Response - ORIGINAL

For

Case No. 2011-00416
Application for Approval of a Contract to Provide Water Service and Acquire Fort Knox Potable Water System

Presented To:
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602-0615

Filed By:
1400 Rogersville Road
Radcliff, KY. 40160
Phone: 270-351-3222
Mr. Jim Bruce, General Manager

December 7, 2011
December 7, 2011

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602-0615

SUBJECT: Responses to Data Request No. 1 - Case 2011-00416
RE: Application for Approval of a Contract with the United States Army to Provide Water Service to the Fort Knox Military Installation

Dear Director Derouen;

We are delivering herein the required responses to Data Request No. 1 in the above case. The initial deadline was 30-NOV, which was extended to 7-DEC. We appreciate your honoring our request for an extension. As we noted in our application, our contract with the US Government requires we begin operations on 1-FEB-2012, and we requested the Commission issue an order no later than 15-JAN-2012, if possible. As you will see, our responses require thousands of pages of information. Because of the large volume of documents for some of the responses, we have converted these to PDF files and put on labeled, compact discs, referencing the question number.

The process to price, negotiate, respond and discuss our proposal with the US Government and their consultants, called for our District and our partners (Louisville Water Company and CH2M HILL Engineers) to execute careful and extensive due diligence. While our final tariff and charges, which have been reviewed and accepted by the customer, were developed with extreme care, they are still based on estimates as we had not yet owned or operated the Ft. Knox water system. We recognize that this tariff rate making process that is required in this type of privatization proposal may not be considered as "standard" or what the Commission normally requires from a utility revising its charges to normal retail customers or typical customer classes.

This application and privatization of a US Government, Ft. Knox utility system is almost identical to the contract and pricing methodology we filed with the Commission in 2004 (Case No. 2004-00422). The Commission in that order, recognized that the sewer utility, once transferred from the US Government to HCWD1, would indeed be a public utility, to be regulated by the Commission.

Commission approval with a regulated rate is critical to both us and the US Government. In fact, they have made our contract contingent on and dependent on being a regulated, tariff proposal, regulated by the Kentucky Public Service Commission. We would hope that your staff understands this dependence, and the fact that the Commission has already found in the past the same regulated tariff rate, and application of a Special Contract between HCWD1 and the only customer in this case, the US Government.

We would be glad to meet with Commission staff at your offices for a staff conference if you believe this would expedite the process and subsequent approval. We believe our informal meeting with you and your staff on 16-APR-2011 allowed us to explain the unique features of this application and acquisition. If another meeting would assist your staff further, again we would be glad to meet with you.

Sincerely,

Jim Bruce, General Manager

Encl: Original and 10 Copies of Filing

Cf; Mr. David Wilson II, Attorney, HCWD1

Phone 1-270-351-3222

Fax: 1-270-352-3055

www.HCWD.com
VERIFICATION

The undersigned, Mr. James S. Bruce, General Manager of the Hardin County Water District No. 1, hereby verifies that he has personal knowledge of the matters set forth in the enclosed answers and responses to Data Request No. 1, Public Service Commission Case No. 2011-00416 regarding an Application of Hardin County Water District No. 1 for Approval of a Contract with the United States Army To Provide Water Service to the Fort Knox Military Installation, and that he is duly designated by the Board of Commissioners of the Hardin County Water District No. 1 to sign and submit this information its behalf.

HARDIN COUNTY WATER DISTRICT No. 1

By James S. Bruce
JAMES S. BRUCE, GENERAL MANAGER

CERTIFICATION OF SERVICE

The undersigned, Mr. David T. Wilson II, attorney for the Hardin County Water District No. 1, hereby verifies that the foregoing was served on Mr. Jeff Derouen, Executive Director, Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, KY. 40601-8204 and on the office of Attorney General, ATTENTION Mr. David Spenard, esq., 1024 Capitol Center Drive, Frankfort, KY, 40601 on this ___ Day of ___December_____, 2011

By David T. Wilson II, ESQ.
Attorney for Hardin County Water District No. 1

STATE OF KENTUCKY
COUNTY OF HARDIN

I, the undersigned, a Notary Public, do hereby certify that on this ___ day of ___December_____, 2011, personally appeared before me, James S. Bruce and David T. Wilson II, who being by me first sworn, subscribed to and acknowledged that they both represent the Hardin County Water District No. 1, a Kentucky Corporation, that they have signed the foregoing document as General Manager and Attorney of the Corporation.

NOTARY PUBLIC, STATE OF KENTUCKY

My Commission Expires; 10/12/2015
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Mr. Bruce,

Attached is the draft contract (with all attachments and exhibits, except JE4, which will follow separately). It is still undergoing a final internal review, however any potential changes will be minimal and provided to you once made. HCWD1 is requested to review the draft contract to ensure that it correctly reflects the terms previously negotiated by the parties. Please also note any clerical errors or omissions that you identify. Please complete your review by COB September 26 to enable the Government to meet Army funding and award schedule constraints.

Once the draft is finalized, you will be requested to sign the contract. We will require two copies of the SF 26, both with original signatures. Please forward an electronic version to brian.koessel@dla.mil, taina.rivera@dla.mil, and martha.gray@dla.mil, with the two original hard copies to follow via overnight courier to our office at:

ATTN: Brian J. Koessel, DLA Energy-EF
Defense Logistics Agency Energy
8725 John J. Kingman Rd, Suite 3937
Fort Belvoir, VA 22060-6222

After I sign the two original copies provided by you, I will courier one original signed SF 26 and a CD to you. If your physical address for receipt of courier deliveries differs from the one identified in Block 7, then please provide it when you submit the signed SF 26 via e-mail.

I will be out of the office until September 28, but can be reached by cell phone on the 22nd and 27th. My number is 616.204.2678. If I am unavailable or otherwise cannot be reached, then please contact Martha (703.767.9415) and/or Taina (703.767.8130) with any questions you may have.

Regards,

Brian J. Koessel
Mr. Bruce,

Congratulations! Hardin County Water District #1 (HCWD1) has been selected by the Source Selection Authority for privatization of the Fort Knox Potable Water Utility System. This is not an award notification, as contract award is contingent upon statutorily required advance Congressional notification and Contracting Officer execution of the Standard Form (SF) 26 Contract Award document.

Also, please note that HCWD1 is prohibited from releasing any indication of award to the public per FAR 5.303 and DFARS 205.303. The regulations state that information shall not be released on awards prior to the public release time of 5:00 pm on the day of award when the Contracting Officer signs the contract. Award is anticipated to be made on September 30, 2011.

I will soon be providing the draft contract for your signature. That will not be an opportunity to revise the terms of the RFP or your proposal. Rather, your review and any potential revisions are limited to: 1) correcting clerical mistakes/typos; and 2) ensuring that the document correctly reflects the terms previously negotiated by the parties. More information will follow next week.

If you have any questions, please feel free to contact our office.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil
8-Sep-2011

Mr. Brian J. Koessel  
Branch Chief/Contracting Officer  
Energy Enterprise BU  
DLA Energy-EFA  
(703) 767-1595 (DSN 427)

Mr. Koessel;

If possible, we would request a schedule update on the Ft. Knox Water Utility Privatization. As you know, our last communication from your office was 17-June requesting seven clarifications to our latest FPR. We would appreciate it if you could provide an update on any decision by the Government, or a schedule update.

Thank You,

Jim Bruce  
General Manager  
Hardin County Water District No. 1  
C: 270-268-4069  
W: 270-351-3222, ext 208

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2. CONTRACT NO. (Proc. Inst. Ident.) NO
SP0600-11-C-8271

3. EFFECTIVE DATE
SEE BLOCK 20C

4. REQUISITION/PURCHASE REQUEST/PROJECT NO.

5. ISSUED BY:
CODE SP0600

6. ADMINISTERED BY (if other than item 5)
CODE

7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP code)
Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160-9343
Phone: (270) 351-3222 ext. 208 Fax: (270) 352-3055
POC: Jim Bruce, General Manager DUNS: 130402811

8. DELIVERY

9. DISCOUNT FOR PROMPT PAYMENT

10. SUBMIT INVOICES (4 copies unless otherwise specified)
TO THE
ITEM
CODE
HQ0105
Defense Finance and Accounting Services
DFAS Indianapolis Center
8899 E. 56th Street
Indianapolis, IN 46249

11. SHIP TO/MARK FOR CODE

12. PAYMENT WILL BE MADE BY: CODE HQ0105
Defense Finance and Accounting Services
DFAS Indianapolis Center
8899 E. 56th Street
Indianapolis, IN 46249

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION

14. ACCOUNTING AND APPROPRIATION DATA
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15A. ITEM NO.
15B. SUPPLIES/SERVICES
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15F. AMOUNT

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15G. TOTAL AMOUNT OF CONTRACT
$253,843,146.00 EST

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CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. [X] CONTRACTOR’S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 1 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)

18. [ ] AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number SP0600-08-R-0803, including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government’s solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.

