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DAMON R. TALLEY

ATTORNEY AT LAW

April 6, 2011

Mr. Jeff Derouen
Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

RE: Adair County Water District
Construction

Dear Mr. Derouen:

Enclosed for filing are the original and ten (10) copies of the Application of the Adair County Water District for a Certificate of Public Convenience and Necessity to construct certain improvements to its water distribution system. This application is being made pursuant to KRS 278.020(1).

No rate increase will be required.

Should you need any additional information, please let me know.

Yours truly,
DAMON R. TALLEY, P.S.C.

Damon R. Talley

DAMON R. TALLEY, ATTORNEY FOR
ADAIR COUNTY WATER DISTRICT

DRT:ms
Enclosures
cc: Adair County Water District
11/ACWD/Derouen Letter – 4-6-11

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF THE ADAIR COUNTY WATER DISTRICT FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AUTHORIZING CONSTRUCTION OF MAJOR ADDITIONS AND IMPROVEMENTS TO ITS WATER DISTRIBUTION SYSTEM PURSUANT TO THE PROVISIONS OF KRS 278.020(1) AND 807 KAR 5:001	)	CASE NO. 2011 - _____

RECEIVED
APR 07 2011
PUBLIC SERVICE COMMISSION

** *** **** ******* **** *** **

APPLICATION

** *** **** ******* **** *** **

The Applicant, Adair County Water District (the "District"), files this Petition and Application, pursuant to KRS 278.020(1), 807 KAR 5:001, and all other applicable laws and regulations, and requests that the Public Service Commission of Kentucky (the "Commission") issue an Order granting a Certificate of Public Convenience and Necessity (the "CPCN") authorizing the District to construct major additions and improvements to its water distribution system for the purpose of furnishing an adequate, dependable, and safe supply of pure and potable water for domestic, agricultural, and

commercial use in the area served by the District. In support of the Petition and Application, and in compliance with the rules and regulations of the Commission, the District states as follows:

1. The District was established by the Order of the County Court of Adair County entered on October 21, 1971, pursuant to the provisions of KRS Chapter 74. The District is now, and has been since its inception, regulated by the Commission. All records and proceedings of the Commission with reference to the District are incorporated in this Application by reference.

2. The District does not have any Articles of Incorporation since it was created pursuant to KRS Chapter 74.

3. The governing body of the District is its Board of Commissioners. The District is a public body corporate with power to make contracts in furtherance of its lawful and proper purposes as provided in KRS 74.070 and all other applicable laws.

4. The mailing address of the District is as follows:

Adair County Water District
109 Grant Lane
P.O. Box 567
Columbia, KY 42728
Attn: Lennon D. Stone, Manager
Telephone: (270) 384-2181

5. The Adair County Judge/Executive has entered Orders appointing the present Commissioners, who are residents of the District. The

present members of the Board of Commissioners and their respective offices are as follows: Danny Downey, Chairman; Rabon Burton, Vice-Chairman; Rudy Higginbotham, Secretary-Treasurer; Larry Legg, Commissioner; and Robert Flowers, Commissioner. Each of the five (5) Commissioners has qualified for office.

BACKGROUND

6. As of December 31, 2010, the District provided retail water service to approximately 7,700 customers in Adair County, Kentucky. It does not presently provide wholesale water service.

7. On May 3, 2010, the City of Columbia (the "Columbia") and the District entered into an Asset Purchase Agreement (the "Agreement") whereby Columbia will transfer its entire water distribution system and its wastewater collection and treatment system (the "Columbia Water and Wastewater Systems") to the District. In return, the District will assume certain debt obligations incurred by Columbia for the purpose of constructing extensions and improvements to the Columbia Water and Wastewater Systems. A copy of the Agreement has previously been filed with the Commission in Case No. 2010-00361. The Agreement is incorporated herein by reference.

8. The Commission issued an Order on October 7, 2010 in Case No. 2010-00361 declaring that the proposed debt assumption does not require Commission approval because of the provisions of KRS 278.300(10). For a variety of reasons, the District has not yet acquired the Columbia Water and Wastewater Systems and has not yet assumed Columbia's Water and Wastewater Bonds. Closing of the transaction will take place prior to June 30, 2011.

THE PROJECT

9. The District proposes to construct and install the following:

A. A 750,000 gallon elevated water storage tank in the Sparksville community of Adair County near the intersection of Kentucky Highways 61 and 768, and related appurtenances (the "Sparksville Tank");

B. Approximately 33,400 linear feet of 12-inch diameter, approximately 4,800 linear feet of 8-inch diameter and approximately 200 feet of 6-inch diameter ductile iron pipe; approximately 12,100 linear feet of 8-inch diameter, approximately 5,700 linear feet of 6-inch diameter and approximately 600 linear feet of 3-inch diameter PVC pipe; and related appurtenances (collectively, the "Water Transmission Main"); and

C. A booster pump station and related appurtenances.

10. The booster pump station portion of the Project was not bid as a separate contract, but is part of the Water Transmission Main Contract.

11. The District's consulting engineer, Monarch Engineering, Inc., Lawrenceburg, Kentucky (the "Engineer"), has prepared a Preliminary

Engineering Report as well as detailed plans, specifications and contract documents for the construction and installation of the Project. The Preliminary Engineering Report is attached hereto and incorporated herein by reference as **EXHIBIT 1**.

12. The Preliminary Engineering Report encompasses more than the Project for which the District seeks a CPCN. The Preliminary Engineering Report discusses three (3) separate projects which are described as the Phase 1, Phase 2 and Phase 3 projects. The project described as Phase 1 in the Preliminary Engineering Report is the Project for which the District seeks a CPCN.

13. At a future date, the District plans to seek a CPCN for the projects described as Phase 2 and Phase 3 in the Preliminary Engineering Report.

14. A map depicting the location of the proposed Sparksville Tank, the route of the proposed Water Transmission Main extending from the District's existing 1,000,000 gallon water storage tank located near the intersection of the Louie B. Nunn Cumberland Parkway and Kentucky Highway 61 (the "Walmart Tank") to the proposed Sparksville Tank, and the proposed booster pump station is attached hereto and incorporated herein by reference as **EXHIBIT 2**.

15. The proposed Sparksville Tank will be constructed on a 100 feet by 100 feet site acquired by the District in 2006. A copy of the Plat and Deed are attached hereto and incorporated herein by reference as **EXHIBIT 3**.

16. The proposed booster pump station will be constructed inside the riser column of the District's Walmart Tank.

17. The Project is more fully described in plans, specifications, and contract documents prepared on behalf of the District by the Engineer.

18. The Kentucky Energy and Environment Cabinet, Department for Environmental Protection, Division of Water (the "DOW") approved the plans and specifications by letter dated June 11, 2010. A copy of the DOW approval letter is attached hereto and incorporated herein by reference as **EXHIBIT 4**.

19. The District has caused public advertising to be made according to law soliciting competitive bids for the construction and installation of the Project. It has received, opened and considered the construction bids.

20. The District's Engineer has prepared a Final Engineering Report which contains revised Project cost data based upon the actual bid prices. A copy of the Final Engineering Report is attached hereto and incorporated herein by reference as **EXHIBIT 5**.

21. The Engineer's certified bid tabulations are attached hereto and incorporated herein by reference as **EXHIBIT 6**.

22. The Engineer's best bid recommendation for each contract is attached hereto and incorporated herein by reference as **EXHIBIT 7**.

23. The proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066, Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8(1) through (3); Section 9(1); and Section 10.

24. All other approvals or permits have already been obtained.

25. The District does not contemplate having the Project constructed with any deviation from minimum construction standards or operating conditions of the PSC.

26. The plans, specifications and contract documents for each of the two (2) contracts are attached hereto and incorporated herein by reference as follows:

EXHIBIT NUMBER	**DESCRIPTION**
8	Specifications and Contract Documents – Tank
9	Specifications and Contract Documents – Water Transmission Main
10	Plans for Tank
11	Plans for Water Transmission Main

27. The construction bids **expire on April 29, 2011**.

28. The construction bids were significantly lower than the Engineer's estimates. Because of changing economic conditions and other factors, Monarch Engineering has advised the District that if the construction bids expire and the Project is rebid, the new construction bids will likely be significantly higher than the original bids.

29. A Revised Project Cost Summary, based on the low construction bids received, is set forth below:

Revised Project Cost Summary

Development – Phase 1	
Water Transmission Main	$2,045,000.00
Water Storage Tank	1,238,000.00
Contingency	328,228.50
Engineering Design (7.13%)	234,077.90
Construction Inspection (3.92%)	128,693.60
Land & Rights	25,000.00
Legal & Administrative	20,000.00
Interest During Construction	15,000.00
Total Project Costs	**$ 4,034,000.00**

PURPOSE AND NEED FOR PROJECT

30. As stated in the Preliminary Engineering Report (**EXHIBIT 1**) and elsewhere, the primary purposes of the Project are:

A. To increase the water system pressure in the southern portion of Adair County;

B. To increase the volume of water that can be conveyed to and distributed throughout this area;

C. To enhance water distribution system reliability;

D. To enable the District to supply the customers in this area with an adequate, dependable, and safe supply of potable water;

E. To eliminate a potentially serious health hazard that would occur if water distribution system pressure drops below the minimum regulatory limit;

F. To enhance the District's ability to flush certain portions of its distribution system, if necessary, during periods of peak usage;

G. To increase the amount of "usable" water storage in this area by replacing three (3) existing standpipes with a larger, slightly taller elevated storage tank;

H. To replace approximately 6.5 miles of an unreliable "patchwork" of 6, 4, and 3-inch diameter water lines with a 12-inch diameter ductile iron water transmission main; and

I. To replace an existing, undersized, aging booster pump station.

31. The District provides water service to the southern portion of Adair County via the Sparksville pressure zone. (This zone is sometimes referred to as the Flatwoods pressure zone because of the current location of

the booster pump station.) This is the largest pressure zone in the District. It includes the communities of Breeding, Flatwoods, Gadberry, and Sparksville as well as all the surrounding areas.

32. Many of the water distribution system facilities in this pressure zone are some of the oldest in the District. Because of continued growth within this pressure zone, the existing facilities are no longer adequate. To compensate, the District has been forced to take extraordinary measures during times of peak demand to ensure that all customers have adequate pressure (greater than 30 psi at the meter).

33. For example, during periods of peak demand in 2009, the Flatwoods booster pump station, with both pumps operating 24 hours per day, did not keep the water storage tanks in this pressure zone full.

34. To help alleviate this problem, the District installed, in 2010, an additional pump at the Flatwoods booster pump station site. The District routinely operates all three (3) pumps 24 hours per day and seven (7) days per week to maintain adequate water system pressure in the Sparksville pressure zone. This situation must be corrected.

35. Construction of the proposed Project will eliminate this problem. Currently, a "patchwork" of 6, 4, and 3-inch diameter water lines connect the District's recently constructed Walmart Tank to the Sparksville standpipe

located approximately 6.5 miles south of the Louie B. Nunn Cumberland Parkway. The Flatwoods booster pump station is approximately 2 miles south of the Walmart Tank along this route. The Flatwoods booster pump station draws water from the Walmart Tank and pumps it through these small diameter water lines into the Sparksville standpipe, a distance of approximately 4.5 miles.

36. This approximately 6.5 mile section of small diameter water lines will be replaced with a 12-inch diameter ductile iron water transmission main upon completion of the proposed Project. Also, a new, larger booster pump station will be installed at the base (inside the riser column) of the Walmart Tank. The Flatwoods booster pump station will be taken out of service once the proposed Project is complete.

37. As part of the proposed Project, an elevated water storage tank will be constructed at Sparksville to replace the existing Sparksville standpipe and two (2) other standpipes. All three (3) standpipes were constructed approximately 40 years ago. The overflow elevation of the new Sparksville Tank will be approximately 30 feet higher than the overflow elevation of the three (3) standpipes that it will replace.

38. It is the opinion of the Board of Commissioners of the District that the public health, safety and general welfare of its customers and other

persons residing within the areas served by the District will be promoted and served by the construction of the Project. Consequently, the proposed construction is necessary, is in the public interest, and is required to enable the District to provide "adequate, efficient and reasonable service" as required by KRS 278.030.

NO DUPLICATION OF FACILITIES

39. The proposed facilities will be located within the District's current service area and also within its territorial boundaries. No other utility or person provides water service in this area.

40. Therefore, the proposed construction will not compete with any public utility, city, corporation, or person.

COST OF OPERATION

41. No new customers will be added by the proposed Project.

42. As previously stated, the proposed Project will replace approximately 6.5 miles of small diameter water lines with a 12-inch diameter water transmission main. Also, the existing Flatwoods booster pump station will be replaced by a new booster pump station with larger and more efficient pumps. The new booster pump station will also be constructed at a better location.

43. For the foregoing reasons, the District's Engineer has advised the District that the estimated cost of operation after the proposed facilities are

completed will be the same as, or less than, the current cost of operation. Any potential savings will be speculative, however, at this point and will not be known and measurable until the new facilities have been constructed and placed into service.

FINANCING

44. The District has obtained a commitment from the Kentucky Infrastructure Authority (the "KIA") for a 20-year Fund F loan in the amount of $4,000,000 at an interest rate of 1.00%. The KIA Fund F Loan will be utilized for permanent financing of the Project. The balance of the Project cost ($34,000) will be funded by the District from its reserve funds. A copy of the KIA commitment letter is attached hereto and incorporated herein by reference as **EXHIBIT 12**. The financing sources are summarized as follows:

KIA Fund F Loan	$4,000,000
District Reserve Funds	34,000
TOTAL	**$4,034,000**

45. Unfortunately, the District is unable to execute an Assistance Agreement with KIA at this time. The annual debt service payments (approximately $231,000) for the proposed KIA Fund F Loan will cause the District's debt service coverage ratio to drop below the 1.20 ratio required by its bond covenants. Therefore, a rate increase will be required before the

District can execute an Assistance Agreement with KIA.

46. Because of the urgent need for the Project and the very favorable construction bids, the District has elected to proceed with construction of the Project via an interim construction loan from a local bank. The term of the interim financing will likely be 12 months, but could be as long as 18 months.

47. The District has already commenced activities to enable it to file a rate adjustment application while construction of the Project is proceeding. The District plans to utilize financial information for the 2010 calendar year, along with known and measurable changes, to determine its revenue requirements. As soon as all the financial schedules and other supporting documents have been completed, the District will file an application for a rate adjustment with the Commission.

48. At the appropriate time, the District will also file an application for authority to execute an Assistance Agreement with KIA, pursuant to KRS 278.300, for the purpose of refinancing the short-term debt (interim financing) that will be incurred to fund construction of the proposed Project and converting it to long-term debt (KIA Fund F Loan).

49. The rate adjustment application and the application for authority to execute the KIA Assistance Agreement may be combined or filed separately as circumstances dictate.

CONCLUSION

50. For the foregoing reasons, the District states that public convenience and necessity require the construction of the proposed facilities to enable the District to provide "adequate, efficient and reasonable service" as required by KRS 278.030.

WHEREFORE, the District respectfully requests that the Commission take the following actions:

A. Issue a Certificate of Public Convenience and Necessity authorizing the District to construct the Project as proposed and described in this Application; and

B. Grant the District any and all other proper relief.

This 6th day of April, 2011.

