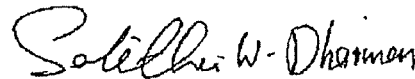
1. You will receive one (1) set of approved plans and specifications. An identical set should be made available at the project site at all times. If modifications are made to the plans and specifications prior to bidding, then four (4) complete sets of revised plans and specifications shall be submitted to the Division of Water for approval. Our notice of approval will be issued at a later date by separate correspondence.
2. Clear site certificates of all involved properties must be submitted to the Division of Water prior to construction.
3. You are hereby authorized to advertise for bids to construct this project. In addition to other notices, you shall advertise the bid for seven (7) to twenty-one (21) days prior to the Bid Opening date in the newspaper with the largest circulation in your area. Please provide the bid opening date to Alison Simpson, at the Division of Water. Alison Simpson may be reached at (502) 564-3410, extension 4591.
4. A set of AS-BID plans and specifications (with any APPROVAL conditions addressed) and a copy of the Advertisement shall be submitted to the Division of Water when the project is advertised. These items will be reviewed as part of the Authority to Award process.
5. The attached Project Review and Cost Summary form is to be completed and signed after bids have been received and then submitted along with the supporting documents indicated on the form. Your signature on this form will certify that all the information to be retained by the recipient has been secured and is available for review by the Division at the pre-construction conference. The complete bid package should be submitted to the Division of Water within fourteen (14) days after the bid opening.



6. Upon approval of the bid documents, the Division of Water will authorize you to award the construction contract, and arrange for a pre-construction conference. Division of Water staff must be present at this pre-construction conference.
7. You are cautioned that the advertisement and award of this contract will be subject to the laws and regulations that govern the ARRA and SRF process.
8. Please be advised that the construction contract is subject to the Equal Employment Opportunity requirements contained in Executive Order 11246. Equal Employment opportunity affirmative action by the prime contractor and all subcontractors is mandated throughout the duration of the contract. Documentation of efforts to comply with Executive Order 11246, Equal Employment Opportunity in accordance with the EPA Special Notice to Bidders is required. Compliance with the DBE Fair Share Policy in accordance with 40 CFR 31.36(e) is required.
9. In accordance with the American Reinvestment and Recovery Act of 2009 the "Buy American" and Davis-Bacon Act provisions shall be applicable to all portions of the project, even those portions not utilizing Economic Recovery Funds.
10. If sanitary features of the approved plans are to be changed during construction, the engineer shall submit the revision to the Division of Water for approval prior to implementation of the modification. Written approval from the Division of Water must be granted prior to on-site work dedicated to the adjustment.
11. When this project is completed, the owner shall submit a written certification to the Division of Water that the above referenced water facilities have been constructed and tested in accordance with the approved plans. Such certification shall be signed by a licensed professional engineer.
12. When this project is completed, the engineer shall submit as-built drawings to the Division of Water.

If you have any questions concerning this project, please contact William Wright at (502) 564-3410 ext. 4829.

Sincerely,



Solitha Dharman, PE  
Supervisor, Engineering Section  
Drinking Water Branch  
Division of Water

SWD:WLW

Enclosures

(Project Review and Cost Summary Form)  
(1 set P & S; approval conditions; eligible and ineligible lists)

c: Kentucky Infrastructure Authority/Dave Holroyd, EPA, Region IV  
Scott Hogue, CMW, Inc.  
Cabinet for Economic Development  
Construction DataFax Inc.  
Grant County Health Department

**Sewer Line Construction**  
Grant Co Sanitary Sewer District WWTP  
Facility Requirements

Activity ID No.: APE20090002

**PORT0000000004 (Grant Co. WWTP) Grant County Sanitary Sewer Extension Phase 1:**

**Submittal/Action Requirements:**

Condition No.	Condition
S-1	When this system is completed, the applicant shall submit written certification: Due 30 calendar days after Completion of Construction to the Division of Water that the facilities have been constructed and tested in accordance with the approved plans and specifications and the above approval conditions. Such certification shall be signed by a registered professional engineer. Failure to certify may result in penalty assessment and/or future approvals being withheld. [401 KAR 5:005 Section 24(2)]