19A. NAME AND TITLE OF SIGNER (Type or print)
James Bruce, General Manager

19B. NAME OF CONTRACTOR

19C. DATE SIGNED

20A. NAME OF CONTRACTING OFFICER
BRIAN J. KOESSEL

20B. UNITED STATES OF AMERICA

20C. DATE SIGNED

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PREVIOUS EDITION IS USABLE

STANDARD FORM 26 (REV. 12/2002)
Prescribed By GSA - FAR (48 CFR) 53.214(a)
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PREAMBLE

Hardin County Water District No. 1 (HCWD1/Contractor) shall assume ownership, operations, and maintenance of the potable water utility system (utility system) at Fort Knox, KY (the Installation). The Contractor shall furnish all necessary labor, management, supervision, permits, equipment, supplies, materials, transportation, and any other incidental services required for the complete ownership, operation, maintenance, repair, upgrade, and improvement of the potable water utility system. These utility services shall be provided in accordance with all terms, conditions, and special contract requirements, specifications, attachments, and drawings contained in this contract or incorporated by reference.

The following terms and conditions of the Preamble shall apply regardless of inconsistent terms and conditions in any other document.

1. This contract is contingent upon mutual agreement between the U.S. Army and the Contractor on the terms and conditions of an Easement providing access to Fort Knox and the Bill of Sale conveying the potable water utility system to HCWD1 (the Easement and the Bill of Sale will be combined into one document). Upon award, the parties agree to work promptly with the cognizant office of the U.S. Army Corps of Engineers to negotiate and finalize the Easement / Bill of Sale. Once executed, the Easement / Bill of Sale shall be provided as Reference JR8.

2. Invoices under this contract shall be submitted separately and not be combined with invoices for any other goods or services provided by HCWD1.

3. Payment for the services provided hereunder including assessment of late-payment charges shall be in accordance with FAR 52.232-25 (Prompt Payment).

4. In accordance with FAR 15.204-1, HCWD1’s Final Proposal Revision, Volume III, Section K, Representations, Certifications, and Other Statement of Offerors, dated June 23, 2011 is incorporated by reference into this contract.

5. The contract award shall be conditioned upon the Kentucky Public Service Commission’s (KPSC) review and approval of this utility services contract. Upon the receipt of a bilaterally executed copy of the contract, the Contractor shall expeditiously prepare a filing with the KPSC for such review and approval. The Government shall cooperate by providing such reasonable documentation as may be necessary to support the regulatory approval process; provided that HCWD1 provides appropriate guidance on the need for and content of such documentation. Should the KPSC impose any substantive conditions on its regulatory approval that are unacceptable to either the Government or HCWD1, the parties shall negotiate in good faith to modify the contract to alleviate any objectionable provisions.

6. HCWD1’s regulated tariff rate will recover only its direct costs invested in owning and operating the Fort Knox potable water utility system, plus G&A costs. In accordance with regulations set by the KPSC, HCWD1 is required to maintain separate funds for its expenditures, for rate-making and to avoid unallowed subsidies between customer accounts, as required by GASB34 accounting standards. HCWD1 shall routinely compare the accumulation of those costs plus its G&A overhead rate against revenues received from the Fort Knox monthly utility service charge. If HCWD1 collects excess funds on its rate charges, the excess funds will remain within the separate account for future use on the Fort Knox potable water utility system only. Likewise, when revenues are higher than current rates, HCWD1 will request a rate adjustment. HCWD1 will notify the Government of any anticipated rate adjustments in conjunction with the submittal of its Annual System Deficiency Corrections and Renewals and Replacements Plan.
Section B

Supplies or Services and Prices/Costs

B.1 Clauses and Provisions

Clauses and provisions from the Federal Acquisition Regulation (FAR) and its supplements are incorporated in this document by reference and in full text. Those incorporated by reference have the same force and effect as if they were given in full text.

B.2 Utility Service Charges

The Contract Line Item Numbers (CLINs) discussed below represent the potable water utility system included in this contract for privatization. The total monthly charge due to the Contractor is the sum of the Monthly Service Charge and any applicable surcharges or credits that are in effect during that month. The surcharges that will be in effect, with duration of surcharge in parentheses, are: Transition Surcharge (1 month), Initial System Deficiency Corrections Surcharge (60 months), and Purchase Price Recovery Surcharge (120 months). The credit that will be in effect is the Credit as Payment of Purchase Price (120 months).

B.2.1 Type of Contract

This is a Regulated Tariff Rate utility services contract. The process for rate adjustments will be in accordance with FAR 52.241-7, Change in Rates or Terms and Conditions of Service for Regulated Services.

B.2.2 Applicable Tariff

The applicable tariff for this contract is HCWD1’s Rate Schedule FKW (Exhibit JE7). The Rate Schedule FKW is an exclusive tariff sheet for potable water utility services at Fort Knox. The charges for utility services regulated by the KPSC must be established through a public process and be approved by the KPSC.

Rate Schedule FKW includes a Monthly Service Charge (MSC), an Initial System Deficiency Correction (ISDC) Surcharge, a Transition Surcharge, Purchase Price Recovery Surcharge, and a Credit as Payment of Purchase Price.

B.2.2.1 CLINs 0001 – 0050: Monthly Utility Service Charge

The Monthly Utility Service Charge includes the MSC, the Purchase Price Recovery Surcharge, and the Credit as Payment of Purchase Price. The MSC covers operations and maintenance (O&M) and renewals and replacements (R&R) of the potable water utility system.

The Contractor will purchase the potable water utility system for $8,903,000.00; payable to the Government over a 10-year period (120 months) at an annual interest rate of 3.0% through a monthly credit of $85,968.00 to the MSC. The Purchase Price Recovery Surcharge is added to the MSC and will also be recovered over 120 months at a monthly charge of $85,968.00.

Invoicing for the Monthly Utility Service Charge shall be done in accordance with Section G.3, and will commence 30 days after the contract start date. Price changes for CLINs 0001 – 0050 will be determined in accordance with Section B.2.1, Type of Contract, and Section G.4, Utility Service Charge Adjustment.
B.2.2.2 CLIN 0051: Transition Surcharge

The transition period will commence on the contract award date and will be in effect for a period of four (4) months in accordance with Section C.13, Transition Plan, and Exhibit JE5. The Transition Surcharge of $592,518.00 is firm-fixed price and is payable upon conveyance of the utility system. If, due to Government delay, the transition period must be extended, then an additional surcharge of $1,694.00 per month will be assessed to this CLIN.

B.2.2.3 CLINs 0052 – 0056: Initial System Deficiency Corrections Surcharge

The ISDC Surcharge of $473,831.00 is a fixed uniform monthly charge, which will begin following transition and remain in effect for sixty (60) months. The ISDC surcharge covers the cost of completing the ISDCs identified in Section B.5, Initial System Deficiency Corrections Charges – Schedule 2. The sixty month surcharge period corresponds to the period in which those ISDC projects are to be completed by the Contractor.

B.3 Schedule

Utility Service Payment by the Government

<table>
<thead>
<tr>
<th>CLIN</th>
<th>Description</th>
<th>Qty</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Total Price</th>
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<td>Period of Performance: Contract Start Date + 12 mos</td>
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</table>

See Schedule 1 for Breakout of Monthly Utility Service Charge

The Contracting Officer reserves CLINs 0002 - 0050 for future year Monthly Utility Service Charges.

<table>
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<tr>
<th>CLIN</th>
<th>Description</th>
<th>Qty</th>
<th>Unit</th>
<th>Unit Price</th>
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B.4 Monthly Utility Service Charge – Schedule 1

Schedule 1 illustrates the Monthly Utility Service Charge for the potable water utility system, as described in Section B.2.2.1 of this contract.

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<th>Contract Year</th>
<th>Monthly Service Charge</th>
<th>Purchase Price Recovery Surcharge</th>
<th>Credit as Payment of Purchase Price</th>
<th>Monthly Utility Service Charge</th>
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<td>Annual Utility Service Charge</td>
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**B.5 Initial System Deficiency Corrections Charges – Schedule 2**

Schedule 2 illustrates the Initial System Deficiency Corrections for the potable water utility system, as described in Section B.2.2.3 of this contract.