Respectfully submitted,

DAMON R. TALLEY, P.S.C.
P. O. BOX 150
HODGENVILLE, KY 42748-0150
drtalley@windstream.net
(270) 358-3187
FAX (270) 358-9560

Damon R Talley

DAMON R. TALLEY

ATTORNEY FOR ADAIR COUNTY WATER DISTRICT

11/Adair/Application - CPCN

EXHIBIT LIST

ADAIR COUNTY WATER DISTRICT

1. Preliminary Engineering Report
2. Map
3. Deed & Plat
4. DOW Approval Letter
5. Final Engineering Report
6. Bid Tabulations
7. Engineer's Best Bid Recommendations
8. Specifications & Contract Documents - Tank
9. Specifications & Contract Documents – Water Line
10. Plans - Tank
11. Plans - Water Line
12. KIA Commitment Letter

EXHIBIT 1

PRELIMINARY

ENGINEERING REPORT

PRELIMINARY ENGINEERING REPORT
SPARKSVILLE WATER TRANSMISSION MAIN
DOWNTOWN WATER SYSTEM IMPROVEMENTS
NEW CENTRAL OFFICE CENTER

ADAIR COUNTY WATER DISTRICT
ADAIR COUNTY, KENTUCKY

REVISED AUGUST 2010

Monarch Engineering, Inc.

PRELIMINARY ENGINEERING REPORT
SPARKSVILLE WATER TRANSMISSION MAIN
DOWNTOWN WATER SYSTEM REPLACEMENT &
NEW CENTRAL OFFICE CENTER

ADAIR COUNTY WATER DISTRICT
ADAIR COUNTY, KENTUCKY

I. GENERAL

This Preliminary Engineering Report is intended to analyze the proposed three phased water system improvements that are being planned by the Adair County Water District which will improve water system pressure in the southwest portion and downtown portions of the service area, and provide for a new and enlarged central office facility to accommodate the expanded responsibilities of the District as it takes on the operation of the City's water system. A new transmission water main is proposed to be constructed beginning at the intersection of Kentucky Highway 61 and the Cumberland Parkway and extend along Kentucky Highway 61 until the intersection of Kentucky Highway 61 and Kentucky Highway 768. In addition, a new booster pump station will also be constructed near the interchange of Kentucky Highway 61 and Cumberland Parkway to serve the southern portion of Adair County. The downtown areas that are being targeted for new water line replacement are in the areas of Hudson Street / Frazier Street, Highway 61 South, Lindsey Wilson College, and in and around the old Osh Kosh facility. The new water office is planned to be constructed in the vicinity of the new Wal-Mart facility adjacent to the new elevated water storage tank and it will be on property owned by the Water District.

II. PROJECT PLANNING AREA

The area to be affected by the construction will lie adjacent to present transportation routes and the new booster pumping station will be constructed adjacent to existing transportation routes. These areas are delineated on the attached maps. The topography of these areas is relatively flat and varies to gently rolling hills. The land use in this area is mainly agricultural with some light timber harvesting. Within the proposed service area there are no major commercial or industrial businesses expected.

The construction of the project will have a major impact upon the southern portion of the District's service area improving water pressures and volumes throughout the region. This area has experienced growth over the past twenty years since the first water lines were installed and the supply system is quickly approaching its capacity to provide an ample amount of water. Phase 1 of this project will connect with the existing transmission main and new existing 1.0 million gallon water storage tank at the intersection of Kentucky Highway 61 and Cumberland Parkway just behind the newly constructed Walmart facility. The construction will also have a minor impact upon the

entire water system operated by the District by relieving other portions of the water system from having to provide service to this area.

The areas that will be benefited will be the entire Southern portion of Adair County Water District's service area including the communities of Gadberry, Flatwoods, Sparksville, Breeding, and all of the surrounding areas.

The Phase 2 portion will be constructed along existing water line easements and city streets and rights of way and the new water office in the Phase 3 portion will be constructed on disturbed property owned by the Water District.

III. EXISTING FACILITIES

The Adair County Water District owns and operates the water distribution system that serves nearly the entire rural portion of Adair County. In addition, the District is in the process of acquiring the water and sewer systems that are owned and operated by the City of Columbia. The District purchases all of its water from the newly constructed water plant owned and operated by the Columbia/Adair County Water Commission. The District also purchases a small portion of its water for resale from the City of Jamestown. Water Purchase contracts with each supplier have recently been updated and at present the Water District does not exceed the contracted amount. Over 95 percent of the rural portion of Adair County is served with potable water through the Water District's network of water distribution and transmission lines.

The Adair County Water District operates the water system through a Board of Commissioners, Manager, office personnel and field personnel. The Commissioners serve a four year term and they are appointed by the Adair County Fiscal Court.

IV. NEED FOR THE PROJECT

The first phase of this three phased project is intended to eliminate a potentially serious health hazard in the communities in which it will serve. The Water District provides potable water service to all of rural Adair County and in the southern portion of the county, water supply and water pressure has been measured in several locations to be just above the regulatory limits. This situation is due primarily to the growth in this area coupled with the need to provide a safe and ample supply of drinking water to all of the residences of Adair County. In the event water pressure is reduced to a level that is below the regulatory standard, the potential for a health hazard exists which could lead to an area wide illness. These minimum operating pressures are set by federal and state officials and are designed to provide a safe supply of potable water, but when these levels are exceeded the chance for an unsafe condition exists. In addition, violations of these parameters will result in mediation efforts on the part of the Water District to correct the situation.

The Adair County Water District is proposing to construct a 12-inch transmission main that would extend from the intersection of Kentucky Highway 61 and Cumberland Parkway running south along Kentucky Highway 61 until the intersection of Kentucky Highway 61 and Kentucky Highway 768. The project also proposes to construct a new 750,0000 gallon elevated water storage tank which will be located adjacent to the old Sparksville School.

The second phase is to address the old and deteriorated water lines that the Water District intends to take over operation of from the City of Columbia. Many of these water lines were constructed as early as the 1930's and investigations have revealed that water loss in the city system have been determined to be as high as 70 percent during some months. The plan is to reduce the water loss to an acceptable level by replacing the old existing water lines which will improve the water quality and pressure in the city system and will reduce the operating costs of the water plant by reducing the amount of water being produced.

V. ALTERNATIVES CONSIDERED

Based on the need for the continuation of the supply of potable water to the residents and small businesses in Adair County, the Adair County Water District is the only logical entity that can provide water service to these areas. The Kentucky Division of Water and the Kentucky Public Service Commission regulate the District and also mandate that the operation of the system be in compliance with the applicable rules and regulations. The Water District is the only utility that has jurisdiction to provide the water service to the new users. Increasing the storage capacity and also the capability of the Water District to adequately transport water to its customers is a necessity and enforced by the regulatory agencies that regulate the operation of the Water District.

Alternatives considered for the 12-inch transmission main consisted of constructing a water transmission main through the City of Columbia in order to increase the volume of water that could be delivered to the District's service area. Other routes were considered for the location of the transmission main but due to the new development of Kentucky Highway 61 the proposed route was chosen.

Alternatives considered for the improvements to the downtown areas were limited based on the fact that it has been well documented that there is a significant amount of old and leaking water lines scattered throughout the city water system. The alternatives that were considered were in the study of changing the size of the four pressure zones that currently are set to serve the city area along with the delivery and service routes in which the water flows in order to provide continuous and safe water service.

VI. PROPOSED PROJECT

Phase 1 of the proposed project consists of the installation of approximately 34,000 linear feet of 12-inch transmission water main and appurtenances and also the construction of a

new water booster pumping station to enhance the District's operation particularly in the southern portion of the service area. The water transmission main will be constructed of ductile iron material and it will extend from the intersection of Kentucky Highway 61 and Cumberland Parkway running parallel in a southern direction along Kentucky Highway 61 until the intersection of Kentucky Highway 768. Also included is the construction of a 750,000 gallon water storage tank at the intersection of Kentucky Highway 61 and Kentucky Highway 768 to provide water storage and increased water pressures in the Sparksville area.

Phase 2 consists of replacing all or a portion of 44,000 feet of various size water lines within the city limits of Columbia. Also planned are the replacement of approximately 380 water meters that are suspected of not accurately measuring the amount of water that is being sold.

Phase 3 consists of constructing a new water office that will be larger than the existing facility and better suited to accommodate the day to day operation of the Water District along with the additional duties in owning and operating the City's old water system.

An itemized cost estimate is included in this report and outlines all of the individual construction items along with their associated estimated unit costs. A summary cost estimate recaps all of the project costs and outlines the funding scheme for the project, which is also included in this report. The construction cost of the expansion and improvements for Phase 1 is estimated to be $3,392,000 with funding being provided by a grant in the amount of $1,000,000, a loan in the amount of $1,054,000 from the USDA Rural Development Agency and the remainder to be from a loan from the Commonwealth of Kentucky through their State Revolving Loan Fund program. For Phase 2 and Phase 3, an allotment of $1,590,000 and $300,000 respectively have been earmarked for these two phases and construction is estimated to take place approximately six months after construction bids have been received for the Phase 1 portion. The total amount of funds that will be used for these remaining two phases of work will be dependent upon the cost of Phase 1. Overall, the total project cost for all three phases has been estimated to be $6,054,000.00.

VII. CONCLUSIONS AND RECOMMENDATIONS

Based on the need for the Water District to maintain the required level of service in providing a potable water supply combined with the responsibility to transport water throughout the Adair County Water System, it is recommended that the Adair County Water District pursue the financial assistance as outlined above in order that these extensions and improvements can be implemented. The Water District is the only major supplier of potable water within the rural areas of Adair County and their system is situated such that these extensions could be made without adversely affecting service to their other customers.

FINAL COST ESTIMATE
PROPOSED WATER SYSTEM IMPROVEMENTS
SPARKSVILLE TRANSMISSION MAIN
DOWNTOWN WATER SYSTEM IMPROVEMENTS
NEW CENTRAL OFFICE CENTER
ADAIR COUNTY WATER DISTRICT
AUGUST 2010

PROJECT COSTS

DEVELOPMENT - PHASE 1		
WATER TRANSMISSION MAIN		$2,187,000
WATER STORAGE TANK		1,205,000
CONTINGENCY		340,000
ENGINEERING DESIGN		240,000
CONSTRUCTION INSPECTION		132,000
DEVELOPMENT - PHASE 2	DOWNTOWN WATER LINE REPLACEMENT	1,590,000
DEVELOPMENT - PHASE 3	NEW CENTRAL OFFICE CENTER	300,000
LAND & RIGHTS		25,000
LEGAL & ADMINISTRATIVE		20,000
INTEREST		15,000
TOTAL PROJECT COSTS		$6,054,000

FINAL COST ESTIMATE
PROPOSED WATER SYSTEM IMPROVEMENTS
SPARKSVILLE TRANSMISSION MAIN
DOWNTOWN WATER SYSTEM IMPROVEMENTS
NEW CENTRAL OFFICE CENTER
ADAIR COUNTY WATER DISTRICT
AUGUST 2010

PROJECT FINANCING

STATE REVOLVING FUND LOAN	$4,000,000
RURAL DEVELOPMENT GRANT	595,000
RURAL DEVELOPMENT LOAN	1,459,000
TOTAL PROJECT COSTS	$ 6,054,000

PRELIMINARY COST ESTIMATE
PROPOSED WATER SYSTEM IMPROVEMENTS
SPARKSVILLE AREA WATER STORAGE TANK
ADAIR COUNTY WATER DISTRICT
JUNE 2009

750,000 GALLON STORAGE TANK

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	Site Work	1 LS	$60,000.00	60,000.00
2	Tank Foundation	1 LS	150,000.00	150,000.00
3	Tank Fabrication	1 LS	520,000.00	520,000.00
4	Tank Erection	1 LS	250,000.00	250,000.00
5	Tank Coatings	1 LS	80,000.00	80,000.00
6	Yard Piping	1 LS	50,000.00	50,000.00
7	Valve Vault	1 LS	45,000.00	45,000.00
8	Telemetry Control	1 LS	30,000.00	30,000.00
9	Security Fence	1 LS	20,000.00	20,000.00
		Subtotal		$1,205,000.00
		Contingency		120,000.00
		Total Construction		$1,325,000.00

PRELIMINARY COST ESTIMATE
PROPOSED WATER SYSTEM IMPROVEMENTS
SPARKSVILLE WATER TRANSMISSION MAIN
ADAIR COUNTY WATER DISTRICT
JUNE 2009

12-INCH TRANSMISSION MAIN

ITEM NO.	DESCRIPTION	QUANTITY		UNIT COST	TOTAL COST
1	12-Inch Water Transmission Main	34,000	LF	$36.00	$1,224,000.00
2	8-Incc Water Transmission Main	18,000	LF	20.00	360,000.00
3	Bore & Case for 12-Inch Water Line	600	LF	140.00	84,000.00
4	Bore & Case for 8-Inch Water Line	200	LF	100.00	20,000.00
5	Creek Crossing for 12-Inch Water Line	300	LF	100.00	30,000.00
6	Creek Crossing for 8-Inch Water Line	200	LF	80.00	16,000.00
7	12-Inch Gate Valve	16	EA	3,000.00	48,000.00
8	8-Inch Gate Valve	8	EA	2,000.00	16,000.00
9	Flush Hydrant	8	EA	3,000.00	24,000.00
10	Air Release Valve	4	EA	2,500.00	10,000.00
11	Connection	8	EA	5,000.00	40,000.00
12	Master Meter	1	EA	15,000.00	15,000.00
13	Booster Pump Station	1	LS	300,000.00	300,000.00
		Subtotal			$2,187,000.00
		Contingency			219,000.00
		Total Construction			$2,406,000.00

PRELIMINARY COST ESTIMATE
DOWNTOWN WATER SYSTEM IMPROVEMENTS
HUDSON STREET / FRAZIER AVENUE AREA
COLUMBIA / ADAIR UTILITIES DISTRICT
SEPTEMBER 2010

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	6-Inch Water Line	22,000 LF	$25.00	$550,000.00
2	Bore & Case for 6-Inch Water Line	100 LF	100.00	10,000.00
3	6-Inch Gate Valve	30 EA	600.00	18,000.00
4	Connection for 6-Inch WL	16 EA	2,500.00	40,000.00
5	Hydrant	50 EA	2,500.00	125,000.00
6	Meter Replacement	220 EA	1,500.00	330,000.00
7	3/4-Inch Service Tubing	11,000 EA	6.00	66,000.00
8	Pavement Replalcement	17,000 EA	25.00	425,000.00
9	Sidewalk Replacement	0 LF	10.00	0.00
		Subtotal		$1,564,000.00
		Contingency		156,000.00
		Total Construction		$1,720,000.00

PRELIMINARY COST ESTIMATE
DOWNTOWN WATER SYSTEM IMPROVEMENTS
HIGHWAY 61 SOUTH AREA
COLUMBIA / ADAIR UTILITIES DISTRICT
SEPTEMBER 2010

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	8-Inch Water Line	5,000 LF	$32.00	$160,000.00
2	6-Inch Water Line	1,500 LF	25.00	37,500.00
3	8-Inch Gate Valve	8 EA	800.00	6,400.00
4	6-Inch Gate Valve	4 EA	600.00	2,400.00
5	Connection for 8-Inch WL	8 EA	3,500.00	28,000.00
6	Connection for 6-Inch WL	4 EA	2,500.00	10,000.00
7	Hydrant	14 EA	2,500.00	35,000.00
8	Meter Replacement	60 EA	1,500.00	90,000.00
9	3/4-Inch Service Tubing	3,000 EA	6.00	18,000.00
10	Pavement Replalcement	1,500 EA	25.00	37,500.00
11	Sidewalk Replacement	5,000 LF	10.00	50,000.00
		Subtotal		$474,800.00
		Contingency		47,200.00
		Total Construction		$522,000.00

PRELIMINARY COST ESTIMATE
DOWNTOWN WATER SYSTEM IMPROVEMENTS
LINDSEY WILSON AREA
COLUMBIA / ADAIR UTILITIES DISTRICT
SEPTEMBER 2010