**Narrative Requirements:**

Condition No.	Condition
T-1	The plans and specifications submitted for the project are approved by the Environmental and Public Protection Cabinet as to sanitary features, subject to the requirements contained within the permit. [401 KAR 5:005 Section 24(4)(a)]
T-2	Authority to construct these sewers is hereby granted. This approval is issued under the provisions of KRS Chapter 224.10-100 (19) regulations promulgated pursuant thereto. Issuance of this permit does not relieve the permittee from the responsibility of obtaining any permits or licenses required by this Cabinet and other state, federal, and local agencies. [401 KAR 5:005 Section 24(4)(a)]
T-3	The plans include approximately 9,023 linear feet of 8 inch PVC sanitary sewers, a lift station with 2 pumps of 52 gpm with 118 feet TDH and approximately 10,035 linear feet of 3 inch PVC force main pipe, a lift station with 2 pumps of 72 gpm with 76 feet TDH and approximately 1,526 linear feet of 3 inch PVC force main pipe, a lift station with 2 pumps of 57 gpm with 152 feet TDH and approximately 1,556 linear feet of 2 inch PVC force main pipe, a lift station with 2 pumps of 255 gpm with 77 feet TDH and approximately 4,259 linear feet of 6 inch PVC force main pipe, a lift station with 2 pumps of 39 gpm with 59 feet TDH and approximately 698 linear feet of 2 inch PVC force main pipe, and a lift station with 2 pumps of 30 gpm with 75 feet TDH and approximately 1,135 linear feet of 2 inch PVC force main pipe, and 22 grinder pump stations with 9 gpm and 180 TDH. The flow from these lines is to be treated at the City of Crittenden Wastewater Treatment Plant, KPDES Permit No. KY0091634, Grant County, Kentucky. [401 KAR 5:005 Section 24(4)(a)]
T-4	The types of sanitary sewer pipe shall be limited to PVC. [401 KAR 5:005 Section 1(2)]
T-5	This subdivision sewer line extension approval is for 163 house connections. The anticipated flow is 19,973 gpd. [401 KAR 5:005 Section 1(2)]
T-6	PVC pipe material and joints shall conform to ASTM D-3034, latest revision. [Ten States (WW) 33.81]

**Sewer Line Construction**  
Grant Co Sanitary Sewer District WWTP  
Facility Requirements

Activity ID No.: APE20090002

PORT0000000004 (continued):

Narrative Requirements:

Condition No.	Condition
T-7	PVC pressure pipe material and joints shall conform to ASTM D-2241, or latest revision. [Ten States (WW) 33.81]
T-8	Flexible thermoplastic sewer pipe installation for gravity sewers shall conform to ASTM D2321, latest revision. [Ten States (WW) 33.81]
T-9	Flexible thermoplastic sewer pipe installation for pressure sewers shall conform to ASTM D-2774, latest revision. [Ten States (WW) 33.81]
T-10	Gravity sewer lines and force mains shall have a minimum of thirty (30) inches of cover or provide comparable protection. [401 KAR 5:005 Section 8(9)]
T-11	A drop pipe shall be provided where the sewer enters the manhole at two feet or more above the manhole invert. [Ten States (WW) 34.2]
T-12	All sewers shall be low pressure air tested. A deflection test shall be performed on all gravity sanitary sewers using flexible pipe. The test shall be performed after the final backfill has been in place for at least thirty days. No pipe shall exceed a deflection of five percent. If the deflection test is to be run using a rigid ball or mandrel, it shall have a diameter equal to 95% of the inside diameter of the pipe. The test shall be performed without mechanical pulling devices. Each new manhole shall be tested for watertightness. [401 KAR 5:005 Section 8(6)(a)]
T-13	If gravity sewer lines and force mains are to be constructed in fill areas, the fill areas shall be compacted to ninety-five (95) percent density as determined by the Standard Proctor Density test or to a minimum of ninety (90) percent density as determined by the Modified Proctor Density test prior to the installation of the sewer lines. [401 KAR 5:005 Section 8(10)]
T-14	Sewers crossing water mains shall be laid to provide a vertical distance of 18 inches between the outside of the water main and the outside of the sewer. This shall be the case where the water main is either above or below the sewer. The crossing shall be arranged so that the sewer joints are equidistant and as far as possible from the water main joints. Where a water main crosses under a sewer, adequate structural support shall be provided for the sewer to prevent damage to the water main. [Ten States (WW) 38.32]
T-15	Sewers shall be laid at least 10 feet horizontally from any existing or proposed water main. The distance shall be measured from edge to edge. [Ten States (WW) 38.31]
T-16	Concrete anchors shall be provided, with a spacing not over thirty six (36) feet center to center, on all gravity sewer lines having a slope greater than twenty (20) percent and up to thirty five (35) percent. [Ten States (WW) 33.46]
T-17	The entrance of groundwater into, or loss of waste from, a new gravity sewer line shall be limited to 200 gpd per inch of diameter per mile of the gravity sewer line. This limitation includes manholes, gravity sewer lines, and appurtenances. [401 KAR 5:005 Section 8(5)]