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<th>Project No.</th>
<th>Project Name</th>
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<th>Project Cost</th>
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<td>ISDC#2</td>
<td>Leak Detection Survey</td>
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<td>ISDC#3</td>
<td>Hydraulic Model</td>
<td>1</td>
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<td>ISDC#4</td>
<td>Master Flow Meters at the WTP</td>
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<td>ISDC#5</td>
<td>20-inch Raw Valves</td>
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<td>Muldraugh HLPS</td>
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<td>Central WTP</td>
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End of Section B
Section C
Description/Specifications/Work Statement

C.1 Order of Precedence

In accordance with FAR 52.215-8, any inconsistency in this contract shall be resolved by giving precedence in the following order: (a) The Schedule (excluding the specifications); (b) Representations and other instructions; (c) Contract clauses; (d) Other documents, exhibits, and attachments; and (e) The specifications.

Additionally, the terms and conditions of Sections A through K, including the Section J Attachments, shall take precedence over any inconsistent provisions contained within portions of the Contractor’s proposal incorporated in or made Exhibits to the Contract. Exceptions not specifically identified by the Contractor in its proposal in accordance with the requirements of Section L of the solicitation and expressly accepted by the Contracting Officer in writing shall not be deemed to be part of the Contract and shall not be binding on the Government.

C.2 Scope and Purpose

C.2.1 General
The Government is conveying the utility systems identified in this contract. Subsequent to the conveyance of the utility systems, the Government will acquire the potable water utility services from the Contractor as the new owner of the system. The conveyance of the utility system and the acquisition of utility services are both subject to the terms and conditions of this contract.

C.2.2 Privatization Guidance
The conveyance of the utility system is authorized by, and conducted under, 10 U.S.C. § 2688. The conveyance of the utility system is not an acquisition and therefore is not subject to the Federal Acquisition Regulation (FAR) and its supplements. The acquisition of utility services is an acquisition and will be governed by the FAR and its supplements.

C.2.3 Program Goal
The desired goal of the conveyance is to transfer all rights, title, and interest of the United States in and to the potable water utility system on Fort Knox, KY. The conveyance is documented by the Bill of Sale. The utility system being sold includes equipment, fixtures, structures, and other improvements utilized in connection with the utility system, which will be more specifically described in the Bill of Sale. The divestiture does not include the real property upon, under, or around the utility system. The utility system being sold is as identified in the Bill of Sale and does not include any other property.

C.2.4 Utility Service Providers
Services provided shall comply with all applicable Federal, state, and local laws and regulations, as they may be amended from time to time, including those requirements relating to health, safety, and the environment. The Contractor shall modify its service practice as necessary to accomplish such compliance.

If a change in the service requirement necessitated by compliance with later imposed/modified laws and regulations constitutes reasonable cause for an adjustment to the service charge, the charge will be adjusted in accordance with FAR 52.241-7 Changes in Rates or Terms and Conditions of Service for Regulated Services.

C.2.5 Utility System
Attachment JA1, Potable Water Utility System, is provided as an attachment to this contract, and is herein referred to as a “utility-specific attachment.” The utility-specific attachment provides details specific to the Fort Knox potable water utility system and utility service requirements.
C.3 Requirement

C.3.1 Utility Service Requirement

Subject to the terms and conditions in this contract, the Contractor shall furnish all facilities, labor, materials, tools, and equipment necessary to provide potable water utility service.

The Contractor shall manage, control, and perform operations, maintenance, repairs, replacements, expansions, and incidentals on its utility system so as to provide reliable and dependable utility service to each Government or tenant connection within the service area (see Section C.4, Service Area) 24 hours each and every day. The Contractor shall be responsible for providing capital investments and all other resources required to own, maintain, and operate its utility system in a safe and reliable condition, and to meet all the requirements listed herein.

The Contractor shall obtain and maintain current any and all licenses, permits, or certifications necessary to own, maintain, and operate its potable water utility system. Access to the potable water utility system will be as specified in Section C.6, Access to the Utility System.

C.3.2 Performance Standards

Unless otherwise provided for in this contract, the Contractor shall provide utility service in accordance with industry-standard construction, operations, maintenance, management, environmental, safety, and other relevant standards, that apply to similarly situated utility service providers serving customers whose service characteristics are comparable to the service characteristics of the Installation.

The Contractor shall comply with all applicable Federal, State, and local laws/regulations and Installation specific requirements, as defined in Attachment JA1, in performing its duties under the contract. The Contractor has identified and incorporated standards and specifications in its Operations and Maintenance/Quality Management Plan, provided as Exhibit JE3 to this contract.

C.3.3 Sub-Metering

The Contractor shall be responsible for reading, maintaining, and calibrating all sub-meters on the privatized utility system. The Government will use sub-meters for internal installation billing purposes and for commodity management and energy conservation purposes.

Meter reading reports shall be submitted to the recipient identified in Attachment JA1.

All costs for providing, installing, reading, reporting, and maintaining the meters shall be the responsibility of the Contractor. Newly installed meters shall be in accordance with Installation metering requirements identified in Attachment JA1.

C.3.3.1 Future Sub-Meters

The Contractor shall provide, install, read, maintain, and calibrate sub-meters requested by the Government for any purpose throughout the contract period. Installation of and responsibility for future sub-meters (not on the system at the time of sale or identified for installation as part of the service contract) may constitute reasonable cause for a service charge adjustment in accordance with FAR 52.241-7, Changes in Rates or Terms and Conditions of Service for Regulated Services.

C.3.3.2 Sub-Meter Calibration

The frequency and accuracy of sub-meter calibration shall be in accordance with the manufacturer’s recommendations and applicable regulations that govern meter calibration.

C.3.4 Energy and Water Efficiencies and Conservation

The Contractor shall strive to provide energy- and water-efficient systems. The Government has an established program for conducting and implementing energy- and water-saving and conservation projects to reduce utility usage and costs. Some of these have resulted in the Government entering into long-term
financing arrangements with non-government entities. The utility-specific Attachment JA1 identifies any such energy- and water-savings projects that are currently in place for the potable water utility system.

The Contractor agrees to take no action that will negatively impact these projects without prior approval of the Contracting Officer. Additionally, the Government reserves the ability to enter into any future energy- and water-savings projects with the goal of reducing Government costs. The Contractor will facilitate the implementation of any such future energy and water savings projects. Projects implemented by the Government that will require changes in the privatized system shall be coordinated between the parties prior to implementation.

The Contractor is encouraged to propose SDCs/Upgrades to the Government that will increase the overall efficiency of the utility system. Efficiency SDCs/Upgrades shall be proposed to the Government in accordance with Section C.11, SDCs/Upgrades/Connections and Renewals and Replacements. The Government may consider cost-savings sharing and incentives either through service charge adjustments or lump-sum payments.

C.3.5 Energy/Water Commodity Supply

Water commodity supply is not included in this contract, even if water production facilities are included as part of the system to be conveyed. The Government retains the right to procure or supply water that will be transported on the system covered by this contract from any source, including the Contractor, if the Contractor proposes to supply it.

The Government will remain the customer of record and retain ownership of all commodities transported and distributed through the Contractor-owned systems unless otherwise provided in the contract.

C.4 Service Area

The service area is defined as all areas within the Fort Knox boundaries and any other facilities and property boundaries under the control of the Installation as defined in Attachment JA1. Within the service area and upon the Government’s request, the Contractor shall provide utility service to all existing and new customers. At any time, by written order, the Contracting Officer may designate any location within the service area where utility service under this contract shall commence or be discontinued. Any service charge adjustment as a result of these actions will be in accordance with FAR 52.241-7, Changes in Rates or Terms and Conditions of Service for Regulated Services.

C.4.1 Use of Distribution Systems to Serve Areas Out-side the Installation Service Area

The Contractor may use the utility infrastructure on the Installation to serve or benefit areas or customers outside the service area(s) only with concurrence of the Government, which may be withheld for any reason. Compensation to the Government will be negotiated. In no way shall service to off-installation customers degrade or hinder reliable service, or create unhealthy, unsafe or unacceptable outages to the Government’s facilities.

C.4.2 Joint Use

C.4.2.1 Government Use

The Government may have property and equipment installed on or attached to poles, conduits, pipes, duct banks, towers, buildings, and other portions of the utility systems to be transferred. The Government reserves the right to continue to use the property to be transferred for this purpose, to enter on the transferred property to maintain, repair, operate, upgrade, and replace its property and equipment, and to install new government equipment. Any upgrade or replacement of such installed or attached property shall be made only after coordinating with the Contractor. Any upgrade or replacement of such installed or attached property shall comply with all applicable safety regulations.
The Government will not pay attachment fees. However, costs of any make-ready work related to safety requirements may be recovered under the contract. All attachments will be coordinated with the Contractor prior to the attachment.