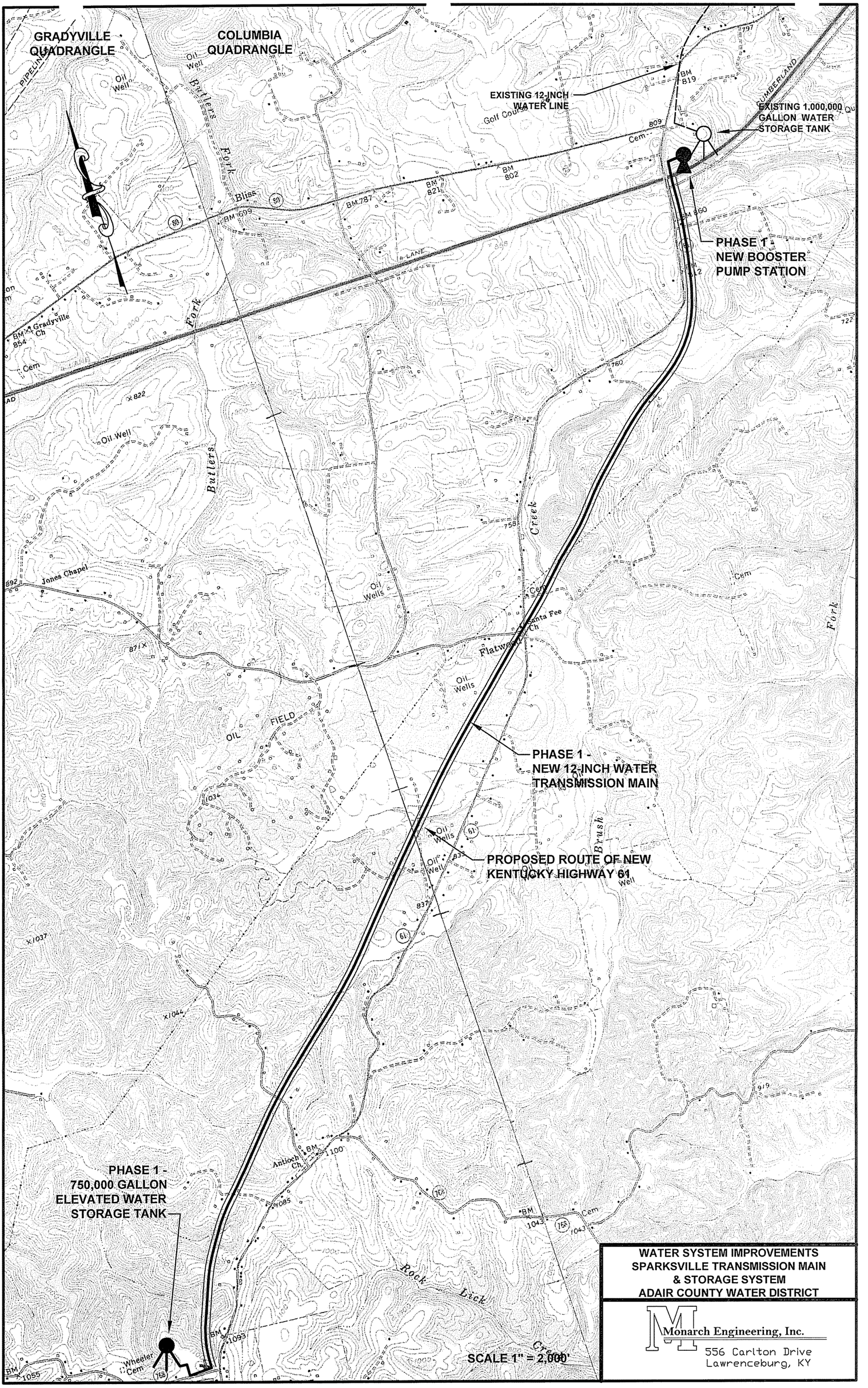
ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	12-Inch Water Line	4,000 LF	$45.00	$180,000.00
2	6-Inch Water Line	5,400 LF	25.00	135,000.00
3	12-Inch Gate Valve	12 EA	1,200.00	14,400.00
4	6-Inch Gate Valve	16 EA	600.00	9,600.00
5	Connection for 8-Inch WL	10 EA	5,000.00	50,000.00
6	Connection for 6-Inch WL	10 EA	2,500.00	25,000.00
7	Hydrant	30 EA	2,500.00	75,000.00
8	Meter Replacement	90 EA	1,500.00	135,000.00
9	3/4-Inch Service Tubing	4,500 EA	6.00	27,000.00
10	Pavement Replalcement	8,000 EA	25.00	200,000.00
11	Sidewalk Replacement	0 LF	10.00	0.00
		Subtotal		$851,000.00
		Contingency		85,000.00
		Total Construction		$936,000.00

PRELIMINARY COST ESTIMATE
DOWNTOWN WATER SYSTEM IMPROVEMENTS
OSH KOSH AREA
COLUMBIA / ADAIR UTILITIES DISTRICT
SEPTEMBER 2010

ITEM NO.	DESCRIPTION	QUANTITY		UNIT COST	TOTAL COST
1	8-Inch Water Line	5,000	LF	$32.00	$160,000.00
2	6-Inch Water Line	1,000	LF	25.00	25,000.00
3	Parkway Bore & Case for 8-Inch Water Line	600	LF	200.00	120,000.00
4	8-Inch Gate Valve	12	EA	800.00	9,600.00
5	6-Inch Gate Valve	4	EA	600.00	2,400.00
6	Connection for 8-Inch WL	12	EA	3,500.00	42,000.00
7	Connection for 6-Inch WL	4	EA	2,500.00	10,000.00
8	Hydrant	10	EA	2,500.00	25,000.00
9	Meter Replacement	10	EA	1,500.00	15,000.00
10	3/4-Inch Service Tubing	500	EA	6.00	3,000.00
11	Pavement Replalcement	500	EA	25.00	12,500.00
12	Sidewalk Replacement	0	LF	10.00	0.00
		Subtotal			$424,500.00
		Contingency			42,500.00
		Total Construction			$467,000.00

EXHIBIT 2

MAP



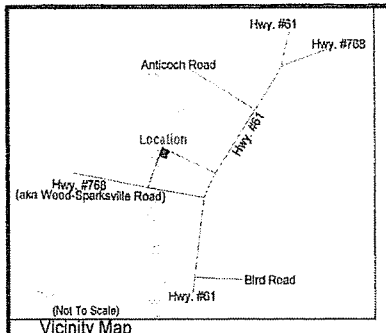
WATER SYSTEM IMPROVEMENTS
SPARKSVILLE TRANSMISSION MAIN & STORAGE SYSTEM
ADAIR COUNTY WATER DISTRICT

Monarch Engineering, Inc.
556 Carlton Drive
Lawrenceburg, KY

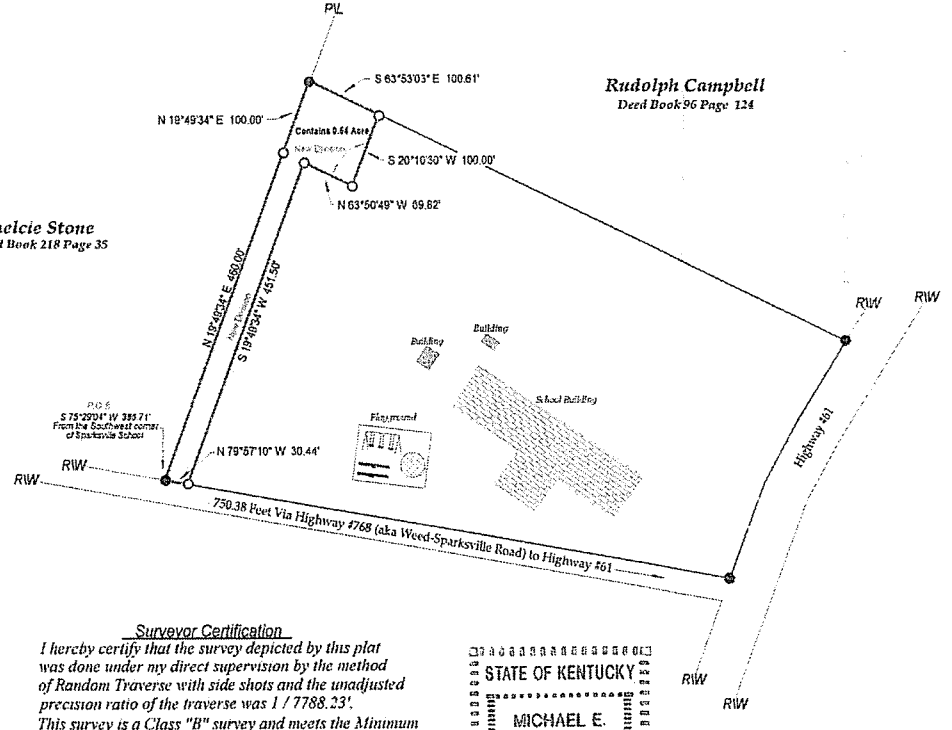
EXHIBIT 3

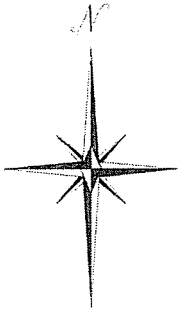
DEED & PLAT

Sparksville Grade Center



Vicinity Map





MAGNETIC NORTH

This survey is subject to any and all easements, restrictions, and right of ways of record at this time.

LEGEND

P.O.B.	Point of Beginning
RW	Right of Way
PL	Property Line
●	1/2" x 18" Re - bar Pin Found with Cap #3318 Original Surveyed 07/14/06
○	1/2" x 18" Re - bar Pin Set with Cap #3318
- - -	Power Line

Magnetic North was observed in the field N 68°16'19" W 132.89' from the point of beginning with reference bearing SW 84° along a random base line on 07/14/06.
New Division Date: 08/29/06

Drawn by: Michael E. McKinney
Instrument Man: Michael E. McKinney
Rod Person: Steve Cox
File Dr: Sparkdiv

SCALE 1" = 150'

150 75 0 150 300

Surveyor Certification

I hereby certify that the survey depicted by this plat was done under my direct supervision by the method of Random Traverse with side shots and the unadjusted precision ratio of the traverse was 1 / 7788.23'. This survey is a Class "B" survey and meets the Minimum Standards required by the State of Kentucky as defined by KRS 322.

08/31/06

Michael E. McKinney P.L.S. #3318
County Surveyor (Adair County-Columbia)

STATE OF KENTUCKY
MICHAEL E. McKINNEY
3318
LICENSED PROFESSIONAL LAND SURVEYOR

Survey For

Adair County Board of Education

1204 Greensburg Street
Columbia, KY 42728

Deed Book 91 Page 104
Boundary Relocation with New Division Survey

To

Adair County Water District

109 Grant Lane
Columbia, KY 42728

Adair County
Commonwealth of Kentucky

08/29/06

McKINNEY LAND SURVEYING
103 South Reed Street Columbia, KY 42728 Phone (270) 384-5293

DEED

THIS INDENTURE made and entered into this the 10th day of October, 2006, by and between ADAIR COUNTY, KENTUCKY by Jerry Vaughn, Judge Executive, and ADAIR COUNTY BOARD OF EDUCATION, by Mike Harris, Chairman, of 1204 Greensburg Street, Columbia, Kentucky 42728, party of the first part, and ADAIR COUNTY WATER DISTRICT, by Larry Legg, Chairman of 109 Grant Lane, of Columbia, Kentucky 42728, party of the second part,

WITNESSETH:

That the party of the first part, for and in consideration of the sum of ONE THOUSAND THREE HUNDRED FIFTY ($1,350.00) DOLLARS, cash in hand paid, the receipt of which is hereby acknowledged, has bargained and sold and by these presents does hereby sell, grant and convey unto the party of the second part, ITS SUCCESSORS AND ASSIGNS, a certain tract or parcel of land located in Adair County, Kentucky, and being further described as follows:

DESCRIPTION OF A TRACT OF LAND, BY A BOUNDARY RELOCATION WITH NEW DIVISION SURVEY, THE PROPERTY OF ADAIR COUNTY BOARD OF EDUCATION DEED BOOK 91 PAGE 104 IN THE ADAIR COUNTY CLERK'S OFFICE, LOCATED 750.38 FEET NORTHWEST OF HIGHWAY #61 ON THE NORTHEAST SIDE OF HIGHWAY #768 (AKA WEED -SPARKSVILLE ROAD) IN ADAIR COUNTY, COMMONWEALTH OF KENTUCKY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Beginning at a 1\2" x 18" Re-bar pin found with cap #3318 on the northeast right of way and corner with Chelcie Stone

(Deed Book 218 Page 35) and S 75°29'04" W 386.71' from the southwest corner of Sparksville School; thence leaving the right of way and with Chelcie Stone N 19°49'34" E 460.00' to a 1\2" x 18" Re-bar pin set with cap #3318; thence N 19°49'34" E 100.00' to a 1\2" x 18" Re-bar pin found with cap #3318 corner with Rudolph Campbell (Deed Book 96 Page 124; thence leaving Chelcie Stone and with Rudolph Campbell S 63°53'03" E 100.61' to a 1\2" x 18" Re-bar pin set with cap #3318; thence leaving Rudolph Campbell and new division lines of the parent tract S 20°10'30" W 100.00' to a 1\2" x 18" Re-bar pin set with cap #3318; thence N 63°50'49" W 69.82' to a 1\2" x 18" Re-bar pin set with cap #3318; thence S 19°49'34" W 451.50' to a 1\2" x 18" Re-bar pin set with cap #3318 on the aforementioned right of way; thence with the right of way N 79°57'10" W 30.44' to the point of beginning, containing 0.54 Acre. **PLAT TO BE RECORDED WITH ABOVE DESCRIPTION IN THE DEED BOOKS OF THE ADAIR COUNTY CLERKS OFFICE.**

This survey is subject to any and all easements, restrictions and rights of way of record at this time. All bearings are based on the Magnetic North which was observed in the field N 68°16'19" W 132.89 feet from the Point of Beginning with reference bearing SW 84 along a random base line on 07/14/06. New Division date 08/29/06.

I hereby certify that this survey was done under my direct supervision by the method of Random Traverse with side shots and the unadjusted precision ratio of the traverse was 1/7788.23'. This survey is a Class 'B' Survey and meets the Minimum Standards required by the State of Kentucky as defined by KRS 322.

s/MICHAEL E. McKINNEY P.L.S. #3318
COUNTY SURVEYOR (ADAIR COUNTY-COLUMBIA)

Being a part of the same land acquired by Adair County, Kentucky from Adair County Board of Education dated

November 26, 1962, recorded in Deed Book 95, Page 105, records of the Adair County Clerk and acquired by the Adair County Board of Education in Deed Book 91, Page 104, records of the Adair County Clerk.

TO HAVE AND TO HOLD with all appurtenances belonging unto the party of the second part, ITS SUCCESSORS AND ASSIGNS, with COVENANT OF GENERAL WARANTY, subject to all valid restrictions, reservations, limitations, easements, conditions and covenants that may appear in the record chain of title thereto.

IN TESTIMONY WHEREOF, witness my signature this 10 day of ~~September~~ October, 2006.

ADAIR COUNTY, KENTUCKY

BY: _____

ATTEST: Gale Cowan

ADAIR COUNTY BOARD OF EDUCATION

BY: _____
MIKE HARRIS, CHAIRMAN

ATTEST: Darrell Treece

STATE OF KENTUCKY

COUNTY OF ADAIR

I, the undersigned, a Notary Public in and for the county and state aforesaid, do hereby certify that the foregoing DEED from ADAIR COUNTY, KENTUCKY by Jerry Varghn, County Judge Executive and attested by Gale Cowan, Secretary and ADAIR COUNTY BOARD OF EDUCATION BY Mike Harris, Chairman, and attested by Darrell Treece, Secretary, TO ADAIR COUNTY WATER DISTRICT by Larry Legg,Chairman, and attested by Mitch Harris, Secretary, was presented to me this day by ADAIR COUNTY, KENTUCKY by Jerry Vaughn, County Judge Executive and Gale Cowan, secretary, and ADAIR COUNTY BOARD OF EDUCATION by Mike Harris, Chairman, and attested by Darrell Treece, Secretary, who signed and acknowledged same to me to be their free act and deed.