**Sewer Line Construction**  
 Grant Co Sanitary Sewer District WWTP  
 Facility Requirements

Activity ID No.: APE20090002

**PORT000000004 (continued):**

**Narrative Requirements:**

Condition No.	Condition
T-18	Air release valves shall be installed at high points in any proposed force main. [401 KAR 5:005 Section 8(19)]
T-19	Requirements for Sewer Line Extensions. A simplex design shall be used only for pump stations which serve an individual residence or business and a spare pump shall be available for immediate installation. [401 KAR 5:005 Section 8(21)]
T-20	An audible and visible alarm shall be provided at any proposed wastewater pump station. [Ten States (WW) 45]
T-21	Requirements for Sewer Line Extensions. All proposed pump station wetwells shall be sized such that, based on the average flow, the time to fill the wetwell from the pump-off elevation to the pump-on elevation shall not exceed thirty (30) minutes. [401 KAR 5:005 Section 8(16)]
T-22	Adequate thrust blocks shall be provided at all significant bends in any proposed sewer force main in order to prevent movement. [Ten States (WW) 48.4]
T-23	The integrity of any proposed force main shall be verified by leakage tests. The applicant shall describe the proposed testing methods and leakage limits in the specifications submitted with the permit application. [401 KAR 5:005 Section 8(6)(b)]
T-24	If the sewer line project will cross a stream or wetland, the attached Water Quality Certification will apply. Please read and make a part of any contract to install this sewer line. Direct any questions to the Water Quality Branch, 401 Certification Section at 502-564-2225, extension 485. [KRS 224.16-050]
T-25	Facilities shall be designed in accordance with the "Recommended Standards for Wastewater Facilities" of the Great Lakes-Upper Mississippi River Board of State Public Health and Environmental Managers, commonly referred to as "Ten States' Standards", 1990 edition. [401 KAR 5:005 Section 7(1)(a)]
T-26	The permit is issued to the applicant and the permittee shall remain the responsible party for compliance with all applicable statutes and administrative regulations until a notarized applicable change in ownership certification is submitted and the transfer of ownership is acknowledged by the cabinet. [401 KAR 5:005 Section 24(3)]
T-27	There shall be no deviations from the plans and specifications submitted with the application or the conditions specified unless authorized in writing by the cabinet. [401 KAR 5:005 Section 24(4)(b)1]
T-28	The issuance of a permit by the cabinet does not convey any property rights of any kind or any exclusive privilege. [401 KAR 5:005 Section 24(6)]

**Sewer Line Construction**  
Grant Co Sanitary Sewer District WWTP  
Facility Requirements

Activity ID No.: APE20090002

**PORT0000000004 (continued):**

**Narrative Requirements:**

Condition No.	Condition
T-29	A permit to construct a facility shall be effective upon issuance unless otherwise conditioned. Construction shall be completed within twelve (12) months unless additional time is requested. If construction is not commenced within the twelve (12) months following a permit's issuance, a new permit shall be obtained before construction may begin. The cabinet may allow a single twelve (12) month extension to begin construction if site conditions have not changed. [401 KAR 5:005 Section 24(1)]
T-30	The Construction Permit is effective on December 15, 2009 and expires on December 15, 2011. [401 KAR 5:005 Section 24(1)]



STEVEN L. BESHEAR  
GOVERNOR

LEONARD K. PETERS  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
DIVISION OF WATER  
200 FAIR OAKS LANE, 4TH FLOOR  
FRANKFORT, KENTUCKY 40601  
[www.kentucky.gov](http://www.kentucky.gov)

December 18, 2009

Mr. John Covington  
Executive Director  
Kentucky Infrastructure Authority  
1024 Capital Center Drive, Suite 340  
Frankfort, Kentucky 40601

Re: ERF-187  
Grant Co Sanitary Sewer  
District WWTP--1480  
Activity ID: FGL20100003  
*HUC-11#: 05100205390*  
*Watershed: Tenmile Creek*  
Assistance Agreement  
Fund A ARRA

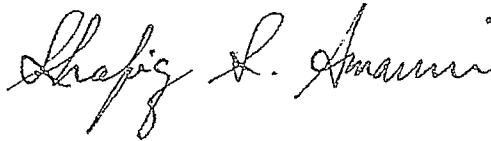
Dear Mr. Covington:

The Division of Water hereby certifies that the referenced project is entitled to an Assistance Agreement from the Clean Water State Revolving Fund, funded in whole or in part by the American Recovery and Reinvestment Act of 2009. The Grant County Sewer Extension Phase 1 project is in compliance with federal and state requirements and is eligible to receive \$300,000 for the project, based on the following conditions which must be met before funds will be released:

1. Any required approvals by the Kentucky Public Service Commission shall be obtained.
2. DOW must perform the DBE reviews and approve executed contract documents.
3. No construction funds for the project will be reimbursed to the city until KIA receives from DOW a certification letter that states that all contracts have been bid and meet all SRF requirements.
4. Project construction costs will be reimbursed monthly to the city upon presentation to KIA and DOW of invoices and supporting documentation showing costs incurred.

If you should have any questions or require additional information, please contact Alison Simpson, Project Administrator, at (502) 564-8158, extension 4591.

Sincerely,

A handwritten signature in cursive script that reads "Shafiq S. Amawi". The signature is written in black ink and is positioned above the printed name.