C.4.2.2 Commercial Use

C.4.2.2.1 The Contractor shall enter into joint use agreements with the Installation's telephone company, cable television company and other service providers in accordance with applicable law and regulation.

C.4.2.2.2 Certain system components may have third party equipment attached pursuant to a lease or other contractual arrangement between the third party and the Installation. The Contractor will take ownership of these components subject to such lease(s), with any revenue continuing to accrue to the Installation until the lease(s) expire or are otherwise terminated at the discretion of the Installation. Any new lease(s) or other arrangements between the Contractor and any third party to permit attachment of third party equipment to system components must be approved by the Installation and may be subject to revenue sharing, all of which must be negotiated with the Installation under separate agreement. The Government will not pay for attachment fees. All attachments will be coordinated with the Contractor prior to the attachment.

C.5 Utility System Ownership, Personnel, and Security

C.5.1 Utility System Ownership

C.5.1.1 Transfer of Title

A general description of the utility system assets to be transferred is included in Attachment JA1. Prior to the transfer of title, such facilities shall continue to be owned by the Government. Transfer of title shall be accomplished by Bill of Sale. The Bill of Sale shall provide the complete list of all assets to be sold.

The parties shall prepare and execute such additional documents as may be necessary to implement the ownership transfer.

C.5.1.2 Tools, Vehicles, and Equipment

Unless listed in the final Bill of Sale, government-owned tools, vehicles, and equipment used for system operations and maintenance that are not a physical part of the utility system will remain the property of the Government.

C.5.1.3 Placement of Utility System

The Contractor shall comply with requests from the Installation regarding the placement of new or renewal utility systems, unless to do so would cause the Contractor to violate any applicable law or regulation or would be inconsistent with sound utility operational practices. Requests for placement, which differ from normal utility practice, may be reimbursable under FAR 52.241-7, Changes in Rates or Terms and Conditions of Service for Regulated Services.

C.5.1.4 Contractor Facilities

The Contractor, at its expense, shall acquire, furnish, install, and operate and maintain all facilities required to provide the utility service hereunder. The Contractor shall have title to all facilities it builds and equipment it installs under this contract, except as otherwise specifically provided. If available and at the Government’s sole discretion, the Contractor may be permitted to either build or lease office space, maintenance shops, materials storage/staging areas or other facilities on the installation.

The Contractor will be responsible for acquiring all utilities, janitorial services, building maintenance, and ground maintenance for these facilities. The Government may, if its capabilities permit, consent to provide certain of these services to the Contractor on a reimbursable basis.

New construction or remodeling existing facilities shall comply with the Installation’s architectural standards and be fully coordinated with the Installation prior to beginning construction.
C.5.1.5 Record Drawings
The Contractor shall maintain record drawings for all existing and new facilities installed by the Contractor within the service area. Upon reasonable request and with reasonable notice, the Government may use and copy such drawings. The Contractor shall provide available drawings to the Government in the form of CAD-CAM disks using the latest release software compatible with Government systems at no cost to the Government. The Contractor will also provide information to allow for updates to the Installation Geographical Information System (GIS). The Contractor shall identify changes to and update utility system maps in both hard copy (full size) and electronic media formats to insure delineation of all Contractor facilities within one year of contract award and annually thereafter as necessary.

C.5.1.6 Disposition of Removed or Salvaged Materials
The removal and disposition of facilities and materials that are not used and useful for the purpose of providing utility service shall be the responsibility of the Contractor. The Contractor shall notify the Contracting Officer when removing hazardous substances in accordance with Section H.9, Hazardous Substances and the Site Specifications outlined in Attachment JA1. Abandoned plant items not identified on existing maps but found during operations shall be documented on the drawings. In order to prevent hazardous conditions, the Contractor shall be responsible for ensuring that no interconnections exist between abandoned and utilized facilities.

C.5.1.7 Liens and Mortgages
The Contractor shall not engage in any financing or other transaction creating any mortgage upon any government property, place or suffer to be placed upon government property any lien or other encumbrance, or suffer any levy or attachment to be made on the Contractor's interest in any easement or right of access to government property. For the purposes of the clause, property shall include but not be limited to fee, lease, license, personal property or any authorized government use or interest in property.

C.5.2 Personnel
For purposes of this paragraph, the term “personnel” or “employee(s)” refer to any person performing work related to this contract, including but not limited to, the Contractor’s employees, agents, representatives, or subcontractors. The Contractor shall not permit any personnel to work under this contract if such person is identified to the Contractor as a potential threat to the health, safety, security, general well being, or operational mission of the Installation or population. All personnel will comply with installation security, health and safety conditions.

The Contractor will allow the Installation to review on a continuing basis a listing of all personnel engaged in providing utility service to the Installation. The listing will provide sufficient information on all personnel to allow precise Government identification of each individual.

C.5.2.1 Speaking, Reading, and Understanding English
Where reading, understanding, and discussing environmental, health, and safety warnings are an integral part of an employee’s duties, that employee shall be able to understand, read, write, and speak the English language fluently. All personnel that interface with customers shall be able to speak and understand the English language fluently.

C.5.2.2 Personnel Appearance and Identification
The Contractor’s personnel shall present a neat appearance and be readily recognized as Contractor personnel. If required by the Installation, the Contractor shall ensure each employee obtains from Security Forces an identification card that shall include at a minimum the employee’s name, photograph, and Contractor’s name. Each employee shall follow established Installation procedures for displaying their identification card while within the boundaries of the Installation.
C.5.2.3 Employee Certification
The Contractor shall ensure that employees meet all applicable federal, state, local, and installation certification, licensing, and medical requirements to perform all assigned tasks and functions as defined in this contract.

C.5.2.4 Installation’s Rules Apply to Contractor
Rules, regulations, direction, and requirements issued by the Installation, or other command authorities, under their responsibility for good order, administration, and security, including Site Specifications as outlined in Attachment JA1, apply to all personnel who enter the Installation or who travel by Government transportation.

C.5.2.5 National Agency Check
The Contractor shall provide sufficient information to obtain complete and favorable National Agency Check (NAC) investigations for its personnel for unescorted entrance into restricted areas on the Installation. Normal access to the Installation shall be in accordance with Section C.6, Access to the Utility System. The Contractor shall justify to the Installation Security Forces requests for NAC on Contractor personnel requiring unescorted entry into restricted areas. Final approval for unescorted entry into restricted areas rests with the Installation Commander.

C.5.2.6 Controlled Access Areas
The Contractor shall apply for personnel security clearances required for performance after the contract is awarded. Personnel requiring access to secured areas or restricted areas under the control of the Installation shall comply with applicable regulations. The Government reserves the right to terminate the entry of any employee upon disclosure of information that indicates the individual’s continued entry to the Installation is not in the best interests of national security. Additionally, violation of, or deviation from, the established security procedures by the Contractor’s personnel may result in the confiscation of identification media and the denial of future entry to the Installation.

C.5.2.7 Conflict of Interest
The Contractor shall not knowingly employ any person who is a U.S. Government employee if employing that person would create a conflict of interest. Additionally, the Contractor shall not knowingly employ any person who is an employee of the Government, either military or civilian, unless such person seeks and receives written approval according to DOD 5500.7-R, Joint Ethics Regulations (JER).

C.5.2.8 Employment of Military Personnel
The Contractor is cautioned that off-duty active military personnel hired under this contract may be subject to permanent change of station, changing duty hours, or deployment. Military reservists and National Guard members may be subject to recall to active duty. The abrupt absence of these personnel could adversely affect the Contractor’s ability to perform. However, their absence at any time shall not constitute an excuse for nonperformance under this contract.

C.5.2.9 Employment of Quality Assurance Representative Personnel
The Contractor is prohibited from employing Quality Assurance Representatives (QAR) whom the Contractor knows or should know are responsible for monitoring any contracts/subcontracts awarded to the Contractor.

C.5.3 Contractor Vehicles
All Contractor vehicles shall be readily identifiable. Identification shall include displaying Contractor name in a clear and unobstructed location on the vehicle.

C.5.4 Contractor Radios
Prior to operating communications devices, including but not limited to two-way, portable, or land mobile devices, on the Installation, the Contractor shall obtain approval of the Installation Communication Group by
requesting an available clear frequency. The Contractor shall follow all Installation procedures for operating radios on Fort Knox in accordance with DFARS 252.235-7003, Frequency Authorization.