WITNESS, my hand and seal this 10 day of ~~September~~ OCTOBER, 2006.

Marshall F. Loy
NOTARY PUBLIC

My Commission Expires:
5-12-10

CONSIDERATION CERTIFICATE

We, ADAIR COUNTY, KENTUCKY by JERRY VAUGHN, COUNTY JUDGE EXECUTIVE, attested by Gale Cowan, secretary, and ADAIR COUNTY BOARD OF EDUCATION, by Mike Harris, Chairman, attested by Darrell Reece Secretary, GRANTORS AND ADAIR COUNTY WATER DISTRICT, GRANTEE, by Larry Legg, Chairman, and attested by Mitch Harris, Secretary, , do hereby certify, pursuant to KRS CHAPTER 382, that the above stated consideration for $1,350.00 is the true, correct and full consideration paid for the property herein conveyed. We further certify our understanding that falsification of the above stated consideration is a Class D felony, subject to one to five years imprisonment and fines up to $10,000.00.

ADAIR COUNTY, KENTUCKY, GRANTOR

BY: Jerry Vaughn
JERRY VAUGHN, COUNTY JUDGE EXECUTIVE

Attested By:
Gale Cowan
Secretary

ADAIR COUNTY BOARD OF EDUCATION

By: _____
MIKE HARRIS, CHAIRMAN

Attested By:

_____
Secretary

ADAIR COUNTY WATER DISTRICT,
GRANTEE

BY: _____
LARRY LEGG, CHAIRMAN

Attested By:

_____
Secretary

STATE OF KENTUCKY

COUNTY OF ADAIR

The foregoing CONSIDERATION CERTIFICATE was acknowledged and sworn to before me, this 10th day of October ~~September~~, 2006, by ADAIR COUNTY, KENTUCKY, by JERRY VAUGHN COUNTY JUDGE EXECUTIVE and attested by Gale Cowan, Secretary and ADAIR COUNTY BOARD OF

EDUCATION by: MIKE HARRIS, CHAIRMAN, and attested by DARRELL TREECE, Secretary, GRANTORS.

Marshall F. Loy
Notary Public

My Commission Expires:
5-12-10

STATE OF KENTUCKY

COUNTY OF ADAIR

The foregoing CONSIDERATION CERTIFICATE was acknowledged and sworn to before me, this 10 day of ~~September~~ OCTOBER, 2006, by ADAIR COUNTY WATER DISTRICT, GRANTEE BY Larry Legg Chairman and attested by Mitch Harris.

Jennifer Carter
Notary Public

My Commission Expires:
2-28-2008

PREPARED BY:

MARSHALL F. LOY LAW OFFICE
116 Public Square
Columbia, Kentucky 42728
Telephone: (270) 384-2356
Fax Number: (270) 384-4781

By: Marshall F. Loy
Marshall F. Loy, Attorney

STATE OF KENTUCKY

COUNTY OF ADAIR

I, ~~Ann Melton~~ Sheila Blair, Clerk of Adair County, do hereby certify that the foregoing Deed was produced to me and lodged for record in my said office on the 21st day of December, 2006, at 10:30, A.M., whereupon, I have recorded the same, the foregoing, and this Certificate in Deed Book 296 at page 486.

Given under my hand this 21st day of December, 2006.

Sheila Blair
CLERK, ADAIR COUNTY, KENTUCKY

EXHIBIT 4

DOW APPROVAL LETTER

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

June 11, 2010

Mr. Lennon Stone
Adair Co Water District
PO Box 567
Columbia, KY 42728

RE: Adair Co Water District
AI # 33767, APE20100002
PWSID # 0010702-10-002
Sparksville Water Transmission Main &
500,000 G WST
Adair County, KY

Dear Mr. Stone:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of approximately 37,400 linear feet of 12 inch DI water line and 50 linear feet of 6 inch PVC water line; 500,000 gallon elevated water storage tank and one booster pump station with four pumps . 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.

If you have any questions concerning this project, please contact Mr. Harold Sparks at 502-564-8158 extension 513.

Sincerely,

Harold Sparks

Harold L. Sparks, PE
Engineering Section
Water Infrastructure Branch
Division of Water

HLS
Enclosures
C: Monarch Engineering Inc
Adair County Health Department
Public Service Commission
Division of Plumbing

Distribution-Major Construction

Adair Co Water District

Subject Item Inventory

Activity ID No.: APE20100002

Subject Item Inventory:

ID	Designation	Description
AIOO33767		
PORT35	Water lines	37,400 linear feet of 12 inch DI water line and 50 linear feet of 6 inch PVC water line
PORT36	Booster pump station	booster pump station
STOR4	Elevated Storage Tank	500,000 gallon elevated water storage tank

Subject Item Groups:

ID	Description	Components
GACT32	37,400 linear feet of 12 inch DI water line and 50 linear feet of 6 inch PVC water line; 500,000 gallon elevated water storage tank and booster pump station	PORT36 booster pump station
		STOR4 500,000 gallon elevated water storage tank
		PORT35 37,400 linear feet of 12 inch DI water line and 50 linear feet of 6 inch PVC water line

KEY

ACTV = Activity
AREA = Area
EQPT = Equipment
PERS = Personnel
STOR = Storage
AIOO = Agency Interest
COMB = Combustion
MNPT = Monitoring Point
PORT = Transport
STRC = Structure

Distribution-Major Construction
Adair Co Water District
Subject Item Inventory

Activity ID No.: APE20100002

KEY

TRMT = Treatment

Distribution-Major Construction

Adair Co Water District

Facility Requirements

Activity ID No.: APE20100002

GACT0000000032 (Sparksville Water Trans. Main & 500,000 gal WST) 37,400 linear feet of 12 inch DI water line and 50 linear feet of 6 inch PVC water line; 500,000 gallon elevated water storage tank and booster pump station :

Monitoring Requirements:

Condition No.	Parameter	Condition
M-1	Coliform	The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new or relocated water line(s). Take samples at connection points to existing lines, at 1 mile intervals, and at dead ends without omitting any branch of the new or relocated water line. Sample bottles shall be clearly identified as "special" construction tests. [401 KAR 8:100 Section 1(7), 401 KAR 8:150 Section 4, Recommended Standards for Water Works 8.5.6] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.
M-2	Coliform	The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new storage structure(s). With at least 1 sample taken at least 24 hours after the first construction complete sample(s), take 2 or more samples from the yard hydrant, the outlet piping from the storage structure, or a sample tap directly connected to the storage structure. Sample bottles shall be clearly identified as "special" construction tests. [Recommended Standards for Water Works 7.0.18, 401 KAR 8:150 Section 4] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.
M-3	Coliform	The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new pump(s). If the pump(s) are independent of (not directly connected to) the new or relocated lines, take at least 1 sample at the discharge side pitcock. Otherwise, no additional sampling beyond the sampling required for new or relocated lines shall be required in association with the pump(s). Sample bottles shall be clearly identified as "special" construction tests. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.

Submittal/Action Requirements:

Coliform:

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

GACT0000000032 (continued):

Submittal/Action Requirements:

Condition No.	Condition
S-2	For proposed changes to the approved plan, submit information: Due prior to any modification to the Cabinet for approval. Changes to the approved plan shall not be implemented without the prior written approval of the Cabinet. [401 KAR 8:100 Section 1(8)]
S-3	The person who presented the plans shall submit the professional engineer's certification: Due when construction is complete to the Division of Water. The certification shall be signed by a registered professional engineer and state that the water project has been constructed and tested in accordance with the approved plans, specifications, and requirements. [401 KAR 8:100 Section 1(8)]

Narrative Requirements:

Additional Limitations:

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

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

Narrative Requirements:

Condition No.	Condition
T-4	Final approval of facility. Upon completion of construction, the person who presented the plans shall certify in writing that the project has been completed in accordance with the "approved" plans and specifications. The public water supply shall operate the facility consistent with the approved plans and specifications. Any proposed change to the approved plan shall be submitted to the cabinet for approval. The public water supply shall not implement any change to the approved plan without the prior written approval of the cabinet. [401 KAR 8:100 Section 401 KAR 8:100(1)(8)]
T-5	During construction, a set of approved plans and specification shall be available at the job site at all times. All work shall be performed in accordance with the approved plans and specifications. [401 KAR 8:100 Section 1(7)(a)]

PORT0000000035 (Water lines) 37,400 linear feet of 12 inch DI water line and 50 linear feet of 6 inch PVC water line:

Limitation Requirements:

Condition No.	Parameter	Condition
L-1	Depth	A continuous and uniform bedding shall be provided in the trench for all buried pipe. Backfill material shall be tamped in layers around the pipe and to a sufficient height above the pipe to adequately support and protect the pipe. Stones found in the trench shall be removed for a Depth >= 6 in below the bottom of the pipe. [Recommended Standards for Water Works 8.5.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-2	Depth	All water lines shall be covered to a Depth >= 30 in to prevent freezing. [Recommended Standards for Water Works 8.5.3, 401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-3	Diameter	All new and existing water lines serving fire hydrants or where fire protection is provided shall have Diameter >= 6 in. [Recommended Standards for Water Works 8.1.2] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-4	Distance	Water lines shall have a sufficient quantity of valves so that inconvenience and sanitary hazards will be minimized during repairs. A valve spacing Distance <= 1.0 mi should be utilized. [Recommended Standards for Water Works 8.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-5	Distance	Hydrant drains shall not be connected to sanitary sewers or storm drains and shall be located a Distance > 10 ft from sanitary sewers and storm drains. [Recommended Standards for Water Works 8.3.4] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-6	Distance	Except when not practical, water lines shall be laid a horizontal Distance >= 10 ft from any existing or proposed sewer. The distance shall be measured edge to edge. In cases where it is not practical to maintain a 10 foot separation, water lines may be installed closer to a sewer provided that the water lines shall be laid in a separate trench or on an undisturbed shelf located on one side of the sewer at such an elevation that the bottom of the water line is at least 18 inches above the top of the sewer. [Recommended Standards for Water Works 8.6.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.

PORT0000000035 (continued):

Limitation Requirements:

Condition No.	Parameter	Condition
L-7	Distance	When water lines and sewers cross, 1) water lines shall be laid such that either a) the the top of the water line is a vertical Distance >= 18 in below the bottom of the sewer line or b) the bottom of the water line is a vertical Distance >= 18 in above the top of the sewer line, 2) 1 full length of the water pipe shall be located so that both joints of the water pipe will be as far from the sewer as possible, and 3) special structural support for the water and sewer pipes may be required. [Recommended Standards for Water Works 8.6.3] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-8	Distance	The open end of an air relief pipe from automatic valves shall be extended a Distance >= 1.0 ft above grade and provided with a screened, downward-facing elbow. The pipe from a manually operated valve shall be extended to the top of the pit. Use of manual air relief valves is recommended wherever possible. [Recommended Standards for Water Works 8.4.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-9	Pressure	Pipes shall not be installed unless all points of the distribution system remain designed for ground level Pressure >= 20 psi under all conditions of flow. [Recommended Standards for Water Works 8.1.1] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-10	Pressure	Pressure >= 30 psi must be available on the discharge side of all meters. [401 KAR 8:100 Section 4(2)] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.
L-11	Residual Disinfection	New or relocated water lines shall be thoroughly disinfected (in accordance with AWWA Standard C651) upon completion of construction and before being placed into service. To disinfect the new or relocated lines use chlorine or chlorine compounds in such amounts as to produce an initial disinfectant concentration of at least 50 ppm and a Residual Disinfection >= 25 ppm at the end of 24 hours. Follow the line disinfection with thorough flushing and place the lines into service if, and only if, Coliform monitoring applicable to the line does not show the presence of Coliform. If Coliform is detected, repeat flushing of the line and Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the line has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [401 KAR 8:150 Section 4(1), Recommended Standards for Water Works 8.5.6] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.

PORT0000000035 (continued):

Limitation Requirements:

Condition No.	Parameter	Condition
L-12	Velocity	Each blow-off or fire hydrant shall be sized so that Velocity >= 2.5 ft/sec can be achieved in the water main served by the blow-off or hydrant during flushing. [Recommended Standards for Water Works 8.1.6.b, 401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.

Monitoring Requirements:

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

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-1	Additional Limitations: Water line installation shall be in accordance with AWWA standards or manufacturer recommendations. [Recommended Standards for Water Works 8.5.1]
T-2	Additional Limitations: Pipes, fittings, valves and fire hydrants shall conform to the latest standards issued by the AWWA or NSF (if such standards exist). PVC and PE piping used must be certified to ANSI/NSF Standard 61. [Recommended Standards for Water Works 8.0.1]
T-3	Additional Limitations: At high points in water lines, where air can accumulate, provisions shall be made to remove the air by means of hydrants or air relief valves. Automatic air relief valves shall not be used in situations where manhole or chamber flooding may occur. [Recommended Standards for Water Works 8.4.1]

PORT0000000035 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-4	Additional Limitations: All tees, bends, plugs and hydrants shall be provided with reaction blocking, tie rods or joints designed to prevent movement. [Recommended Standards for Water Works 8.5.4]
T-5	Additional Limitations: For each fire hydrant, auxiliary valves shall be installed in the hydrant lead pipe. [Recommended Standards for Water Works 8.3.3]
T-6	Additional Limitations: No flushing device, blow-off, or air relief valve shall be directly connected to any sewer. Chambers, pits or manholes containing valves, blow-offs, meters, or other such appurtenances shall not be directly connected to any storm drain or sanitary sewer. Such chambers, pits or manholes shall be drained to absorptions pits underground or to the surface of the ground where they are not subject to flooding by surface water. [Recommended Standards for Water Works 8.1.6, Recommended Standards for Water Works 8.4.3]
T-7	Additional Limitations: If water lines are installed or replaced in areas of organic contamination or in areas within 200 ft of underground or petroleum storage tanks, ductile iron or other nonpermeable materials shall be used in all portions of the water line installation or replacement. [401 KAR 8:100 Section 1(5)(d)6, Recommended Standards for Water Works 8.0.2]
T-8	Additional Limitations: No water pipe shall pass through or come in contact with any part of a sewer manhole. [Recommended Standards for Water Works 8.6.6]
T-9	Additional Limitations: If a fire sprinkler system is to be installed, a double check detector assembly approved for backflow prevention shall be utilized. The double check detector assembly of the system shall be accessible for testing. [401 KAR 8:100 Section 1(7)]
T-10	Additional Limitations: If water lines cross a stream or wetland, the provisions in the attached Water Quality Certification shall apply. If you have any questions please contact the Water Quality Certification Supervisor of the Water Quality Branch at (502) 564-2225. [401 KAR 8:100 Section 1(7)]

PORT0000000035 (continued):

Narrative Requirements:

Subfluvial Pipe Crossings:

Condition No.	Condition
T-11	Subfluvial Pipe Crossings: For subfluvial pipe crossings, a floodplain construction permit will not be required pursuant to KRS 151.250 if the following requirements of 401 KAR 4:050 Section 2 are met. 1) No material may be placed in the stream or in the flood plain of the stream to form construction pads, coffer dams, access roads, etc. during construction of pipe crossings. 2) Crossing trenches shall be backfilled as closely as possible to the original contour. 3) All excess material resulting from construction displacement in a crossing trench shall be disposed of outside the flood plain. 4) For erodible channels, there shall be at least 30 inches of backfill on top of all pipe or conduit points in the crossing. 5) For nonerodible channels, pipes or conduits in the crossing shall be encased on all sides by at least 6 inches of concrete with all pipe or conduit points in the crossing at least 6 inches below the original contour of the channel. [401 KAR 8:100 Section 1(7)]
T-12	Subfluvial Pipe Crossings: For subfluvial pipe crossings greater than 15 feet in width, 1) the pipe shall be of special construction, having flexible, restrained, or welded watertight joints, and 2) valves shall be provided at both ends of water crossings so that the section can be isolated for testing or repair. Valves shall a) be easily accessible, b) not be subject to flooding, and c) if closest to the supply source, be in a manhole with permanent taps made on each side of the valve to allow insertion of a small meter to determine leakage and for sampling purposes. [Recommended Standards for Water Works 8.7.2]

PORT0000000036 (Booster pump station) booster pump station:

Limitation Requirements:

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

PORT0000000036 (continued):

Limitation Requirements:

Condition No.	Parameter	Condition
L-6	Height	Pumping stations shall not be subject to flooding. To this end, 1) grading around stations shall lead surface drainage away and 2) stations shall be elevated or protected to a Height >= 3 ft above the highest of the following: a) the 100-year flood elevation, or b) the highest recorded flood elevation. [Recommended Standards for Water Works 6.1.1, Recommended Standards for Water Works 6.0] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-7	Height	When a pump station has pits or compartments which must be entered, stairways or ladders shall be provided between all floors. Stairs shall have risers with a Height <= 9 in, handrails on both sides, and treads with non-slip material wide enough for safety. [Recommended Standards for Water Works 6.2.3] This requirement is applicable during the following months: All Year. Statistical basis: Maximum.