Shafiq S. Amawi, Manager  
Water Infrastructure Branch

SSA:as

C: Peck, Shaffer & Williams  
Bobby Burgess, Chairman, Grant Co. Sanitary Sewer District  
Kerry Odle, PE, CMW, Inc.

# **EXHIBIT “15”**



## DEED OF CONVEYANCE

This Deed of Conveyance, made and entered into by and between **CITY OF CRITTENDEN**, Post Office Box 207, City Building, 104 N. Main Street, Crittenden, Kentucky, 41030, hereinafter referred to as GRANTOR, and the **GRANT COUNTY SANITARY SEWER DISTRICT**, One Farrell Drive, Crittenden, Kentucky, 41030 hereinafter referred to as GRANTEE.

### WITNESSETH:

That for and in consideration of One Dollar and other good and valuable consideration receipt of which is hereby acknowledged, the GRANTOR have bargained and sold and do hereby grant and convey unto the GRANTEE, in fee simple, to the successors and assigns, and successors forever, the following described property located in Grant County, Kentucky, to-wit:

### *5.3791 Acres*

Lying and being in Grant County, Kentucky on the West side of Indian Hills Drive, approximately 190 feet west of the end of Indian Hills Drive and 1.0 miles south of Crittenden-Mt. Zion Road and more particularly described as follows to-wit:

*Unless otherwise stated any monument referred to as a set iron pin is a ½" iron rebar 18" in length with a yellow plastic cap stamped 3316 3407. All bearings stated herein are referred to the magnetic meridian as observed on 4 April 1998 along the South line of the tract described in Deed Book 265, Page 93.*

*Beginning at a corner post, a corner to William C. and Harry Wilson (Deed Book 114, Page 367) and the City of Crittenden (Deed Book 252, Page 250 and Deed Book 265, Page 93); thence with the line of Wilson, N 06°35'04" E – 380.17 feet to a set iron pin; thence with new made lines partitioning the Grantor's property, and passing a set iron pin at 635.82', S 62°25'27" W – 685.82' to a point in the creek, said point being in the tractline between Deed Book 252, Page 250 and Deed Book 265, Page 93; thence S 15°40'35" W – 251.46 feet to a point in the creek; thence S 39°37'00" E – 76.05 feet to a set iron pin, a corner to William C. Wilson (Deed Book 203, Page 30); thence with line of Wilson, N 77°54'46" E – 587.16 feet to a corner post, a corner to William C. and Harry Wilson (Deed Book 114, Page 367); thence with the line of Wilson, N 04°41'01" E – 117.95 feet to the Place of Beginning containing 5.3791 Acres more or less exclusive of all right of ways and easements of record.*

*The above description is in accordance with a survey made by Logan D. Murphy with Hicks & Mann, Inc. on 7<sup>th</sup> April 2004.*

*This being a part of the property described in Deed Book 252, Page 250, and a part of the property described in Deed Book 265, Page 93 of the Grant County Court Clerk's Records at Williamstown, Kentucky.*

TO HAVE AND TO HOLD the same together with all appurtenances and privileges thereunto belonging unto the GRANTEE, in fee simple to the successor, its successors and assigns forever.

The GRANTORS further covenants with the GRANTEE that it will warrant generally the title to the property hereby conveyed to the GRANTEE, its successors, and assigns forever. However, this property is conveyed subject to all easements and restrictions of record and to all applicable zoning ordinances, laws, statutes, or regulations.

James C. Livingood has authority to execute the certification pursuant to action of the city council at its regularly held meeting. Bobby Burgess has authority to execute the certification pursuant to action of the Grant County Sanitary Sewer District at its regularly held meeting

In witness whereof, the GRANTORS have subscribed their name the day and year indicated below.

CITY OF CRITTENDEN

DATE: \_\_\_\_\_

4/22/04

  
\_\_\_\_\_  
JAMES C. LIVINGOOD, MAYOR

**CONSIDERATION CERTIFICATE**

Grantor and Grantee certify under oath, pursuant to KRS Chapter 382, that the above-stated consideration in the amount here is the true, correct and full consideration paid for the

property herein conveyed. Grantor and Grantee herein state that each is over the age of eighteen (18) years of age. Grantor and Grantee further certify the understanding that falsification of the stated consideration or sale price of the property is a Class D felony, subject to one to five years imprisonment and fines up to \$10,000.

CITY OF CRITTENDEN - GRANTOR

DATE: 4/22/04

James C Livingood  
JAMES C. LIVINGOOD, MAYOR

GRANT COUNTY SANITARY SEWER DISTRICT  
GRANTEE

DATE: 4/22/04

Bobby Burgess  
BOBBY BURGESS, CHAIRMAN

COMMONWEALTH OF KENTUCKY )  
 ) Notary's Certificate of Acknowledgment  
COUNTY OF GRANT )

The foregoing Certification was acknowledged, subscribed and sworn to before me by **JAMES C. LIVINGOOD**, Mayor for City of Crittenden, Grantor herein, on this the 22 day of APRIL, 2004.