C.5.5 Contractor Advertising

The Contractor shall not place or display (nor permit a third party to place or display) advertising of any kind on government property or on the Contractor’s property located on the Installation. Reasonable markings on the Contractor’s property, including vehicles, for the purpose of identifying it as the Contractor’s property are permitted.

C.6 Access to the Utility System

C.6.1 General

The Contractor shall have reasonable access to the Installation (Premises) to accomplish its duties and responsibilities under the Contract. Such access is subject to the general supervision and control of the Installation’s Commander and his duly authorized representatives. In accepting the rights, privileges, and obligations established hereunder, the Contractor recognizes that the Installation serves the national defense and that the Government will not permit the operation, construction, installation, repair, and maintenance of a utility system and the provision of utility services to interfere with the Installation's military mission.

Fort Knox is an operating military installation that is closed to the public and is subject to the provisions of the Internal Security Act of 1950, 50 U.S.C. § 797, and of 18 U.S.C. § 1382. Access to the Installation is subject to the control of its Installation Commander and is governed by such regulations and orders as have been lawfully promulgated or approved by the Secretary of Defense or by any designated military commander. Any access granted to the Contractor, its officers, employees, Contractors of any tier, agents, and invitees is subject to such regulations and orders. Access is subject to all regulations and orders currently promulgated or which may be promulgated by lawful authority as well as all other conditions contained herein. Such regulations and orders may, by way of example and not by way of limitation, include restrictions on who may enter, how many may enter at any one time, when they may enter, and what areas of the Installation they may visit, as well as requirements for background investigations, including those for security clearances, of those entering. The Contractor is responsible for the actions of its officers, employees, Contractors of any tier, agents, and invitees while on the Installation and acting under this contract.

C.6.2 Easement

Access to the Installation and the utility system shall be in accordance with the Easement (Reference JR8). If a utility is denied access to the system, due to circumstances beyond its control or negligence, its obligations and liabilities under this Agreement will be suspended if such a deficient condition would not have occurred but for its inability to gain access to the Installation and was not the result of previous deficiencies in performance.

C.7 Response to Service Interruptions/Contingencies and Catastrophes

The Contractor shall employ sound utility practices to ensure continuous, dependable, and reliable utility service and to minimize the scope and length of any service disruption. Installation specific response time requirements for Fort Knox are identified in Attachment JA1. The Contractor’s Service Interruption/Contingency and Catastrophic Loss Plan is provided as Exhibit JE2 to this contract.

The Contractor shall maintain and update the Service Interruption/Contingency and Catastrophic Loss Plan as necessary and adhere to its requirements throughout the contract term. It shall not be materially altered without the Government’s prior consent. However, the Contractor need not seek the Government’s consent prior to immaterial alterations in such procedures.
In the event the Installation has an Emergency Restoration Plan that prioritizes service restoration, the Contractor shall adhere to the priority list established by the plan.

C.8 Repair Response Procedures

The Contractor shall identify to the Government and implement clearly defined procedures by which Installation personnel can submit service requests to the Contractor. The Contractor shall also clearly identify any difference in service request procedures that apply to routine, urgent, and emergency matters. The Government will be responsible for disseminating such procedures within the Installation. The Contractor shall provide a local or toll-free telephone number by which it can be contacted 24 hours a day, 7 days a week, for service requests. This number will connect the Government to a local dispatcher or equivalent supervisor capable of estimating Contractor repair crew arrival time. All calls shall be centrally placed by designated Government representatives. The Government will assign “emergency,” “urgent,” or “routine” designations when contacting the Contractor with a service call in accordance with the defined procedures.

The Contractor shall maintain records of all service request calls, documenting the time of the call, time of service response, cause of request, and action taken (including time and date completed). Such records shall be retained for 2 years, and may be reviewed by the Contracting Officer upon reasonable notice.

If the request affects building operations, the Contractor shall coordinate all work with the person responsible for the building or facility. The Government will provide the Contractor with a list of Government representatives and the buildings or facilities for which they are responsible. Emergency service requests submitted to the Contractor, or emergencies identified by the Contractor, shall be reported immediately to the designated Government representative.

C.8.1 Notification Procedures

The Contractor shall have in place mechanisms, means, or procedures by which Installation personnel can submit service requests to the Contractor. If there is an order of precedence of phone numbers for Government personnel to call, the Contractor shall determine and clearly define that precedence. The Contractor also shall clearly identify any difference in service request procedures that apply to routine, urgent, and emergency matters.

The Government will be responsible for disseminating such procedures within the Installation. In addition, the Contractor shall provide to the Contracting Officer the name of the local Project Manager or other responsible person and an alternate with after-hours contacts’ telephone numbers.

C.8.2 Emergency Service Requests

An emergency condition is one that is detrimental to the mission of the base, significantly impacts operational effectiveness, or compromises the safety, health, and life of personnel. Such requests shall include, but are not necessarily limited to, electrical outages, downed power lines, water outages, broken water mains, natural gas outages, natural gas leaks, or wastewater main overflows. Specific service requirements are identified in Attachment JA1.3.24.

C.8.3 Urgent Service Requests

An urgent condition is not an emergency but significantly hinders performance of Installation activities and requires elimination of potential fire, health, and safety hazards (for example, environmental controls, non-emergency utility leaks, special requests and events, plumbing problems, downgraded emergency responses, etc.). Specific service requirements are identified in Attachment JA1.3.24.

C.8.4 Routine Service Requests

A routine service request is one that does not pose an immediate threat to public health, safety, or property, or to a mission or operation conducted at the Installation. Such requests may include, but are not necessarily
limited to requests for new or relocated service connections. Specific service requirements are identified in Attachment JA1.3.24.

C.9 Coordination of Work

C.9.1 Routine Work

Routine work, such as the scheduled repair, replacement, or removal of system components that require service interruption, shall be coordinated with the Contracting Officer’s Representative at least 2 weeks prior to commencing work to ensure minimal impact to the mission and operations. The Contractor and Government shall each provide a single point of contact for coordination.

Notification shall include date, time of outage, a list of buildings that will be affected and the estimated time until the service will be restored. The Contractor shall also notify building occupants in advance of outages and post street signboards.

The Installation reserves the right to require the Contractor to postpone work requiring service interruption if such interruption might adversely affect the Installation’s missions and operations. If an interruption is postponed, the parties shall coordinate a mutually acceptable alternate time for the scheduled service interruption. Scheduled utility outages may be required after normal working hours to lessen the inconvenience to Installation mission critical functions.

C.9.2 Routine, Urgent, and Emergency Service Requests

Any routine, urgent, or emergency service request by Government personnel shall be reported to the Contractor’s service request line or point of contact. Emergency service requests to the Contractor or emergencies identified by the Contractor shall be identified immediately to the Contracting Officer’s Representative.

C.9.2.1 Scheduled Utility Service Interruptions

The Installation reserves the right to reschedule Contractor work requiring service interruption at any time if such interruption might materially adversely affect the Installation’s missions and operations. If an interruption is rescheduled, the parties shall coordinate a mutually acceptable alternative time for the scheduled service interruption. Only designated Government service representatives may request utility service interruption. The Contractor will refer any other service interruption requests to designated Government representatives.

C.9.3 Construction and Restoration of Site

The Contractor will ensure that proper temporary facilities and controls are in place during any construction and other work it performs that could affect installation activities. All work must include temporary facilities and control measures to facilitate the flow of vehicular, emergency, and pedestrian traffic to include the following: high-intensity reflectorized signs, barricades, temporary sidewalks, fencing, and traffic cones. Once work is complete, the Contractor will restore the area to an equal or better condition. Site restoration requires proper waste cleanup, removal, and disposal; replacement of cracked pavement and sidewalks; proper repair and sealing of utility cuts both on improved and unimproved land and roadways; replacement of loam or topsoil; top dressing by hand; lawn bed preparation; hydro air seeding, mulch, fertilizer and shrub replacement.

C.9.3.1 Excavation Permits

The Contractor shall obtain a written excavation permit from the Contracting Officer or Contracting Officer designated representative before commencing any digging or excavation on the Installation. The excavation permit will contain requirements normally applied to similar excavation work on the Installation. The Contracting Officer or designated representative will notify the Contractor as to reasonable time periods for applying for an excavation permit.
C.9.3.2 Underground Utility Location

At the request of the Installation, the Contractor shall be responsible for locating underground utility system components in support of the Installation’s excavation permit process. Requests for line location shall be responded to within three (3) working days of the request at no additional cost to the Government.