Narrative Requirements:

Additional Limitations:

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

PORT0000000036 (continued):

Narrative Requirements:

Additional Limitations:

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

PORT0000000036 (continued):

Narrative Requirements:

Additional Limitations:

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

PORT0000000036 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-24	Additional Limitations: Pumps shall a) have ample capacity to supply the peak demand against the required distribution system pressure without dangerous overloading, b) be driven by prime movers able to meet the maximum horsepower condition of the pumps, c) be provided readily available spare parts and tools, and d) be served by control equipment that is properly protected against temperatures to be encountered. [Recommended Standards for Water Works 6.3]
T-25	Additional Limitations: Pumps, their prime movers and accessories shall be controlled in such a manner that they will operate at rated capacity without dangerous overload. [Recommended Standards for Water Works 6.6.5]
T-26	Additional Limitations: Pump stations shall be located or controlled so that a bypass is available. [Recommended Standards for Water Works 6.4.e]
T-27	Additional Limitations: Pump stations shall contain indicating and totalizing metering of the total water pumped. Each pump shall have a) a standard pressure gauge on its discharge line and b) a compound gauge on its suction line. Each pump should have a means for measuring the instantaneous volume per time discharge. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.4.2, Recommended Standards for Water Works 6.6.3]
T-28	Additional Limitations: Pumps shall be adequately valved to permit satisfactory operation, maintenance and repair of the equipment. Each pump shall have a positive-acting check valve on the discharge side between the pump and the shut-off valve. [Recommended Standards for Water Works 6.6.1]

PORT0000000036 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-29	Additional Limitations: Piping for pumps shall, in general, 1) be designed so that the friction losses will be minimized, 2) not be subject to contamination, 3) have watertight joints, 4) be protected against surge or water hammer, 5) be provided with restraints where necessary, and 6) a) be such that each pump has an individual suction line or 6) b) be manifolded such that the lines insure similar hydraulic and operating conditions. [Recommended Standards for Water Works 6.6.2]
T-30	Additional Limitations: To ensure continuous service when the primary power is interrupted, power supplied to pump stations shall be a) from at least 2 independent sources or b) from a primary source with a standby or auxiliary source provided. If standby power is provided by onsite generators or engines, the fuel storage and fuel line must be designed to protect the water supply from contamination. [Recommended Standards for Water Works 6.6.6]

STOR0000000004 (Elevated Storage Tank) 500,000 gallon elevated water storage tank:

Limitation Requirements:

Condition No.	Parameter	Condition
L-1	Depth	High and low level Depth >= 30 ft apart should not be allowed in storage structures providing pressure to a distribution system. [Recommended Standards for Water Works 7.3.2] This requirement is applicable during the following months: All Year. Statistical basis: Maximum.
L-2	Distance	To prevent excessive erosion of storage structure foundations, the overflow and main drain shall either a) discharge to concrete or other stable surfaces (splash pads) which extend a Distance >= 10 ft away from the base of the storage structure or b) discharge directly into a crushed stone pit that is at least 2' x 2' x 2' which is a Distance >= 10 ft away from the base of the storage structure. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-3	Height	Tanks shall have an overflow which is a) brought down to a Height >= 12 and <= 24 in above the ground surface, b) of sufficient diameter to permit waste of water in excess of the filling rate, c) open downward, d) screened with twenty-four mesh noncorrodible screen installed within the pipe at a location least susceptible to damage by vandalism, and e) when not internal, e) i) located on the outside of the tank so that any discharge is visible, when internal, e) ii) located in the access tube. [Recommended Standards for Water Works 7.0.7] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-4	Height	Tanks shall have manholes that are a) framed a Height >= 4 in above the surface of the roof at the opening and b) fitted with a solid watertight cover which overlaps the framed opening and extends down around the frame at least 2 inches. Manholes should be hinged at one side and shall have a locking device. [Recommended Standards for Water Works 7.0.8] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.

STOR0000000004 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-1	Additional Limitations: The materials and designs used for storage structures shall provide stability and durability as well as protection for the quality of the stored water. Steel structures shall follow the AWWA standards wherever they are applicable. Other materials of construction are acceptable when properly designed to meet the requirements in this permit. [Recommended Standards for Water Works 7.0]
T-2	Additional Limitations: The safety of employees must be considered in the design of any tank. The design of tanks shall a) meet or exceed the minimum requirements of pertinent safety laws and regulations in the areas where the tanks are constructed, b) include ladders, ladder guards and balcony railings (where applicable), c) locate entrance hatches in safe places, d) provide railings or handholds where persons must transfer from an access tube to the water compartment, and e) consider confined space entry requirements. Additionally, if tanks have riser pipes over 8 inches in diameter, the tanks shall have protective bars over the riser openings inside of the tank. [Recommended Standards for Water Works 7.0.12]
T-3	Additional Limitations: Storage structures shall be designed with reasonably convenient access to the interior for cleaning and maintenance. Where space permits, at least 2 manholes shall be provided above the waterline at each water compartment. [Recommended Standards for Water Works 7.0.8]
T-4	Additional Limitations: Fencing, locks on access manholes, and other necessary precautions shall be provided to prevent trespassing, vandalism, and sabotage. [Recommended Standards for Water Works 7.0.4]
T-5	Additional Limitations: All storage structures and their appurtenances, especially the riser pipes, overflows, and vents, shall be designed to prevent freezing. [Recommended Standards for Water Works 7.0.13]
T-6	Additional Limitations: Tanks shall be constructed with no openings except properly constructed vents, manholes, overflows, risers, drains, control ports, and piping for inflow and outflow. Any pipes running through the roof or sidewall must be welded or properly gasketed. [Recommended Standards for Water Works 7.0.10]

STOR0000000004 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-7	Additional Limitations: All finished water storage structures shall have suitable watertight roofs and sidewalls which exclude birds, animals, insects, and excessive dust. [Recommended Standards for Water Works 7.0.3, Recommended Standards for Water Works 7.0.10]
T-8	Additional Limitations: The roof of each storage structure shall be well drained. Downspout pipes shall not enter or pass through storage structures. Parapets or similar structures which would tend to hold water and snow on a storage structure roof shall not be approved unless adequate waterproofing and drainage are provided. [Recommended Standards for Water Works 7.0.11]
T-9	Additional Limitations: Storage structures shall be designed so they can be isolated from the distribution system and drained for cleaning or maintenance without necessitating loss of pressure in the distribution system. [Recommended Standards for Water Works 7.3.2, Recommended Standards for Water Works 7.0.5]
T-10	Additional Limitations: Storage structure drains shall discharge to the ground surface at a drainage structure inlet or splash plate. [Recommended Standards for Water Works 7.3.2, Recommended Standards for Water Works 7.0.7]
T-11	Additional Limitations: No drain on a storage structure may have a direct connection to a sewer or storm drain. [Recommended Standards for Water Works 7.0.5, Recommended Standards for Water Works 7.0.7, Recommended Standards for Water Works 7.3.2]
T-12	Additional Limitations: Main drains from storage structures shall have a twenty-four mesh noncorrodible screen installed within the drain pipe at a location least susceptible to damage by vandalism. [401 KAR 8:100 Section 1(7)]
T-13	Additional Limitations: Storage structures shall be designed to facilitate turn over of water. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.0.6]
T-14	Additional Limitations: Storage structures shall have sufficient capacity, as determined from engineering studies, to meet domestic demands. Additionally, if fire protection is provided, capacity shall also be sufficient to meet fire flow demands. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.0.1]

STOR0000000004 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-15	Additional Limitations: Storage structure discharge pipes shall be located in a manner that will prevent the flow of sediment into the distribution system. Additionally, removable silt stops should be provided. [Recommended Standards for Water Works 7.0.15]
T-16	Additional Limitations: Appropriate sampling tap(s) shall be provided to facilitate collection of water samples for both bacteriologic and chemical analyses. [Recommended Standards for Water Works 7.0.19]
T-17	Additional Limitations: Storage structures shall be vented. Overflows shall not be considered as vents. Open construction between the sidewall and roof is not permitted. Vents shall a) prevent the entrance of rainwater, b) exclude birds and animals, and c) exclude insects and dust (as much as compatible with effective venting). Vents may use four-mesh noncorrodible screen. [Recommended Standards for Water Works 7.0.9]
T-18	Additional Limitations: Adequate controls shall be provided to maintain levels in storage structures. The level controls shall be acceptable to the Division of Water. Level indicating devices should be provided at a central location. Overflow and low-level warnings or alarms should be located at places in the community where they will be under responsible surveillance 24 hrs a day. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.3.3]
T-19	Additional Limitations: If storage structures have a catwalk over the water, the catwalk floor shall be solid with raised edges so that shoe scrapings and dirt will not fall into the water. [Recommended Standards for Water Works 7.0.14]
T-20	Additional Limitations: Proper protection shall be given to metal surfaces by a) paints or other protective coatings and/or b) cathodic protective devices. [Recommended Standards for Water Works 7.0.17]

STOR0000000004 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-21	Additional Limitations: If cathodic protection is utilized, a) competent technical personnel should design and install the protection and b) a maintenance contract should be provided. [Recommended Standards for Water Works 7.0.17]
T-22	Additional Limitations: If the interior of the storage structure is coated or lined, the coating or lining shall be of a type approved by the Division of Water for use in contact with potable water. [401 KAR 8:020 Section 2(19)]
T-23	Additional Limitations: Paints and coatings a) shall meet NSF standard 61, b) shall be acceptable to the Division of Water, c) shall be properly applied and cured, and d) shall not transfer any substance to the water which will be toxic or cause tastes or odors (following curing). Wax coatings shall not be used in any storage structure and must be completely removed before using other paints or coatings in an existing storage structure. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.0.17]

STOR0000000004 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-24	Additional Limitations: New water storage structures shall be thoroughly disinfected (in accordance with AWWA Standard C652) upon completion of construction and before being placed into service. To disinfect newstorage structures 1) remove all scaffolding, planks, tools, rags, and other items that are not part of the structural or operational facilities of the storage structure, 2) clean thoroughly by sweeping, scrubbing, using high-pressure water jets, or some equivalently effective means, and 3) use chlorine or chlorine compounds as subsequently described. Finalize disinfection by a) chlorination method 1, described in detail at AWWA Standard C652 Section 4.3.1, b) chlorination method 2, described in detail at AWWA Standard C652 Section 4.3.2, or c) chlorination method 3, described in detail at AWWA Standard C652 Section 4.3.3. See the following conditions for abreviated descriptions of the methods. Following the finalization of disinfection, place storage structures into service if, and only if, Coliform monitoring applicable to the storage structure does not show the presence of Coliform. If Coliform is detected, flush the tank and repeat Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the tank has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [Recommended Standards for Water Works 7.0.18]

Condition No.	Condition
T-25	If applicable, chlorination method 1 generally requires a) filling a storage structure to the overflow level with water providing a free chlorine Residual Disinfection >= 10 ppm and b) i) completely draining the storage facility and refilling or b) ii) otherwise reducing (in accordance with method 1) the free chlorine residual to a level appropriate for distribution. [Recommended Standards for Water Works 7.0.18]
T-26	If applicable, chlorination method 2 generally requires a) scrubbing or spraying the water-contact surfaces of a storage structure with a water solution having an available chlorine concentration = 200 ppm and b) purging of the strong chlorine solution and filling to the overflow level. [Recommended Standards for Water Works 7.0.18]

STOR0000000004 (continued):

Narrative Requirements:

Condition No.	Condition
T-27	If applicable, chlorination method 3 generally requires a) filling a storage structure to approximately 5% of the total storage volume with water having an available chlorine concentration of 50 ppm, b) continued filling of the storage structure to the overflow level with normal potable water, and c) purging the storage structure so that various disinfection by-products do not reach water consumers. [Recommended Standards for Water Works 7.0.18, 401 KAR 8:100 Section 1(7)]

EXHIBIT 5

FINAL ENGINEERING

REPORT

FINAL ENGINEERING REPORT

PHASE 1
SPARKSVILLE WATER TRANSMISSION MAIN
&
750,000 GALLON WATER STORAGE TANK

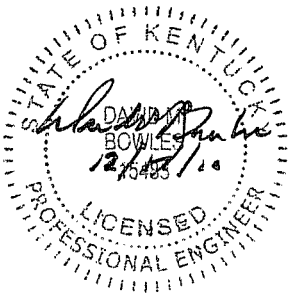
PHASE 2
DOWNTOWN WATER SYSTEM RENOVATION

PHASE 3
NEW CENTRAL OFFICE CENTER

ADAIR COUNTY WATER DISTRICT
ADAIR COUNTY, KENTUCKY

DECEMBER 2010

Monarch Engineering, Inc.



Monarch Engineering, Inc.

December 20, 2010

Mr. Danny Downey, Chairman
Adair County Water District
P.O. Box 567
Columbia, KY 42728

Re: Sparksville Transmission Main & Storage Tank

Dear Mr. Downey:

On December 16, 2010, bids were received by the Adair County Water District for the construction of the Sparksville Water Transmission Main and Water Storage Tank. Eight bids were received for the transmission main contract, with the lowest bid being submitted by Hubert Excavating & Contracting, LLC located in Salvisa, KY, in the amount of $2,045,000.00, and four bids were received for the seven hundred fifty thousand gallon water storage tank contract, with the lowest bid being submitted by Caldwell Tanks, Inc., located in Louisville, KY, in the amount of $1,238,000.00. The sum of both low bids is an amount of $3,283,000.00. A summarized bid tabulation of all bids received and the Final Project Budget is attached.

As you will recall, the bids received for this work is the first of three phases that the Water District plans to undertake. The second phase consists of addressing the old and deteriorated water lines within the city limits of the City of Columbia, that system which was recently taken over by and now being operated by the District and the third phase consists of constructing a new Central Office Center to accommodate the enlarged staff as a result of the task of taking on the operation the City of Columbia's deteriorated water system.