Edward J. Lorenz  
NOTARY PUBLIC - State at Large, Kentucky  
My Commission Expires: 9/18/06  
EDWARD J. LORENZ

COMMONWEALTH OF KENTUCKY )  
 ) Notary's Certificate of Acknowledgment  
COUNTY OF GRANT )

The foregoing Certification was acknowledged, subscribed and sworn to before me by **BOBBY BURGESS**, Chairman for the Grant County Sanitary Sewer District, Grantee herein, on this the 22 day of April, 2004.

Edward J. Lorenz  
NOTARY PUBLIC - State at Large, Kentucky  
My Commission Expires: 9/18/06

*Deed Preparation Only -- No Title Exam Requested nor Rendered*

*This Instrument Prepared in the Law Offices of:*

**ACKMAN & LORENZ, LLC**



EDWARD J. LORENZ, KBA #42165  
200 South Main Street  
Post Office Box 70  
Williamstown, Kentucky 41097  
(859) 824-3361

COMMONWEALTH OF KENTUCKY    )  
  ) Clerk's Certificate of Lodgment and Record  
COUNTY OF GRANT                                 )

I, Judy A. Fortner, Clerk of the County Court for the County and State aforesaid, certify that the foregoing Deed was on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, recorded at \_\_\_\_\_ o'clock \_\_\_\_m. whereupon the same, with the foregoing and this certificate have been duly recorded in my office in Deed Book \_\_\_\_\_, Page \_\_\_\_\_.

Witness my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_, CLERK

BY: \_\_\_\_\_, D.C.

Mail to: Grantee

# **EXHIBIT “16”**

## AGREEMENT

This AGREEMENT is made and entered into this 22 day of, 2004 by and between the City of Crittenden ("Crittenden"), a City of the Fifth Class, by and through its Mayor, James C Livingood, P.O. Box 207, Crittenden, Kentucky 41030 and the Grant County Sanitary Sewer District, by and through its Chairman Bobby Burgess, One Farrell Drive, Crittenden, Kentucky 41030 ("District").

### WITNESSETH:

WHEREAS, Crittenden is a City of the Fifth Class duly organized and operating as a municipal entity under the laws of the Commonwealth of Kentucky and,

WHEREAS, the District is a duly authorized and operating Sanitary Sewer District within Grant County organized by Ordinance of the Grant County Fiscal Court pursuant to the provisions of KRS 74.407 and KRS 67.083(3)(r) and,

WHEREAS, Crittenden currently owns and operates sanitary sewer treatment plant, sewer lines, lift pumps and stations; and related equipment, machinery and systems necessary for the purpose of providing sanitary sewer collection, service and treatment for Crittenden's customers and,

WHEREAS, the District and Crittenden intend to enter into this Agreement whereby the District will acquire, maintain and operate Crittenden's sanitary sewer system pursuant to the provisions of KRS 74.407 subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and mutual promises and undertakings hereinafter specified, the parties agree as follows:

#### **I. ASSETS**

Those assets which the District agrees to purchase from Crittenden and Crittenden agrees to sell, assign, transfer and convey unto the District shall include all assets identified on the attached Schedule A ("Assets"), a copy of which is incorporated herein by reference. It is the intent of the parties hereto that Assets shall be physical assets and include all equipment, machinery, pumps, lines, treatment facilities, and any and all other equipment, material and/or systems utilized by Crittenden in the transmission, collection and/or treatment of sewage as currently operated and conducted by Crittenden. It is further the intent of the parties hereto that the attached Schedule A which identifies the Assets being transferred herein shall be descriptive only and shall not be deemed to be limiting in any way. Any physical asset currently utilized by Crittenden in the transmission, collection, processing and treatment of sewage, whether directly or indirectly, shall be transferred to the District by Crittenden.

In addition to the assets identified on Schedule A, Crittenden also agrees to sell, assign, transfer and convey unto the District the following:

- (a) An approximate five (5)+/- acre tract of real estate with all improvements thereon, said real estate being more particularly described in the attached Schedule B ("Real Estate").
- (b) Crittenden agrees to sell, assign, transfer and convey any and all right, title or interest which it may have in and to any license, easement or other grant, or interest in real estate necessary for Crittenden and/or the District to properly provide for the collection, transmission, treatment and processing of sewage.

## **II. PURCHASE PRICE**

In consideration of the transfer of Assets by Crittenden, the District shall assume and be solely responsible for the outstanding indebtedness currently due and owing Kentucky Rural Water Finance Corporation Multimodal Public Projects Revenue Bond (KRWFC) in the approximate amount of \$1,500,000.00 representing the outstanding bond indebtedness for the funding of plant improvements and construction. A copy of the debt instrument due and owing KRWFC by Crittenden is attached hereto and identified as Schedule C ("Debt"). Crittenden represents and warrants that it is not in default with respect to any term, condition or covenant set forth in the Debt instrument identified in Schedule C and that all payments are current. District shall hold Crittenden harmless on said debt, to include but not necessarily be limited to principal, interest, costs, fees, and attorney's fees. District shall assume said debt without recourse to Crittenden.