C.9.4 Working Hours

Normal working hours shall be Monday-Friday (0730-1600). All routine work shall be accomplished during normal working hours. The Government must approve deviations from these working hours.

C.9.5 Coordination Meetings

The Contractor shall be available for meetings as reasonably required by the Contracting Officer.

C.9.6 Exercises and Crisis Situations Requiring Utility Support

The Contractor shall respond to Installation emergency and crisis situations and exercises that require utility support. The Contractor shall respond to these events with qualified personnel and equipment as soon as possible after notification. Participation may be in a simulated capacity equal to other participants. In no case will response be longer than those requirements listed in Section C.8.2, Emergency Service Requests. The Contractor shall advise and assist the on-scene commander until the event is terminated. Extra work effort under these circumstances may entitle the Contractor to equitable adjustment in accordance with FAR 52.241-7, Changes in Rates or Terms and Conditions of Service for Regulated Services.

C.9.7 Emergency Operation

The Government reserves the right to perform or supplement performance of contract functions with Government designated personnel during periods of disaster and emergency that affects the Installation and prevents the Contractor from fulfilling its obligations under the contract. The Government shall coordinate with the Contractor and obtain authorization before supplementing the Contractor’s performance in these circumstances. Such authorization shall not be unreasonably withheld.

C.9.8 Non Performance and Abandonment

The Government reserves the right to perform or supplement performance of contract functions with Government designated personnel if the Contractor consistently fails to perform its obligations under the contract, has been notified in writing of failure to perform its obligations, and has not cured the performance failures within a reasonable time. The Contractor shall make its facilities available for this purpose at no cost to the Government for as long as the circumstance requiring Government operation persists.

C.9.9 Plant Control

After obtaining the prior permission of the Contracting Officer’s Representative, the Contractor may trim or remove plants and trees that pose a potential hazard to its utility system. In those areas where the plants or trees contribute to historic or aesthetic values and trimming or removing them would be destructive of those values, the Contractor may be prohibited from trimming or removing them. In all instances, plants or trees listed as threatened or endangered under applicable federal, state, interstate, or local law will not be harmed by the activities of the Contractor.

C.10 Environmental Compliance

The Contractor shall comply with all applicable environmental laws and regulations including Installation specific requirements.
C.10.1 Permit Compliance
Once ownership of the utility system is transferred, the Contractor shall be the party of record for all environmental permits related to operating the system. Thereafter, the Contractor shall be responsible for obtaining any new or revised permits needed to operate and maintain the utility system. The Government shall remain the party of record and retain responsibility for any applicable permits prior to the transfer of ownership, as defined by Section C.13, Transition Plan, and for those permits that are not transferable.

C.10.2 Spill Contingencies
The Contractor shall adopt the procedures of the Installation Spill Contingency Plan or shall submit to the Contracting Officer for review and acceptance a Contractor-developed Spill Contingency Plan. A Contractor-developed plan shall be prepared in accordance with the National Response Team’s Integrated Contingency Plan Guidance (http://www.epa.gov/emergencies/guidance.htm#oneplan).

C.10.3 Work in Environmentally Sensitive Areas
The Contractor shall comply with the Installation procedures and standards for work in and around environmentally sensitive or contaminated property. Prior to accessing any environmentally sensitive areas, the Contractor shall coordinate with the designated Government Representative.

C.10.4 Environmental Impact Assessments
Modification of the utility system on Fort Knox may require an environmental impact assessment in accordance with environmental impact analysis process applicable to the Installation. The Contractor shall be responsible for preparing all documents necessary for conducting this assessment in coordination with the Government.

C.10.5 Hazardous Material and Waste Minimization
Hazardous materials used in utility system operation and maintenance shall be handled in accordance with applicable laws and regulations. Appropriate Material Safety Data Sheets (MSDS) shall accompany all hazardous materials used on the Installation. The Contractor shall submit copies of MSDS to the COR, and retain a copy of each MSDS on-site. The Contractor shall maintain a viable hazardous waste minimization program that includes making every effort to identify non-hazardous or less hazardous materials than those currently in use and recycling versus disposing of consumable wastes.

C.10.6 Environmental Response
The Contractor shall be responsible for accomplishing at no cost to the Government any environmental response required as a result of the Contractor’s activities. The Contractor may be required to perform, but shall not be responsible for the cost of, remediation for pre-existing environmental conditions. Unexploded ordnance shall be considered a pre-existing environmental condition.

C.10.7 Asbestos and Lead-based Paint
The Contractor will not make any improvements or engage in any construction on government property which contain asbestos-containing material (ACM), without prior approval of the Contracting Officer; any such improvements or construction shall be done in compliance with all applicable Federal, state, interstate, and local laws and regulations governing ACM. The Contractor is responsible for monitoring the condition of its property containing ACM on any portion of government property for deterioration or damage. The Contractor is responsible, at its expense, for remediation of any ACM contained on or in its property which is disturbed or damaged by the Contractor or is deteriorated and of any ACM on government property which is disturbed or damaged by the Contractor during the term of the contract.
The Contractor will test any painted surface to be affected by any of its operation, construction, installation, repair, or maintenance activities to determine if the paint is lead-based and will handle that surface in compliance with all applicable laws and regulations and at the Contractor’s expense.

C.10.8 Environmental Restoration Program

If the Installation has not been listed on the National Priorities List (NPL) under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, at the time of contract award, but is listed subsequent to the award of this contract, the Government will provide the Contractor with a copy of any Federal Facility Agreement (FFA) that is entered into between the Government and the U.S. Environmental Protection Agency (USEPA), along with any amendments to the FFA when they become effective.

If the Installation has been listed on the NPL at the time of the award of this Contract but no FFA has been entered into, the Government will provide the Contractor with a copy of any FFA subsequently entered into along with any amendments to the FFA when they become effective.

If the Installation has been listed on the NPL at the time of award of this Contract and an FFA has been entered into, the Contractor acknowledges that the Government has provided it with a copy of the FFA, with current amendments. The Government will provide the Contractor with a copy of any subsequent amendments thereto.

The Contractor agrees that should any conflict arise between the terms of such agreement as it presently exists, or may be amended or entered into, and the provisions of this Contract, the provisions of the FFA will take precedence.

C.11 SDCs/Upgrades/Connections and Renewals and Replacements

C.11.1 Due Diligence Adjustment

The Contractor shall be responsible for all required SDC/Upgrades and renewals and replacements to maintain and operate the utility system in a safe, reliable condition, and to meet the requirements of this contract.

The Contract is based on the inventory listed in Attachment JA1. If during the Joint Inventory that takes place during the Transition Period between contract award and contract start date, the Contractor identifies additional inventory not listed in Attachment JA1, the Contractor may submit a request for an equitable adjustment to the Contracting Officer. If the Contractor determines that the inventory listed in Attachment JA1 is overstated, the Contractor shall report the extent of the overstatement to the Contracting Officer, who will determine an equitable adjustment as appropriate.

C.11.2 SDCs/Upgrades/Connections and Renewals and Replacements

C.11.2.1 Initial System Deficiency Corrections

Initial System Deficiency Corrections (ISDCs) are those necessary to reach the standards typically maintained by the Contractor on its utility systems, so that subsequent renewals and replacements will permit the long-term safe and reliable operation of the utility system. All ISDCs are listed in Exhibit JE4. All ISDCs shall be complete within 5 years of the contract start date. The Government reserves the right to buy down a previously amortized ISDC at no penalty to the Government.
C.11.2.2 Future System Deficiency Corrections/Upgrades/Connection Charges

Future System Deficiency Corrections (SDCs)/Upgrades/Connection Charges are investments in the utility system resulting from changes in service requirements, laws, or regulations. Future SDCs/Upgrades/Connection Charges may also include the implementation of new technologies.

C.11.2.3 Renewals and Replacements

Renewals and replacements are investments in the utility system to renew or replace system components that fail or reach the end of their useful life. Renewals and replacements identified in Exhibit JE4, Initial System Deficiency Corrections and Initial Renewals and Replacements Plan, will be paid in accordance with Section B.3, Schedule.

C.11.2.4 Annual System Deficiency Corrections/Upgrades and Renewals and Replacements Plan

The Contractor shall prepare and submit an Annual SDC/Upgrades and Renewals and Replacements Plan to identify SDC/Upgrades and major renewals and replacements the Contractor intends to accomplish. The Annual SDC/Upgrades and Renewals and Replacement Plan shall contain a proposed SDC/Upgrade list for each of the next 5 years. The plan shall be structured as follows:

- Year 1 shall include detailed SDC/Upgrade information including site plans, cost estimates, SDC/Upgrade schedules, and an analysis of the impact of construction on Installation operations and the environment, and shall address safety requirements.