As shown on the Final Project Budget, there are sufficient funds available to construct the first phase of this three phased project, including a ten percent contingency for this first phase. The two remaining phases are scheduled for construction sometime mid 2011. The funds for this first phase will be provided by the Commonwealth of Kentucky through the State Revolving Loan Program. Therefore, we recommend that the Water District consider awarding a contract to Hubert Excavating & Contracting, LLC in the amount of $2,045,000.00 for the construction of the water transmission main and also to Caldwell Tanks, Inc, in the amount of $1,238,000.00 for the construction of the water

556 Carlton Dr. • Lawrenceburg, Ky. 40342 • 502-839-1310 • Fax 502-839-1373

storage tank. This recommendation is contingent upon approval from the Kentucky Infrastructure Authority in conjunction with the Kentucky Division of Water, and the Kentucky Public Service Commission.

Should you need additional information, please advise.

Sincerely,

David M. Bowles, P.E.

/dmb

Attachments

FINAL COST ESTIMATE
PROPOSED WATER SYSTEM IMPROVEMENTS
SPARKSVILLE TRANSMISSION MAIN
ADAIR COUNTY WATER DISTRICT
DECEMBER 2010

PROJECT COSTS

DEVELOPMENT - PHASE 1	
WATER TRANSMISSION MAIN	$2,045,000.00
WATER STORAGE TANK	1,238,000.00
CONTINGENCY	328,228.50
ENGINEERING DESIGN (7.13%)	234,077.90
CONSTRUCTION INSPECTION (3.92%)	128,693.60
LAND & RIGHTS	25,000.00
LEGAL & ADMINISTRATIVE	20,000.00
INTEREST	15,000.00
TOTAL PROJECT COSTS	4,034,000.00

FINAL COST ESTIMATE
PROPOSED WATER SYSTEM IMPROVEMENTS
SPARKSVILLE TRANSMISSION MAIN
ADAIR COUNTY WATER DISTRICT
DECEMBER 2010

PROJECT FINANCING

STATE REVOLVING FUND LOAN	$4,000,000.00
ADAIR COUNTY WATER DISTRICT	34,000.00
TOTAL PROJECT COSTS	4,034,000.00

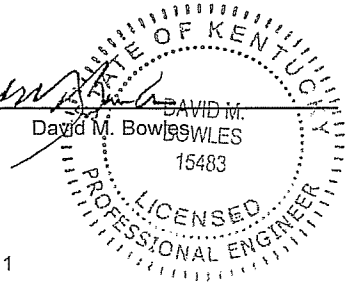
MONARCH ENGINEERING, INC.
556 Carlton Drive
Lawrenceburg, KY 40342
Phone (502) 839-1310
Fax (502) 839-1373

BID TABULATIONS
COLUMBIA/ADAIR UTILITIES DISTRICT
WATER SYSTEM IMPROVEMENTS
SPARKSVILLE WATER TRANSMISSION MAIN
ADAIR COUNTY, KENTUCKY
BID DATE: DECEMBER 16, 2010 @ 1:00 P.M. LOCAL TIME

			Hubert Excavating & Contracting, LLC 2590 Bondville Road Salvisa, KY 40372		United Pipeline, Inc. 4627 Gamaliel Road Tompkinsville, KY 42167		Cleary Construction, Inc. 2006 Edmonton Road Tompkinsville, KY 42167	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	BASE BID CONTRACT							
1	12-Inch Ductile Iron CL350 Water Line	33,400 LF	$24.25	$809,950.00	$32.94	$1,100,196.00	$30.60	$1,022,040.00
2	8-Inch Ductile Iron CL350 Water Line	4,800 LF	16.40	78,720.00	25.59	122,832.00	23.60	113,280.00
3	8-Inch PVC SDR-17 Water Line	12,100 LF	11.75	142,175.00	20.93	253,253.00	18.30	221,430.00
4	6-Inch Ductile Iron CL350 Water Line	200 LF	14.75	2,950.00	23.49	4,698.00	23.60	4,720.00
5	6-Inch PVC SDR-21 Water Line	5,700 LF	8.65	49,305.00	18.30	104,310.00	15.50	88,350.00
6	3-Inch PVC SDR-17 Water Line	600 LF	7.00	4,200.00	16.52	9,912.00	13.40	8,040.00
7	Bore & Case for 12-Inch Water Line	1,120 LF	165.00	184,800.00	133.04	149,004.80	175.00	196,000.00
8	Bore & Case 8-Inch Water Line	240 LF	115.00	27,600.00	123.04	29,529.60	136.00	32,640.00
9	Bore & Case 6-Inch Water Line	160 LF	100.00	16,000.00	114.99	18,398.40	100.00	16,000.00
10	Bore & Case 3-Inch Water Line	40 LF	140.00	5,600.00	110.69	4,427.60	67.00	2,680.00
11	Directional Bore for 14-Inch HDPE							
	Casing with 10-Inch HDPE Carrier	240 LF	267.00	64,080.00	166.72	40,012.80	200.00	48,000.00
12	Directional Bore for 10-Inch HDPE							
	Water Line	300 LF	220.00	66,000.00	149.38	44,814.00	135.00	40,500.00
13	Open Cut & Case for 12-Inch Water Line	170 LF	50.00	8,500.00	85.07	14,461.90	66.00	11,220.00
14	Creek Crossing for 12-Inch Water Line	295 LF	90.00	26,550.00	94.94	28,007.30	70.00	20,650.00
15	12-Inch Gate Valve	15 EA	2,350.00	35,250.00	1,937.89	29,068.35	2,000.00	30,000.00
16	8-Inch Gate Valve	9 EA	1,130.00	10,170.00	1,164.78	10,483.02	1,165.00	10,485.00
17	6-Inch Gate Valve	23 EA	850.00	19,550.00	890.54	20,482.42	870.00	20,010.00
18	3-Inch Gate Valve	3 EA	750.00	2,250.00	670.94	2,012.82	620.00	1,860.00
19	Connection	10 EA	1,875.00	18,750.00	644.49	6,444.90	1,100.00	11,000.00
20	3-Way Flush Hydrant Assembly	11 EA	3,250.00	35,750.00	2,875.33	31,628.63	3,380.00	37,180.00

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 1:00P.M. LOCAL TIME, THURSDAY, DECEMBER 16, 2010 AT THE COLUMBIA/ADAIR UTILITIES DISTRICT.

BY: _____
David M. Bowles



12/17/10
DATE

Project No. 1011

MONARCH ENGINEERING, INC.
556 Carlton Drive
Lawrenceburg, KY 40342
Phone (502) 839-1310
Fax (502) 839-1373

BID TABULATIONS
COLUMBIA/ADAIR UTILITIES DISTRICT
WATER SYSTEM IMPROVEMENTS
SPARKSVILLE WATER TRANSMISSION MAIN
ADAIR COUNTY, KENTUCKY
BID DATE: DECEMBER 16, 2010 @ 1:00 P.M. LOCAL TIME

ITEM NO.	DESCRIPTION	QUANTITY	Hubert Excavating & Contracting, LLC 2590 Bondville Road Salvisa, KY 40372		United Pipeline, Inc. 4627 Gamaliel Road Tompkinsville, KY 42167		Cleary Construction, Inc. 2006 Edmonton Road Tompkinsville, KY 42167	
			UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	BASE BID CONTRACT Continued							
21	2-Way Flush Hydrant Assembly	1 EA	3,125.00	3,125.00	2,602.72	2,602.72	3,000.00	3,000.00
22	Tandem Master Meter	1 EA	30,000.00	30,000.00	26,125.66	26,125.66	32,000.00	32,000.00
23	Master Meter	3 EA	15,850.00	47,550.00	6,770.87	20,312.61	21,000.00	63,000.00
24	Pressure Reducing Station	2 EA	15,000.00	30,000.00	8,795.32	17,590.64	20,000.00	40,000.00
25	Air Release Valve	6 EA	2,800.00	16,800.00	1,768.30	10,609.80	3,660.00	21,960.00
26	Tandem Meter Setting	53 EA	1,000.00	53,000.00	719.98	38,158.94	820.00	43,460.00
27	3/4-Inch PE Service Tubing	3,000 LF	5.00	15,000.00	3.21	9,630.00	7.00	21,000.00
28	Booster Pump Station	1 LS	237,375.00	237,375.00	236,880.00	236,880.00	256,000.00	256,000.00
29	Exploration	40 HR	100.00	4,000.00	0.00	0.00	100.00	4,000.00
	TOTAL BASE BID			$2,045,000.00		$2,385,887.91		$2,420,505.00

MONARCH ENGINEERING, INC.
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BID TABULATIONS
COLUMBIA/ADAIR UTILITIES DISTRICT
WATER SYSTEM IMPROVEMENTS
SPARKSVILLE WATER TRANSMISSION MAIN
ADAIR COUNTY, KENTUCKY
BID DATE: DECEMBER 16, 2010 @ 1:00 P.M. LOCAL TIME

ITEM NO.	DESCRIPTION	QUANTITY	Cumberland Pipeline, LLC P.O. Box 277 Russell Springs, KY 42642		Twin States Utilities & Excavating, Inc P.O. Box 14 Mt. Hermon, KY 42157		Stotts Construction Co., Inc. P.O. Box 1689 Columbia, KY 42728	
			UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	BASE BID CONTRACT							
1	12-Inch Ductile Iron CL350 Water Line	33,400 LF	$31.70	$1,058,780.00	$36.00	$1,202,400.00	$41.95	$1,401,130.00
2	8-Inch Ductile Iron CL350 Water Line	4,800 LF	25.50	122,400.00	25.00	120,000.00	22.00	105,600.00
3	8-Inch PVC SDR-17 Water Line	12,100 LF	19.50	235,950.00	18.00	217,800.00	18.50	223,850.00
4	6-Inch Ductile Iron CL350 Water Line	200 LF	25.75	5,150.00	24.00	4,800.00	23.00	4,600.00
5	6-Inch PVC SDR-21 Water Line	5,700 LF	18.00	102,600.00	15.00	85,500.00	15.65	89,205.00
6	3-Inch PVC SDR-17 Water Line	600 LF	9.75	5,850.00	11.00	6,600.00	11.30	6,780.00
7	Bore & Case for 12-Inch Water Line	1,120 LF	154.00	172,480.00	180.00	201,600.00	230.00	257,600.00
8	Bore & Case 8-Inch Water Line	240 LF	122.40	29,376.00	165.00	39,600.00	143.00	34,320.00
9	Bore & Case 6-Inch Water Line	160 LF	85.00	13,600.00	120.00	19,200.00	115.00	18,400.00
10	Bore & Case 3-Inch Water Line	40 LF	70.50	2,820.00	100.00	4,000.00	60.50	2,420.00
11	Directional Bore for 14-Inch HDPE							
	Casing with 10-Inch HDPE Carrier	240 LF	196.00	47,040.00	225.00	54,000.00	145.00	34,800.00
12	Directional Bore for 10-Inch HDPE						185.00	
	Water Line	300 LF	196.00	58,800.00	160.00	48,000.00	185.00	55,500.00
13	Open Cut & Case for 12-Inch Water Line	170 LF	60.00	10,200.00	80.00	13,600.00	92.00	15,640.00
14	Creek Crossing for 12-Inch Water Line	295 LF	59.00	17,405.00	80.00	23,600.00	94.50	27,877.50
15	12-Inch Gate Valve	15 EA	2,160.00	32,400.00	1,800.00	27,000.00	1,950.00	29,250.00
16	8-Inch Gate Valve	9 EA	1,250.00	11,250.00	1,025.00	9,225.00	1,200.00	10,800.00
17	6-Inch Gate Valve	23 EA	875.00	20,125.00	710.00	16,330.00	875.00	20,125.00
18	3-Inch Gate Valve	3 EA	610.00	1,830.00	510.00	1,530.00	625.00	1,875.00
19	Connection	10 EA	1,750.00	17,500.00	2,500.00	25,000.00	2,250.00	22,500.00
20	3-Way Flush Hydrant Assembly	11 EA	3,250.00	35,750.00	3,000.00	33,000.00	2,800.00	30,800.00
21	2-Way Flush Hydrant Assembly	1 EA	3,100.00	3,100.00	2,800.00	2,800.00	2,600.00	2,600.00
22	Tandem Master Meter	1 EA	38,000.00	38,000.00	31,000.00	31,000.00	28,000.00	28,000.00
23	Master Meter	3 EA	24,400.00	73,200.00	21,000.00	63,000.00	18,500.00	55,500.00
24	Pressure Reducing Station	2 EA	18,800.00	37,600.00	19,000.00	38,000.00	17,000.00	34,000.00
25	Air Release Valve	6 EA	3,200.00	19,200.00	2,800.00	16,800.00	2,700.00	16,200.00
26	Tandem Meter Setting	53 EA	1,000.00	53,000.00	900.00	47,700.00	1,000.00	53,000.00
27	3/4-Inch PE Service Tubing	3,000 LF	6.35	19,050.00	10.00	30,000.00	6.00	18,000.00
28	Booster Pump Station	1 LS	222,500.00	222,500.00	275,000.00	275,000.00	210,000.00	210,000.00
29	Exploration	40 HR	250.00	10,000.00	300.00	12,000.00	10.00	400.00
	TOTAL BASE BID			$2,476,956.00		$2,669,085.00		$2,810,772.50

MONARCH ENGINEERING, INC.
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Lawrenceburg, KY 40342
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Fax (502) 839-1373

BID TABULATIONS
COLUMBIA/ADAIR UTILITIES DISTRICT
WATER SYSTEM IMPROVEMENTS
SPARKSVILLE WATER TRANSMISSION MAIN
ADAIR COUNTY, KENTUCKY
BID DATE: DECEMBER 16, 2010 @ 1:00 P.M. LOCAL TIME

ITEM NO.	DESCRIPTION	QUANTITY	Grant's Excavating, Inc. P.O. Box 298 Richmond, KY 40476 UNIT PRICE	Grant's Excavating, Inc. TOTAL COST	Garrison Construction Company, Inc. 6960 Greensburg Road Greensburg, KY 42743 UNIT PRICE	Garrison Construction Company, Inc. TOTAL COST
	BASE BID CONTRACT					
1	12-Inch Ductile Iron CL350 Water Line	33,400 LF	$36.00	$1,202,400.00	$42.25	$1,411,150.00
2	8-Inch Ductile Iron CL350 Water Line	4,800 LF	29.00	139,200.00	30.35	145,680.00
3	8-Inch PVC SDR-17 Water Line	12,100 LF	24.00	290,400.00	24.15	292,215.00
4	6-Inch Ductile Iron CL350 Water Line	200 LF	27.00	5,400.00	27.25	5,450.00
5	6-Inch PVC SDR-21 Water Line	5,700 LF	20.00	114,000.00	20.75	118,275.00
6	3-Inch PVC SDR-17 Water Line	600 LF	14.00	8,400.00	17.10	10,260.00
7	Bore & Case for 12-Inch Water Line	1,120 LF	285.00	319,200.00	330.00	369,600.00
8	Bore & Case 8-Inch Water Line	240 LF	190.00	45,600.00	220.00	52,800.00
9	Bore & Case 6-Inch Water Line	160 LF	160.00	25,600.00	175.00	28,000.00
10	Bore & Case 3-Inch Water Line	40 LF	125.00	5,000.00	145.00	5,800.00
11	Directional Bore for 14-Inch HDPE					
	Casing with 10-Inch HDPE Carrier	240 LF	185.00	44,400.00	230.00	55,200.00
12	Directional Bore for 10-Inch HDPE					
	Water Line	300 LF	145.00	43,500.00	160.00	48,000.00
13	Open Cut & Case for 12-Inch Water Line	170 LF	100.00	17,000.00	72.00	12,240.00
14	Creek Crossing for 12-Inch Water Line	295 LF	90.00	26,550.00	85.00	25,075.00
15	12-Inch Gate Valve	15 EA	1,600.00	24,000.00	2,245.00	33,675.00
16	8-Inch Gate Valve	9 EA	950.00	8,550.00	1,200.00	10,800.00
17	6-Inch Gate Valve	23 EA	800.00	18,400.00	870.00	20,010.00
18	3-Inch Gate Valve	3 EA	700.00	2,100.00	600.00	1,800.00
19	Connection	10 EA	2,500.00	25,000.00	940.00	9,400.00
20	3-Way Flush Hydrant Assembly	11 EA	3,500.00	38,500.00	3,495.00	38,445.00
21	2-Way Flush Hydrant Assembly	1 EA	3,500.00	3,500.00	3,140.00	3,140.00
22	Tandem Master Meter	1 EA	35,000.00	35,000.00	41,665.00	41,665.00
23	Master Meter	3 EA	18,500.00	55,500.00	31,995.00	95,985.00
24	Pressure Reducing Station	2 EA	15,000.00	30,000.00	26,775.00	53,550.00
25	Air Release Valve	6 EA	6,000.00	36,000.00	3,650.00	21,900.00
26	Tandem Meter Setting	53 EA	1,000.00	53,000.00	985.00	52,205.00
27	3/4-Inch PE Service Tubing	3,000 LF	10.00	30,000.00	11.95	35,850.00
28	Booster Pump Station	1 LS	293,000.00	293,000.00	347,000.00	347,000.00
29	Exploration	40 HR	125.00	5,000.00	120.00	4,800.00
	TOTAL BASE BID			$2,944,200.00		$3,349,970.00