## **III. CRITTENDEN RATE SCHEDULE**

Crittenden's current rate schedule for sanitary sewer services is attached and identified as Schedule I. Crittenden represents that all income reflected in its books and records and annual audits is based upon that current rate schedule.

## **IV. CRITTENDEN'S WARRANTIES AND REPRESENTATIONS**

For purposes of this Agreement, Crittenden makes the following representations and warranties:

(a) Crittenden represents and warrants that the sanitary sewer transmission, collection, treatment and processing systems being transferred to the District and all Assets identified on Schedule A are in a reasonable state of repair and that there are no known defects or deficiencies with respect to any of the equipment, systems, Assets or other property being transferred to District by Crittenden.

(b) Crittenden is not in default with respect to any term, condition or covenant of any outstanding debt agreement or with respect to any other contract which it may have with any third party concerning the Assets being transferred herein or the Debt instrument being assumed by the District.

(c) Execution of this Agreement by Crittenden does not violate any term, condition or covenant of any agreement with any other entity, institution, law or regulation.

(d) Crittenden has operated its sanitary sewer treatment plant and all Assets in full and complete compliance with all federal, state and local rules, regulations and laws concerning the transmission, collection, treatment and processing of sewage.

(e) Crittenden is not subject to any litigation or any adverse action by any federal, state or local governmental agency relative to any violation of any federal, state or local rule, law or regulation concerning the collection, transmission, treatment and processing of sewage.

(f) Crittenden's books and records regarding the operation of its sanitary sewer system and all Debt and Assets are complete, accurate and have been maintained in a reasonable manner so as to accurately reflect the current financial condition and state of affairs of the sanitary sewer system.

(g) Crittenden does not have any employees or any independent contractors under contract with the City of Crittenden regarding the operation of its sanitary sewer system except Mr. Carl Crone who has an annual contract as an independent contractor, a copy of that contract being attached hereto and identified as Schedule D.

(h) Crittenden does not have any outstanding accounts payable other than the Debt instrument identified in Schedule C and those debts which are necessarily incurred by Crittenden in the day-to-day operation of its sanitary sewer system.

(i) Crittenden has maintained all customer billing records consistent with generally accepted accounting principles and that all books and records regarding customer billings and Crittenden's sanitary sewer system accurately reflect the true state of its customer and financial affairs.

(j) Crittenden is not under contract with any entity or individual for the purpose of providing materials, supplies or other equipment for use by Crittenden in the operation of its sanitary sewer system.

(k) That the real estate to be transferred herein to the District is free, clear and unencumbered.

(l) That Crittenden's customer deposit accounts with a current balance of approximately \$55,000.00 accurately reflects those customer deposits on account with Crittenden.

(m) Crittenden does not owe any accrued employ benefits, including but not limited to pension contributions, unpaid insurance premiums, accrued vacation time, and the like



for any employee performing or conducting any work relative to Crittenden's operation of its sanitary sewer system.

(n) There are no pending or threatened claims by any individual or other entity regarding any products liability or other civil action or claims and/or damages by any individual or entity arising by, from or through Crittenden's operation and maintenance of its sanitary sewer system.

## **V. BOOKS AND RECORDS**

Crittenden agrees to make available for the District all of its books and records maintained by Crittenden necessarily required in the operation and conduct of its sanitary sewer system. For purposes of this Agreement, "books and records" shall include but not necessarily be limited to the following:

- (a) Customer payment accounts;
- (b) Customer deposit accounts;
- (c) Annual financial and audit statements;
- (d) Maintenance records;
- (e) Warranties, guaranties or other agreements with respect to any equipment owned by Crittenden and being transferred herein;
- (f) Accounts payable records;
- (g) Accounts receivable records;
- (h) Sewer treatment plant operating records;
- (i) Copies of all citations or other charges by any federal, state or local agency, if any;
- (j) Debt payment history;
- (k) Bond documents regarding the outstanding indebtedness identified in Schedule C;
- (l) All as-built plans, engineering reports, surveys and the like concerning any improvements owned and/or operated by Crittenden, including its sewer treatment plant;

- (m) All easements owned or held by Crittenden regarding sanitary sewer treatment, transmission and/or collection lines and systems;
- (n) Insurance claim forms and policies;
- (o) Chemical Purchase Orders;
- (p) Maintenance records for any equipment owned by Crittenden in the operation of its sanitary sewer system.

## **VI. OUTSTANDING OBLIGATIONS**

The only outstanding obligation being assumed herein by the District is that indebtedness as identified in Schedule C. Crittenden shall assume and be solely responsible for any and all debts incurred by Crittenden in the operation and maintenance of its sanitary sewer system incurred by Crittenden on or before the Closing of this transaction as provided for in paragraph VI herein. Any and all indebtedness incurred by the District subsequent to the closing date shall be the sole and separate responsibility and obligation of the District.