- Years 2-5 shall include SDC/Upgrade lists with SDC/Upgrade descriptions, order-of-magnitude estimates, and proposed site plans.

Unless the parties agree in writing to an alternate date, the first Annual SDC/Upgrades and Renewals and Replacements Plan shall be submitted no later than January 31 of the first full fiscal year following contract award. Thereafter, the plan shall be submitted no later than January 31 of each year. The Plan shall be submitted to the Government representatives designated in Section G.

C.11.2.5 SDCs/Upgrades

The Contractor may propose SDC/Upgrades in the Annual SDC/Upgrade and Renewal and Replacement Plan (Future SDC/Upgrades). The Government reserves the right to determine at its discretion whether it will pay for any portion of proposed SDC/Upgrades. Future SDC/Upgrades required to comply with requirements and standards imposed by law that have changed during the contract term will be paid subject to the availability of funds. Approved SDC/Upgrades and improvements identified in the SDC/Upgrades and Renewals and Replacements Plan will be paid, in accordance with G.3, Utility Service Charge Adjustment, and B.3, Schedule, when accomplished. The Government reserves the right to pay for any SDC/Upgrade as a lump-sum payment rather than by amortizing the SDC/Upgrade costs.

C.11.2.6 Requirements and Standards

The SDC/Upgrades and R&R Plan shall include an assessment of any new or revised standards and clearly address planned system improvements or operational changes needed to comply with such standards.

C.11.2.7 Anticipated Connections and Disconnections

The SDC/Upgrades and R&R Plan shall include a list of anticipated new service connections, including a preliminary design and estimated installation costs. The Government will provide a list of new service requirements and anticipated disconnections.
C.11.3 Connections and Disconnections

The Contractor shall be responsible for adding any additional service points and/or deleting any service points that are no longer required. The Contractor shall coordinate this work with the Contracting Officer’s Representative.

If a connection or disconnection constitutes reasonable cause for a change in service charge, the rate will be renegotiated in accordance with FAR 52.241-7, Changes in Rates or Terms and Conditions of Service for Regulated Services.

C.11.3.1 Temporary Connections

The Contractor shall extend temporary service to the Government or Contractors performing work on the Installation when requested by the Government.

The Government will identify the party responsible for reimbursing the Contractor for temporary connections or utility usage. The Contractor shall provide the following information regarding any temporary service connections:

1. Name of the temporary customer
2. Cost
3. Date of Installation
4. Expected duration of the connection
5. Description of the connection, including route and type of material
6. POC, Title and Phone Number

C.11.3.2 Permanent Connections

(a) Charge. In consideration of the Contractor furnishing and installing at its expense any new connecting facilities requested by the Government, the Government may pay the Contractor a mutually agreed upon connection charge. Any payment will be in a form agreed to by the parties and as permitted by applicable law. When the Government requests new connecting facilities, including work necessary to increase the capacity of existing facilities, the Contractor shall submit a detailed proposal identifying the work necessary to provide the required utility services, any proposed connection charge, and the proposed change in the monthly utility service fee that will go into effect upon completion and placement into service of the new connecting facilities.

Payment for connection charges may be made as a line item under this contract or directly by the requesting party, however, regardless of payment method, the terms and conditions of this contract shall control. As a condition precedent to final payment, the Contractor shall execute a release of any claims against the Government arising under or by the virtue of such installation. Proposed changes to the monthly utility service fee(s) must be approved in advance by the Contracting Officer, regardless of the payment vehicle utilized for the connection charge.

(b) Ownership, operation, maintenance and repair of new facilities to be provided. The facilities to be supplied by the Contractor under this clause, notwithstanding the payment by the Government of a connection charge, shall be and remain the property of the Contractor and shall, at all times during the life of this contract or any renewals thereof, be operated, maintained, and repaired by the Contractor at its expense. All taxes and other charges in connection therewith, together with all liability arising out of the construction, operations, maintenance, or repair of such facilities, shall be the obligation of the Contractor.

(c) Credits.

(1) Where the Government is part of the Contractor’s general rate base and the Contractor subsequently
includes the cost of the connecting facilities in its general rate base, the Contractor agrees to allow the
Government, on each monthly bill for service furnished under this contract to the service location, a credit in
the form of a percentage of the amount of each such bill as rendered until the accumulation of credits shall
equal the amount of such connection charge. The amount of the credit percentage shall be negotiated, but shall
not be less than that provided for under the terms of any tariff filed by the Contractor or otherwise provided by
the Contractor to any commercial customer, provided that the Contractor may at any time allow a credit up to
100 percent of the amount of each such bill.

(2) In the event the Contractor serves any customer other than the Government (regardless of whether the
Government is being served simultaneously, intermittently, or not at all) by means of these facilities, the
Contractor shall promptly notify the Government in writing. Unless otherwise agreed by the parties in writing
at that time, the Contractor shall promptly credit the Government, up to 100 percent of each monthly bill, until
there is refunded the amount that reflects the Government's connection costs for that portion of the facilities
used in serving others.

(d) Termini-\n\n\nones. Payment for and disposition of wholly or partially completed facilities upon termination of
\n\nthe contract shall be in accordance with the Government Repurchase Option clause of the Contract.

(FAR 52.241-9)

C.11.3.3 Third Party Construction

(a) Where the Government contracts with a third party to construct new infrastructure that is intended to
connect to the Contractor’s system, the following terms and conditions shall apply:

(1) The Contractor will provide the Government and the third party contractor with specifications (the
“Specifications”) applicable under the terms of this contract for its system components and for
interconnections.

(2) The Government will require the third party contractor to renovate or construct any infrastructure that
will connect to the Contractor’s existing systems in accordance with the Specifications.

(3) The Government will coordinate with the Contractor to ensure the existing system can accommodate
any additional load requirements necessitated by the renovation/construction. Should the contractor
determine that the existing systems require upgrades to support the additional load requirements, a price
for the upgrade will be negotiated in accordance with FAR 52.241-7, Changes in Rates or Terms and
Conditions of Service for Regulated Services.

(b) At the Government’s option, the Contractor will take ownership of system components renovated or
constructed by the third party contractor to the Specifications. Any adjustment to service requirements and the
contract price as a result of these actions will be in accordance with FAR 52.241-7, Changes in Rates or Terms
and Conditions of Service for Regulated Services.

(c) The Contractor shall have the right to reasonably inspect the third party contractor’s construction of system
components for which the Contractor will take ownership. Inspections are among the utility services included
in the monthly utility service charge.

(d) If third party constructed system components are not built to the Specifications, the Contractor shall
identify such components and the basis for the discrepancy to the Government with specificity. The
Government may direct the Contractor to perform any work required to bring the system into compliance with
the Specifications, in which case the Contractor will be compensated in accordance with FAR 52.241-7,
Changes in Rates or Terms and Conditions of Service for Regulated Services.
(e) In the event the parties are unable to agree on an equitable price adjustment for any of the above paragraphs, the matter shall be resolved under the provisions of this contract.

C.12 Operations and Maintenance/Quality Management

The Contractor has established and shall maintain an Operations and Maintenance/Quality Management Plan (Exhibit JE3). The Plan shall ensure the provision of reliable, cost-effective, and compliant service over the term of the contract. The Contractor shall maintain and update the Plan as necessary and adhere to its requirements throughout the contract term. It shall not be materially altered without the Government’s consent.

C.13 Transition Plan

The Contractor’s Operational Transition Plan, to be executed during the transition period, is provided as Exhibit JE5 to this contract. The Plan shall not be materially altered without the Government’s consent. The transition period will begin at contract award and last four (4) months.

This transition period is intended to provide the Contractor time to perform additional due diligence functions and stand up operations in support of the contract. The Contractor will be paid for transition costs in accordance with Section B.3, Schedule. Transition costs are defined as all costs expended during the transition period that are necessary and reasonable to assume ownership and responsibility for the system.

C.14 Historical, Architectural, and Landscaping Requirements

Cultural resources on Federal property are protected and managed by the Archaeological Resources Protection Act of 1979 and other applicable laws. The Contractor shall exercise care so as not to disturb or damage artifacts or fossils (should any be uncovered) during the excavation operations. Should the Contractor discover evidence of possible scientific, prehistoric, historic or archaeological finds within the work limit lines or adjacent to the work area, the Contractor shall immediately cease work at that location and notify the Contracting Officer. The Contractor shall provide the Contracting Officer with complete information as to the specific location and nature of the findings. Where appropriate by reason of discovery, the Contracting Officer may order delays in time of performance or changes in the work or both. If such delays or changes are ordered, an equitable adjustment will be made in accordance with the applicable clauses of the contract.