MONARCH ENGINEERING, INC.
556 Carlton Drive
Lawrenceburg, KY 40342
Phone (502) 839-1310
Fax (502) 839-1373

BID TABULATIONS
COLUMBIA/ADAIR UTILITIES DISTRICT
WATER SYSTEM IMPROVEMENTS
SPARKSVILLE 750,000 GALLON COMPOSITE
WATER STORAGE TANK
ADAIR COUNTY, KENTUCKY
BID DATE: DECEMBER 16, 2010 @ 1:00 P.M. LOCAL TIME

ITEM NO.	DESCRIPTION	QUANTITY	Caldwell Tanks, Inc. P.O. Box 35770 Louisville, KY 40232 UNIT PRICE	Caldwell Tanks, Inc. TOTAL COST	Phoenix Fabricators & Erectors, Inc. 182 South County Road 900 East Avon, IN 46123 UNIT PRICE	Phoenix Fabricators & Erectors, Inc. TOTAL COST
	BASE BID CONTRACT					
1	Site Work	1 LS	$25,000.00	$25,000.00	$10,000.00	$10,000.00
2	Tank Foundation	1 LS	225,000.00	225,000.00	210,000.00	210,000.00
3	Concrete Tank Riser	1 LS	270,000.00	270,000.00	380,000.00	380,000.00
4	Steel Reservoir	1 LS	588,000.00	588,000.00	615,160.00	615,160.00
5	Coatings	1 LS	90,000.00	90,000.00	90,000.00	90,000.00
6	Yard Piping	1 LS	40,000.00	40,000.00	40,000.00	40,000.00
	TOTAL BASE BID CONTRACT			**$1,238,000.00**		**$1,345,160.00**

ITEM NO.	DESCRIPTION	QUANTITY	CB&I, Inc. 3600 Mansell Road, Suite 230 Alpharetta, GA 30022 UNIT PRICE	CB&I, Inc. TOTAL COST	Landmark Structures 1665 Harmon Road Fort Worth, TX 76177 UNIT PRICE	Landmark Structures TOTAL COST
	BASE BID CONTRACT					
1	Site Work	1 LS	$10,000.00	$10,000.00	$20,000.00	$20,000.00
2	Tank Foundation	1 LS	160,000.00	160,000.00	300,000.00	300,000.00
3	Concrete Tank Riser	1 LS	556,000.00	556,000.00	941,500.00	941,500.00
4	Steel Reservoir	1 LS	500,000.00	500,000.00	100,000.00	100,000.00
5	Coatings	1 LS	180,000.00	180,000.00	100,000.00	100,000.00
6	Yard Piping	1 LS	30,000.00	30,000.00	30,000.00	30,000.00
	TOTAL BASE BID CONTRACT			**$1,436,000.00**		**$1,491,500.00**

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 1:00 P.M. LOCAL TIME, THURSDAY, DECEMBER 16, 2010 AT THE COLUMBIA/ADAIR UTILITIES DISTRICT.

BY: _____ 12/17/10
David M. Bowles — DATE

STATE OF KENTUCKY — DAVID M. BOWLES — 25423 — LICENSED PROFESSIONAL ENGINEER

Project No. 1011

EXHIBIT 6

BID TABULATIONS

MONARCH ENGINEERING, INC.
556 Carlton Drive
Lawrenceburg, KY 40342
Phone (502) 839-1310
Fax (502) 839-1373

BID TABULATIONS
COLUMBIA/ADAIR UTILITIES DISTRICT
WATER SYSTEM IMPROVEMENTS
SPARKSVILLE WATER TRANSMISSION MAIN
ADAIR COUNTY, KENTUCKY
BID DATE: DECEMBER 16, 2010 @ 1:00 P.M. LOCAL TIME

			Hubert Excavating & Contracting, LLC 2590 Bondville Road Salvisa, KY 40372		United Pipeline, Inc. 4627 Gamaliel Road Tompkinsville, KY 42167		Cleary Construction, Inc. 2006 Edmonton Road Tompkinsville, KY 42167	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	BASE BID CONTRACT							
1	12-Inch Ductile Iron CL350 Water Line	33,400 LF	$24.25	$809,950.00	$32.94	$1,100,196.00	$30.60	$1,022,040.00
2	8-Inch Ductile Iron CL350 Water Line	4,800 LF	16.40	78,720.00	25.59	122,832.00	23.60	113,280.00
3	8-Inch PVC SDR-17 Water Line	12,100 LF	11.75	142,175.00	20.93	253,253.00	18.30	221,430.00
4	6-Inch Ductile Iron CL350 Water Line	200 LF	14.75	2,950.00	23.49	4,698.00	23.60	4,720.00
5	6-Inch PVC SDR-21 Water Line	5,700 LF	8.65	49,305.00	18.30	104,310.00	15.50	88,350.00
6	3-Inch PVC SDR-17 Water Line	600 LF	7.00	4,200.00	16.52	9,912.00	13.40	8,040.00
7	Bore & Case for 12-Inch Water Line	1,120 LF	165.00	184,800.00	133.04	149,004.80	175.00	196,000.00
8	Bore & Case 8-Inch Water Line	240 LF	115.00	27,600.00	123.04	29,529.60	136.00	32,640.00
9	Bore & Case 6-Inch Water Line	160 LF	100.00	16,000.00	114.99	18,398.40	100.00	16,000.00
10	Bore & Case 3-Inch Water Line	40 LF	140.00	5,600.00	110.69	4,427.60	67.00	2,680.00
11	Directional Bore for 14-Inch HDPE							
	Casing with 10-Inch HDPE Carrier	240 LF	267.00	64,080.00	166.72	40,012.80	200.00	48,000.00
12	Directional Bore for 10-Inch HDPE							
	Water Line	300 LF	220.00	66,000.00	149.38	44,814.00	135.00	40,500.00
13	Open Cut & Case for 12-Inch Water Line	170 LF	50.00	8,500.00	85.07	14,461.90	66.00	11,220.00
14	Creek Crossing for 12-Inch Water Line	295 LF	90.00	26,550.00	94.94	28,007.30	70.00	20,650.00
15	12-Inch Gate Valve	15 EA	2,350.00	35,250.00	1,937.89	29,068.35	2,000.00	30,000.00
16	8-Inch Gate Valve	9 EA	1,130.00	10,170.00	1,164.78	10,483.02	1,165.00	10,485.00
17	6-Inch Gate Valve	23 EA	850.00	19,550.00	890.54	20,482.42	870.00	20,010.00
18	3-Inch Gate Valve	3 EA	750.00	2,250.00	670.94	2,012.82	620.00	1,860.00
19	Connection	10 EA	1,875.00	18,750.00	644.49	6,444.90	1,100.00	11,000.00
20	3-Way Flush Hydrant Assembly	11 EA	3,250.00	35,750.00	2,875.33	31,628.63	3,380.00	37,180.00

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 1:00P.M. LOCAL TIME, THURSDAY, DECEMBER 16, 2010 AT THE COLUMBIA/ADAIR UTILITIES DISTRICT.

BY: _____
David M. Bowles

STATE OF KENTUCKY
DAVID M. BOWLES
15483
LICENSED PROFESSIONAL ENGINEER

12/17/10
DATE

Project No. 1011

MONARCH ENGINEERING, INC.
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BID TABULATIONS
COLUMBIA/ADAIR UTILITIES DISTRICT
WATER SYSTEM IMPROVEMENTS
SPARKSVILLE WATER TRANSMISSION MAIN
ADAIR COUNTY, KENTUCKY
BID DATE: DECEMBER 16, 2010 @ 1:00 P.M. LOCAL TIME

			Hubert Excavating & Contracting, LLC 2590 Bondville Road Salvisa, KY 40372		United Pipeline, Inc. 4627 Gamaliel Road Tompkinsville, KY 42167		Cleary Construction, Inc. 2006 Edmonton Road Tompkinsville, KY 42167	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	BASE BID CONTRACT Continued							
21	2-Way Flush Hydrant Assembly	1 EA	3,125.00	3,125.00	2,602.72	2,602.72	3,000.00	3,000.00
22	Tandem Master Meter	1 EA	30,000.00	30,000.00	26,125.66	26,125.66	32,000.00	32,000.00
23	Master Meter	3 EA	15,850.00	47,550.00	6,770.87	20,312.61	21,000.00	63,000.00
24	Pressure Reducing Station	2 EA	15,000.00	30,000.00	8,795.32	17,590.64	20,000.00	40,000.00
25	Air Release Valve	6 EA	2,800.00	16,800.00	1,768.30	10,609.80	3,660.00	21,960.00
26	Tandem Meter Setting	53 EA	1,000.00	53,000.00	719.98	38,158.94	820.00	43,460.00
27	3/4-Inch PE Service Tubing	3,000 LF	5.00	15,000.00	3.21	9,630.00	7.00	21,000.00
28	Booster Pump Station	1 LS	237,375.00	237,375.00	236,880.00	236,880.00	256,000.00	256,000.00
29	Exploration	40 HR	100.00	4,000.00	0.00	0.00	100.00	4,000.00
	TOTAL BASE BID			$2,045,000.00		$2,385,887.91		$2,420,505.00

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BID TABULATIONS
COLUMBIA/ADAIR UTILITIES DISTRICT
WATER SYSTEM IMPROVEMENTS
SPARKSVILLE WATER TRANSMISSION MAIN
ADAIR COUNTY, KENTUCKY
BID DATE: DECEMBER 16, 2010 @ 1:00 P.M. LOCAL TIME

ITEM NO.	DESCRIPTION	QUANTITY	Cumberland Pipeline, LLC P.O. Box 277 Russell Springs, KY 42642 UNIT PRICE	Cumberland Pipeline, LLC TOTAL COST	Twin States Utilities & Excavating, Inc P.O. Box 14 Mt. Hermon, KY 42157 UNIT PRICE	Twin States TOTAL COST	Stotts Construction Co., Inc. P.O. Box 1689 Columbia, KY 42728 UNIT PRICE	Stotts TOTAL COST
	BASE BID CONTRACT							
1	12-Inch Ductile Iron CL350 Water Line	33,400 LF	$31.70	$1,058,780.00	$36.00	$1,202,400.00	$41.95	$1,401,130.00
2	8-Inch Ductile Iron CL350 Water Line	4,800 LF	25.50	122,400.00	25.00	120,000.00	22.00	105,600.00
3	8-Inch PVC SDR-17 Water Line	12,100 LF	19.50	235,950.00	18.00	217,800.00	18.50	223,850.00
4	6-Inch Ductile Iron CL350 Water Line	200 LF	25.75	5,150.00	24.00	4,800.00	23.00	4,600.00
5	6-Inch PVC SDR-21 Water Line	5,700 LF	18.00	102,600.00	15.00	85,500.00	15.65	89,205.00
6	3-Inch PVC SDR-17 Water Line	600 LF	9.75	5,850.00	11.00	6,600.00	11.30	6,780.00
7	Bore & Case for 12-Inch Water Line	1,120 LF	154.00	172,480.00	180.00	201,600.00	230.00	257,600.00
8	Bore & Case 8-Inch Water Line	240 LF	122.40	29,376.00	165.00	39,600.00	143.00	34,320.00
9	Bore & Case 6-Inch Water Line	160 LF	85.00	13,600.00	120.00	19,200.00	115.00	18,400.00
10	Bore & Case 3-Inch Water Line	40 LF	70.50	2,820.00	100.00	4,000.00	60.50	2,420.00
11	Directional Bore for 14-Inch HDPE							
	Casing with 10-Inch HDPE Carrier	240 LF	196.00	47,040.00	225.00	54,000.00	145.00	34,800.00
12	Directional Bore for 10-Inch HDPE						185.00	
	Water Line	300 LF	196.00	58,800.00	160.00	48,000.00	185.00	55,500.00
13	Open Cut & Case for 12-Inch Water Line	170 LF	60.00	10,200.00	80.00	13,600.00	92.00	15,640.00
14	Creek Crossing for 12-Inch Water Line	295 LF	59.00	17,405.00	80.00	23,600.00	94.50	27,877.50
15	12-Inch Gate Valve	15 EA	2,160.00	32,400.00	1,800.00	27,000.00	1,950.00	29,250.00
16	8-Inch Gate Valve	9 EA	1,250.00	11,250.00	1,025.00	9,225.00	1,200.00	10,800.00
17	6-Inch Gate Valve	23 EA	875.00	20,125.00	710.00	16,330.00	875.00	20,125.00
18	3-Inch Gate Valve	3 EA	610.00	1,830.00	510.00	1,530.00	625.00	1,875.00
19	Connection	10 EA	1,750.00	17,500.00	2,500.00	25,000.00	2,250.00	22,500.00
20	3-Way Flush Hydrant Assembly	11 EA	3,250.00	35,750.00	3,000.00	33,000.00	2,800.00	30,800.00
21	2-Way Flush Hydrant Assembly	1 EA	3,100.00	3,100.00	2,800.00	2,800.00	2,600.00	2,600.00
22	Tandem Master Meter	1 EA	38,000.00	38,000.00	31,000.00	31,000.00	28,000.00	28,000.00
23	Master Meter	3 EA	24,400.00	73,200.00	21,000.00	63,000.00	18,500.00	55,500.00
24	Pressure Reducing Station	2 EA	18,800.00	37,600.00	19,000.00	38,000.00	17,000.00	34,000.00
25	Air Release Valve	6 EA	3,200.00	19,200.00	2,800.00	16,800.00	2,700.00	16,200.00
26	Tandem Meter Setting	53 EA	1,000.00	53,000.00	900.00	47,700.00	1,000.00	53,000.00
27	3/4-Inch PE Service Tubing	3,000 LF	6.35	19,050.00	10.00	30,000.00	6.00	18,000.00
28	Booster Pump Station	1 LS	222,500.00	222,500.00	275,000.00	275,000.00	210,000.00	210,000.00
29	Exploration	40 HR	250.00	10,000.00	300.00	12,000.00	10.00	400.00
	TOTAL BASE BID			**$2,476,956.00**		**$2,669,085.00**		**$2,810,772.50**

MONARCH ENGINEERING, INC.
556 Carlton Drive
Lawrenceburg, KY 40342
Phone (502) 839-1310
Fax (502) 839-1373