## **VII. CLOSING DATE**

This transaction shall close on, 2004 ("Closing").

## **VIII. CUSTOMER BILLING**

Crittenden represents that its current customer delinquencies average approximately 20 per month. All other customer billing is current. Crittenden shall, on or before Closing, transfer to the District all of its customer billing records for its 1,100 (+/-) customers. All fees and charges billed to Crittenden's customers for service prior to the Closing date shall remain the sole and separate property of Crittenden. All fees and charges for services rendered by the District after the closing date shall remain the sole and separate property of the District.

Crittenden represents that the current billing for customer services is that identified in the attached Schedule I.

## **IX. CUSTOMER DEPOSIT ACCOUNTS**

Crittenden represents that it currently has on deposit approximately \$55,000.00 representing customer deposit accounts (see attached Schedule E). At Closing, Crittenden shall deliver those funds and a complete accounting of all customer deposit accounts to the District which shall become the sole and separate property of the District.

## **X. TREATMENT PLANT CONSTRUCTION PROJECT**

It is acknowledged by the parties hereto that Crittenden has recently undergone a sanitary sewer treatment plant construction project with Kenny Construction, Inc., Mt. Sterling,

Kentucky. A copy of the construction documents including the construction contract and all plans and specifications are attached hereto and identified as Schedule F (Plant Construction Documents). Crittenden agrees to deliver to District, on or before Closing, all Plant Construction Documents. Crittenden warrants and represents that the construction project for the sanitary sewer treatment plant is complete and that all work has been performed pursuant to the terms and conditions of the construction contract with Kenny Construction, Inc. Crittenden further represents that it has a one year construction warranty from Kenny Construction on all improvements made by Kenny Construction, Inc. relative to the treatment plant improvements. Crittenden agrees to assign this warranty and guaranty agreement with Kenny Construction, Inc. to the District. A copy of the assignment of that guaranty and warranty to the District shall be signed by Kenny Construction, Inc. in a form and format agreeable to the District. Crittenden further agrees that it will cooperate with the District in the handling of any and all claims, remediation of punch list items, construction complaints and the like during the one (1) year warranty period.

It is acknowledged by Crittenden that the actual cost of construction may be under that which is financed by the debt instrument identified in Schedule C. In the event that any excess funds remain after the completion of construction and all retainages and other payments have been settled with Kenny Construction, Inc., such excess monies shall remain the sole and separate property of the District. In the event that any additional sums may be due and owing Kenny Construction, Inc. relative to the sanitary sewer treatment plant improvements which are not covered by the debt instrument identified in Schedule C, Crittenden shall pay such excess sums due and owing Kenny Construction, Inc.

#### **XI. 201 STUDY**

Crittenden currently has an approved 201 Study, a copy of which is identified as Schedule G. Crittenden agrees that it will assist the District in any reasonable way to assign that 201 Study to the District for its future use.

#### **XII. ESCROW ACCOUNT**

~~It is agreed that Crittenden shall establish on or before Closing an Escrow Account in the principal sum of no less than \$45,000 ("Escrow Account"). The amounts deposited in the Escrow Account shall consist of the balance of the proceeds of any construction loans still in possession of Crittenden at the time of closing. If the balance of the loan proceeds is less than \$45,000.00, then Crittenden shall deposit the difference to make a total of \$45,000.00, which difference shall be a loan due to be repaid in full within 12 months of the closing date. If the loan proceeds exceed \$45,000, then the entire amount shall be deposited in the Escrow account, and shall be considered District's sole property. District acknowledges that Crittenden will reimburse itself from the loan proceeds an amount equal to: all outstanding invoices due and payable up to the date of closing, plus, all amounts spent from Crittenden's general funds for the benefit of the sewer project subject to said loan. The Escrow Account shall be maintained, if necessary, for a period of 12 months following the Closing date. The Escrow Account shall be opened under the Federal Tax Identification Number of Crittenden. The Escrow Account funds shall be maintained for the purpose of covering any cost or expense incurred by the District.~~

*Handwritten initials: P/B, R, JCK*

~~reasonably necessary or required for the repair, maintenance or upkeep of any component of the sanitary sewer system being transferred to the District during the first 12 months of operation. In the event the District is required to expend any sum for the repair, maintenance or upkeep of any component of the sanitary sewer system being transferred to the District during the 12 month period following the Closing, the District shall be entitled to withdraw from the Escrow Account the reasonable cost of that repair or maintenance. For purposes of this Agreement, repair or maintenance cost which District may withdraw from the Escrow Account shall not include any repair or maintenance which is necessarily required as day-to-day maintenance. Any cost or expense under \$500.00 shall not be paid from the Escrow Account funds.~~

*MS.*  
*R*

*Jch*

~~On the 12 month anniversary of the Closing, the District shall submit to Crittenden an accounting of the funds withdrawn from the Escrow Account for repair and maintenance. District shall within 30 days thereafter turnover the remaining funds on deposit in the Escrow Account and an additional sum necessary to equal the amount contributed by Crittenden over and above the balance of the loan proceeds.~~

### **XIII. REAL ESTATE**

At Closing, Crittenden shall transfer to the District five (5)+/- acres of Real Estate (Schedule B) representing the property upon which the sanitary sewer treatment plant is located. Transfer of this real estate shall be by General Warranty Deed and title so transferred shall be free, clear and unencumbered (excluding any mortgages or liens securing the Debt (Schedule C)). On or before Closing, a Plat of the Real Estate to be transferred to District by Crittenden at Crittenden's sole cost and expense.

### **XIV. EASEMENTS**

At Closing, Crittenden shall deliver to District a general assignment of all easements currently held in favor of Crittenden reasonably necessary for the maintenance and operation of the sanitary sewer system being transferred to District. For purposes of this Agreement, easements reasonably necessary for the operation of the sanitary sewer system shall include but not be limited to transmission line easements; lift station easements; pump station easements; access easements; and related utility easements. The general assignment of easements shall be in form and format satisfactory to the District.

### **XV. PLANT ACCESS EASEMENT**

Crittenden agrees to assign to the benefit of District the temporary and permanent easements for access to the treatment plant, in "AS IS" condition, subject to all terms and conditions of any agreements for the maintenance of same as between Crittenden and the owners of Claiborne Estates Subdivision.

### **XVI. CONDITIONS PRECEDENT**

This Agreement shall be contingent upon the following:

- A. An assignment of the debt instrument identified in Schedule C from Crittenden to the District and approved by KRWFC;
- B. An assignment of the construction warranty from Crittenden and Kenny Construction, Inc. to the District in a form satisfactory to the District;
- C. Transfer of all permits and licenses necessary for the District to undertake the operation of the sanitary sewer system being transferred herein;
- D. Approval (as may be required) by the Kentucky Public Service Commission, if applicable;
- E. Approval of any and all other federal, state or local agencies, including the Environmental Protection Agency; Kentucky Natural Resources Cabinet and/or the Kentucky Public Service Commission;
- F. Execution of any and all documents in form and substance reasonably agreeable to District which are reasonably necessary to effectuate the transfer contemplated herein;
- G. The District entering in an Agreement with Carl Crone or other duly licensed operators to be utilized by the District for operational oversight of the sanitary sewer treatment plant being conveyed herein.

In the event that any of the above conditions precedent are not met to the satisfaction of District, this Agreement shall become null and void with the District having no further obligation to Crittenden.

## **XVII. INDEMNIFICATION**

Crittenden agrees to indemnify and hold harmless the District from any and all claims, causes of action or demands (excluding the debt instrument identified in Schedule C) relative to any claim, cause of action or demand by any individual or entity which arises based upon facts and circumstances which occur prior to the Closing herein. In the event that any claim, cause of action or demand is made against the District based upon any facts or circumstance which occurred prior to the Closing, Crittenden shall indemnify and hold harmless the District from any and all such claims, causes of actions or demands, including but not limited to the payment of any and all reasonable attorney's fees incurred by the District in the defense of such claim.

District agrees to indemnify and hold harmless Crittenden from any and all claims, causes of action or demands relative to any claim, cause of action or demand by any individual or entity which arises based upon facts and circumstances which occur subsequent to the Closing herein. In the event that any claim, cause of action or demand is made against the District based upon any facts or circumstance which occur subsequent to the Closing, District

shall indemnify and hold harmless Crittenden from any and all such claims, causes of actions or demands, including but not limited to the payment of any and all reasonable attorney's fees incurred by Crittenden in the defense of such claim.

**XVIII. BINDING EFFECT**

This Agreement and all of its terms and conditions shall be binding upon the parties hereto, their respective successors and assigns.

**IXX. AUTHORITY**

Each of the parties hereto acknowledge and represent that this Agreement and all of its terms and conditions have been duly approved by appropriate action of their respective governmental entity authority as required by law.

IN WITNESS WHEREOF, the parties hereunto set their hand on the date and year first above written.

CITY OF CRITTENDEN

BY: James C. Livingood  
MAYOR JAMES C LIVINGOOD

GRANT COUNTY SANITARY SEWER DISTRICT

BY: Bobby Burgess  
BOBBY BURGESS, CHAIRMAN

# **EXHIBIT “17”**

**Project Estimates by USOA Account Number  
Grant County Sanitary Sewer Extension Phase I**

310	Land and Land Rights	\$150,000
352.1	Collection Sewer – Force	\$627,500
352.2	Collection Sewer –Gravity	\$680,571
355	Flow Measuring Devices	\$21,702
363A	Pumping Equipment – Electric	\$445,227
Total		\$1,925,000