BID TABULATIONS
COLUMBIA/ADAIR UTILITIES DISTRICT
WATER SYSTEM IMPROVEMENTS
SPARKSVILLE WATER TRANSMISSION MAIN
ADAIR COUNTY, KENTUCKY
BID DATE: DECEMBER 16, 2010 @ 1:00 P.M. LOCAL TIME

			Grant's Excavating, Inc. P.O. Box 298 Richmond, KY 40476		Garrison Construction Company, Inc. 6960 Greensburg Road Greensburg, KY 42743	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	BASE BID CONTRACT					
1	12-Inch Ductile Iron CL350 Water Line	33,400 LF	$36.00	$1,202,400.00	$42.25	$1,411,150.00
2	8-Inch Ductile Iron CL350 Water Line	4,800 LF	29.00	139,200.00	30.35	145,680.00
3	8-Inch PVC SDR-17 Water Line	12,100 LF	24.00	290,400.00	24.15	292,215.00
4	6-Inch Ductile Iron CL350 Water Line	200 LF	27.00	5,400.00	27.25	5,450.00
5	6-Inch PVC SDR-21 Water Line	5,700 LF	20.00	114,000.00	20.75	118,275.00
6	3-Inch PVC SDR-17 Water Line	600 LF	14.00	8,400.00	17.10	10,260.00
7	Bore & Case for 12-Inch Water Line	1,120 LF	285.00	319,200.00	330.00	369,600.00
8	Bore & Case 8-Inch Water Line	240 LF	190.00	45,600.00	220.00	52,800.00
9	Bore & Case 6-Inch Water Line	160 LF	160.00	25,600.00	175.00	28,000.00
10	Bore & Case 3-Inch Water Line	40 LF	125.00	5,000.00	145.00	5,800.00
11	Directional Bore for 14-Inch HDPE					
	Casing with 10-Inch HDPE Carrier	240 LF	185.00	44,400.00	230.00	55,200.00
12	Directional Bore for 10-Inch HDPE					
	Water Line	300 LF	145.00	43,500.00	160.00	48,000.00
13	Open Cut & Case for 12-Inch Water Line	170 LF	100.00	17,000.00	72.00	12,240.00
14	Creek Crossing for 12-Inch Water Line	295 LF	90.00	26,550.00	85.00	25,075.00
15	12-Inch Gate Valve	15 EA	1,600.00	24,000.00	2,245.00	33,675.00
16	8-Inch Gate Valve	9 EA	950.00	8,550.00	1,200.00	10,800.00
17	6-Inch Gate Valve	23 EA	800.00	18,400.00	870.00	20,010.00
18	3-Inch Gate Valve	3 EA	700.00	2,100.00	600.00	1,800.00
19	Connection	10 EA	2,500.00	25,000.00	940.00	9,400.00
20	3-Way Flush Hydrant Assembly	11 EA	3,500.00	38,500.00	3,495.00	38,445.00
21	2-Way Flush Hydrant Assembly	1 EA	3,500.00	3,500.00	3,140.00	3,140.00
22	Tandem Master Meter	1 EA	35,000.00	35,000.00	41,665.00	41,665.00
23	Master Meter	3 EA	18,500.00	55,500.00	31,995.00	95,985.00
24	Pressure Reducing Station	2 EA	15,000.00	30,000.00	26,775.00	53,550.00
25	Air Release Valve	6 EA	6,000.00	36,000.00	3,650.00	21,900.00
26	Tandem Meter Setting	53 EA	1,000.00	53,000.00	985.00	52,205.00
27	3/4-Inch PE Service Tubing	3,000 LF	10.00	30,000.00	11.95	35,850.00
28	Booster Pump Station	1 LS	293,000.00	293,000.00	347,000.00	347,000.00
29	Exploration	40 HR	125.00	5,000.00	120.00	4,800.00
	TOTAL BASE BID			$2,944,200.00		$3,349,970.00

MONARCH ENGINEERING, INC.
556 Carlton Drive
Lawrenceburg, KY 40342
Phone (502) 839-1310
Fax (502) 839-1373

BID TABULATIONS
COLUMBIA/ADAIR UTILITIES DISTRICT
WATER SYSTEM IMPROVEMENTS
SPARKSVILLE 750,000 GALLON COMPOSITE
WATER STORAGE TANK
ADAIR COUNTY, KENTUCKY
BID DATE: DECEMBER 16, 2010 @ 1:00 P.M. LOCAL TIME

ITEM NO.	DESCRIPTION	QUANTITY	Caldwell Tanks, Inc. P.O. Box 35770 Louisville, KY 40232 UNIT PRICE	Caldwell Tanks, Inc. TOTAL COST	Phoenix Fabricators & Erectors, Inc. 182 South County Road 900 East Avon, IN 46123 UNIT PRICE	Phoenix Fabricators & Erectors, Inc. TOTAL COST
	BASE BID CONTRACT					
1	Site Work	1 LS	$25,000.00	$25,000.00	$10,000.00	$10,000.00
2	Tank Foundation	1 LS	225,000.00	225,000.00	210,000.00	210,000.00
3	Concrete Tank Riser	1 LS	270,000.00	270,000.00	380,000.00	380,000.00
4	Steel Reservoir	1 LS	588,000.00	588,000.00	615,160.00	615,160.00
5	Coatings	1 LS	90,000.00	90,000.00	90,000.00	90,000.00
6	Yard Piping	1 LS	40,000.00	40,000.00	40,000.00	40,000.00
	TOTAL BASE BID CONTRACT			**$1,238,000.00**		**$1,345,160.00**

ITEM NO.	DESCRIPTION	QUANTITY	CB&I, Inc. 3600 Mansell Road, Suite 230 Alpharetta, GA 30022 UNIT PRICE	CB&I, Inc. TOTAL COST	Landmark Structures 1665 Harmon Road Fort Worth, TX 76177 UNIT PRICE	Landmark Structures TOTAL COST
	BASE BID CONTRACT					
1	Site Work	1 LS	$10,000.00	$10,000.00	$20,000.00	$20,000.00
2	Tank Foundation	1 LS	160,000.00	160,000.00	300,000.00	300,000.00
3	Concrete Tank Riser	1 LS	556,000.00	556,000.00	941,500.00	941,500.00
4	Steel Reservoir	1 LS	500,000.00	500,000.00	100,000.00	100,000.00
5	Coatings	1 LS	180,000.00	180,000.00	100,000.00	100,000.00
6	Yard Piping	1 LS	30,000.00	30,000.00	30,000.00	30,000.00
	TOTAL BASE BID CONTRACT			**$1,436,000.00**		**$1,491,500.00**

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 1:00 P.M. LOCAL TIME, THURSDAY, DECEMBER 16, 2010 AT THE COLUMBIA/ADAIR UTILITIES DISTRICT.

BY: _____
David M. Bowles

STATE OF KENTUCKY — DAVID M. BOWLES — 15423 — LICENSED PROFESSIONAL ENGINEER

12/17/10
DATE

Project No. 1011

EXHIBIT 7

ENGINEER'S BEST BID

RECOMMENDATIONS

Monarch Engineering, Inc.

December 20, 2010

Mr. Danny Downey, Chairman
Adair County Water District
P.O. Box 567
Columbia, KY 42728

Re: Sparksville Transmission Main & Storage Tank

Dear Mr. Downey:

On December 16, 2010, bids were received by the Adair County Water District for the construction of the Sparksville Water Transmission Main and Water Storage Tank. Eight bids were received for the transmission main contract, with the lowest bid being submitted by Hubert Excavating & Contracting, LLC located in Salvisa, KY, in the amount of $2,045,000.00, and four bids were received for the seven hundred fifty thousand gallon water storage tank contract, with the lowest bid being submitted by Caldwell Tanks, Inc., located in Louisville, KY, in the amount of $1,238,000.00. The sum of both low bids is an amount of $3,283,000.00. A summarized bid tabulation of all bids received and the Final Project Budget is attached.

As you will recall, the bids received for this work is the first of three phases that the Water District plans to undertake. The second phase consists of addressing the old and deteriorated water lines within the city limits of the City of Columbia, that system which was recently taken over by and now being operated by the District and the third phase consists of constructing a new Central Office Center to accommodate the enlarged staff as a result of the task of taking on the operation the City of Columbia's deteriorated water system.

As shown on the Final Project Budget, there are sufficient funds available to construct the first phase of this three phased project, including a ten percent contingency for this first phase. The two remaining phases are scheduled for construction sometime mid 2011. The funds for this first phase will be provided by the Commonwealth of Kentucky through the State Revolving Loan Program. Therefore, we recommend that the Water District consider awarding a contract to Hubert Excavating & Contracting, LLC in the amount of $2,045,000.00 for the construction of the water transmission main and also to Caldwell Tanks, Inc, in the amount of $1,238,000.00 for the construction of the water

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storage tank. This recommendation is contingent upon approval from the Kentucky Infrastructure Authority in conjunction with the Kentucky Division of Water, and the Kentucky Public Service Commission.

Should you need additional information, please advise.

Sincerely,

David M. Bowles, P.E.

/dmb

Attachments

EXHIBIT 8

WATER STORAGE TANK

SPECIFICATIONS

AND

CONTRACT DOCUMENTS

THREE COMPLETE SETS OF THE PLANS, SPECIFICATIONS, AND CONTRACT DOCUMENTS HAVE BEEN PROVIDED TO THE COMMISSION. ADDITIONAL SETS WILL BE FURNISHED UPON REQUEST.

EXHIBIT 9

WATER

TRANSMISSION MAIN

SPECIFICATIONS

AND

CONTRACT DOCUMENTS

THREE COMPLETE SETS OF THE PLANS, SPECIFICATIONS, AND CONTRACT DOCUMENTS HAVE BEEN PROVIDED TO THE COMMISSION. ADDITIONAL SETS WILL BE FURNISHED UPON REQUEST.

EXHIBIT 10

PLANS FOR WATER STORAGE TANK

THREE COMPLETE SETS OF THE PLANS, SPECIFICATIONS, AND CONTRACT DOCUMENTS HAVE BEEN PROVIDED TO THE COMMISSION. ADDITIONAL SETS WILL BE FURNISHED UPON REQUEST.

EXHIBIT 11

PLANS FOR WATER TRANSMISSION MAIN

THREE COMPLETE SETS OF THE PLANS, SPECIFICATIONS, AND CONTRACT DOCUMENTS HAVE BEEN PROVIDED TO THE COMMISSION. ADDITIONAL SETS WILL BE FURNISHED UPON REQUEST.

EXHIBIT 12

KIA COMMITMENT

LETTER

KENTUCKY INFRASTRUCTURE AUTHORITY
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
Phone (502) 573-0260
Fax (502) 573-0157
http://kia.ky.gov

Steven L. Beshear
Governor

John E. Covington III
Executive Director

July 6, 2010

Mr. Danny Downey, Chairman
Adair County Water District
109 Grant Lane, P.O. Box 567
Columbia, KY 42728

KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND
CONDITIONAL COMMITMENT LETTER (F10-01)

Dear Chairman Downey:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On July 1, 2010, the Authority approved your loan for the Sparksville Water Transmission and Water Storage Tank project subject to the conditions stated below. The total cost of the project shall not exceed $4,133,000 of which the Authority loan shall provide $4,000,000 of the funding. Other anticipated funding for the project is reflected in Attachment A. The final loan amount will be equal to the Authority's portion of estimated project cost applied to the actual project cost. Attachment A incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the Adair County Water District upon satisfactory performance of the conditions set forth in this letter. A period of twelve months from the date of this letter (7/6/2011) will be allowed for you to meet the conditions set forth in this letter and enter into an Assistance Agreement. A one-time extension of up to six months may be granted for applicants that experience extenuating circumstances. Funds will be available for disbursement only after execution of the Assistance Agreement.

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

1. The Authority project loan shall not exceed $4,000,000.

2. The loan shall bear interest at the rate of 1.0% per annum commencing with the first draw of funds.

3. The loan shall be repaid over a period not to exceed 20 years from the date the loan is closed.

4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1 or December 1 immediately succeeding the date of the initial draw of funds, provided that if such June 1 or December 1 shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1 or December 1 which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid.

5. Full principal payments will commence on the appropriate June 1 or December 1 within twelve months from initiation of operation. Full payments will be due each six months thereafter until the loan is repaid.

6. A loan servicing fee of 0.25% of the annual outstanding loan balance shall be payable to the Authority as a part of each interest payment.

7. Loan funds will be disbursed after execution of the Assistance Agreement as project costs are incurred.

8. The Authority loan funds must be expended within six months of the official date of initiation of operation.

9. Fund "F" loan funds are considered to be federal funds. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations, requires that all recipients and subrecipients **expending $500,000 or more in a year in federal awards must have a single or program-specific audit conducted for that year** in accordance with the Circular. If the federal amount expended plus all other federal funds expended exceeds the threshold, you are required to arrange for an A-133 audit to be performed by an independent, licensed CPA, or in special cases, the Auditor of Public Accounts of the Commonwealth of Kentucky. The Authority requires an annual audit to be preformed for the life of the loan.

The following is a list of the standard conditions to be satisfied prior to execution of the Assistance Agreement or incorporated in the Assistance Agreement. Any required documentation must be submitted to the party designated.

1. The Authority to Award (bid) package must be submitted to the Division of Water for approval within 14 days of bid opening.

2. The Assistance Agreement must be executed within six (6) months from bid opening.

3. The Borrower must agree to expend all Authority loan funds within six months of the date of initiation of operation.

4. Documentation of final funding commitments from all parties other than the Authority as reflected in the credit analysis shall be provided prior to preparation of the Assistance Agreement and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported and may cause this loan to be subject to further consideration.

5. The loan must undergo review by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the state's execution of the Assistance Agreement. The committee meets monthly on the third Tuesday. At this time we know of no further submission required for their review; however, they may request information as needed.

6. Any required adjustment in utility service rates shall be adopted by ordinance, municipal order or resolution by the appropriate governing body of the Borrower. Public hearings as required by law shall be held prior to the adoption of the service rate ordinance, order, or resolution. Any required approvals by the Kentucky Public Service Commission shall be obtained.

7. All easements or purchases of land shall be completed prior to commencement of construction. Certification of all land or easement acquisitions shall be provided to the Division of Water.

8. The Borrower must complete and return to the Authority the attached "Authorization For Electronic Deposit of Vendor Payment" Form.

9. The Authority to Award Package documentation shall be submitted to and approved by DOW.

10. An environmental review shall be conducted by the Division of Water for all construction projects receiving DWSRF funds, within the term of this binding commitment and prior to project bid.

11. Technical plans and specifications and a complete DWSRF specifications checklist shall be approved by the Division of Water prior to project bid.

12. A clear site certificate shall be obtained and DOW representatives shall be notified for attendance of the pre-construction conference.

13. Project changes or additions shall require a complete environmental and change order review before they can be included in the DWSRF loan project.

14. The project shall use federal wage rates as described in the Davis/Bacon Act.

Any special conditions listed below and/or stated in Attachment A must be resolved.

Please inform the Authority of any changes in your financing plan as soon as possible. We wish you every success for this project which will benefit both your community and the Commonwealth as a whole.

Sincerely,

Kasi L. White
Financial Analyst

Attachments

cc: Lennon Stone, Adair County Water District
David M. Bowles, P.E., Monarch Engineering, Inc.
Division of Water
Dirk Bedarff, Peck, Shaffer & Williams LLP
State Local Debt Office, DLG
Borrower File - Adair County Water District - F10-01

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms. Also attach the completed "Authorization For Electronic Deposit of Vendor Payment" Form.

Accepted

7-8-10
Date

CASE NO: 2011-00127

CONTAINS

LARGE OR OVERSIZED

MAP(S)

RECEIVED ON: April 7, 2011