End of Section C
Section D
Packaging and Marking

None

End of Section D
Section E

Inspection and Acceptance

None

End of Section E
Section F

Deliveries or Performance

F.1 Contract Term

The Contractor agrees to furnish, and the Government agrees to purchase, potable water utility services, in accordance with the terms and conditions of this contract, for a period of fifty (50) years commencing with the contract start date. If the Government terminates the contract, whether for convenience or default, the appropriate FAR termination clauses will apply.

F.2 Commencement of Service

The Contractor shall complete all transitions and be prepared to provide utility services on the contract start date. The contract start date is defined as the expiration of the transition period and the initiation of the monthly utility service. The period of performance begins at the contract start date.

<table>
<thead>
<tr>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Award Date</td>
<td>Transition Period (Pre-performance)</td>
<td>Contract Start Date</td>
</tr>
<tr>
<td>Fixed date in time on which the utility service contract is executed.</td>
<td>Transition period of 12 months begins upon execution of contract award.</td>
<td>Transition Period ends and the Performance of Utility Services begins.</td>
</tr>
</tbody>
</table>

F.3 Clauses Incorporated by Reference

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text.

The following FAR Clauses are incorporated by reference:

<table>
<thead>
<tr>
<th>FAR Paragraph</th>
<th>Clause Title</th>
<th>IAW</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>52.242-15</td>
<td>Stop Work Order</td>
<td>42.1305(b)(1)</td>
<td>Aug 1989</td>
</tr>
<tr>
<td>52.242-17</td>
<td>Government Delay of Work</td>
<td>42.1305(c)</td>
<td>Apr 1984</td>
</tr>
</tbody>
</table>

End of Section F
Section G
Contract Administration Data

G.1 Contracting Officer

The Contracting Officer is responsible for the issuance of the contract and for all actions leading up to and including award of the contract.

No oral or written statements of any person(s) other than the Contracting Officer shall modify or otherwise affect the terms, conditions, scope of work, or drawings of the contract. All modifications to the contract must be in writing by the Contracting Officer.

All contract administration shall be effected by the Contracting Officer. Communications pertaining to contract administration matters will be addressed by the Contracting Officer listed below:

Brian J. Koessel  
Defense Logistics Agency Energy  
8725 John J. Kingman Rd, Suite 3937  
Fort Belvoir, VA 22060-6222  
Phone: 703-767-1595  
E-mail: brian.koessel@dla.mil

G.2 DFARS 252.201-7000: Contracting Officer's Representative

Contracting Officer's Representative means an individual designated in accordance with subsection 201.602-2 of the Department of Defense FAR Supplement and authorized in writing by the Contracting Officer to perform specific technical or administrative functions.

If the Contracting Officer designates a Contracting Officer's Representative (COR), the Contractor will receive a copy of the written designation. It will specify the extent of the COR’s authority to act on behalf of the Contracting Officer. The COR is not authorized to make any commitments or changes that will affect price, quality, quantity, delivery, or any other term or condition of the contract. The COR for this contract is:

Taina M. Rivera  
Defense Logistics Agency Energy  
8725 John J. Kingman Rd, Suite 3937  
Fort Belvoir, VA 22060-6222  
Phone: 703-767-8130  
E-mail: taina.rivera@dla.mil
G.3 Submission and Payment of Invoices

The Government will pay the Contractor for utility service through a monthly service charge. Subject to the provisions set forth in Section B, utility services will be billed on a monthly basis.

The Contractor shall submit invoices electronically via the internet using the Wide Area Work Flow (WAWF) system in accordance with DFARS clause, 252.232-7003, Electronic Submission of Payment Requests and Receiving Reports. The WAWF system is located at the following internet website: https://wawf.eb.mil. Failure to submit invoices in WAWF will be considered failure to submit a proper invoice and may result in delay of payment.

The Contractor shall prepare and submit electronic invoices to the Installation for payment by the 25th of each month for the previous month’s billing period. Invoices shall be sent to the recipient and address identified in the then current version of Contract Section G.2 Contracting Officer’s Representative with a copy provided to the Contracting Officer identified in Section G.1.

G.4 Utility Service Charge Adjustment

At the request of either party to this contract, and with reasonable cause, the Utility Service Charge may be renegotiated in accordance with FAR 52.241-7: Changes in Rates or Terms and Conditions of Service for Regulated Services. However, any such request by the Contractor for an increase in the monthly utility service charge shall be submitted to the Contracting Officer no later than January 31; and in conjunction with the submittal of the Annual System Deficiency Corrections and Renewals and Replacements Plan.

For future SDCs/Upgrades/Connections resulting from changed service requirements, at the request of either party to this contract, and with reasonable cause, the Utility Service Charge may be renegotiated, at any time, in accordance with FAR 52.241-7, Changes in Rates or Terms and Conditions of Service for Regulated Services.

Any changes to charges, terms, or conditions as a result of negotiations shall be made part of this contract by the issuance of a bilateral contract modification. The failure of the parties to agree upon any change after a reasonable period of time shall be a dispute under the Disputes clause of this contract.

G.5 Accounting Procedures

The Contractor shall maintain records of all costs and payments associated with the provision of utility service(s) to the Installation using the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA), Federal Energy Regulatory (FERC) USOA, the Rural Utility Service (RUS) USOA, or the American Water Works Association (AWWA) USOA, or an alternative USOA acceptable to the Government. The USOA may be supplemented by the Contractor’s standard accounting procedures and generally recognized accounting practices and principles, as long as such supplemental procedures and practices are consistent with the NARUC (or an accepted alternative) USOA. The standard utilized must be consistent with the written and established practices for measuring, assigning, and allocating costs.
G.5.1 Price Adjustment for Noncompliance with Accounting Procedures

The Government shall be entitled to a price adjustment if it finds that the contract price was increased during any price redetermination actions as a result of the use of noncompliant or inconsistent accounting practices established and accepted by the Government on the part of the contractor. The amount of the adjustment shall be the difference between the contract price that was negotiated and the price that would have been negotiated had the business unit used compliant and established accounting practices that were in accordance with FERC, NARUC, RUS, or AWWA and were consistent with the contractor’s written and established practices. In such cases, the Government shall be entitled to a credit or cash recovery (at the Government’s option) for the amount of the increased price plus interest. The interest rate shall be computed from the date the payment by the Government until the date of repayment by the contractor. The interest rate shall be the rate specified at 26 U.S.C. 6621(a)(2).

G.6 Accounting and Appropriation Data

ACRN AA is hereby established in the amount of $592,518.00. Funds are provided under the Direct Fund Cite MIPR10095246. A funding breakdown of ACRN AA is provided below:

ACRN AA

On CLIN 0051

Funding Breakdown:
- Funding for ACRN AA: $592,518.00
- Total Funding: $592,518.00
- Total Funding for ACRN AA: $592,518.00
- Remaining Funds for ACRN AA: $0.00

Total Funding: $592,518.00

End of Section G
Section H
Special Contract Provisions

H.1 Mobilization and Other Contingencies

In the event of troop mobilization or other contingencies, the Contractor will be expected to promptly take whatever measures are needed to meet any new demands placed upon it, to include extended work hours and expansion of the contract work force.

Extra work effort under these circumstances may entitle the Contractor to equitable adjustment under the Changes Clause FAR 52.241-7, Changes in Rates or Terms and Conditions of Service for Regulated Services.

H.2 Insurance Requirements

H.2.1 Insurance Certificate

Contractor shall deliver or cause to be delivered upon execution of this contract (and thereafter not less than thirty (30) days prior to the expiration date of each policy furnished pursuant to this contract) to the Government a certificate of insurance evidencing the insurance required by this contract.

H.2.2 Types of Insurance

During the entire period this contract shall be in effect, the Contractor and its subcontractors at any tier shall carry and maintain the following:

H.2.2.1 General Liability

Commercial general liability insurance with a minimum combined single limit of $1,000,000 per occurrence and $2,000,000 in the aggregate for all premises and operations, including products/completed operations. The policy shall include coverage for bodily injury, including death, and property damage arising out of the acts or omissions by or on behalf of the Contractor by any invitee or any other person or organization, or involving any owned, non-owned, or hired automotive equipment in connection with the Contractor's activities. The policy shall also include broad form property damage and shall cover independent contractors. The policy shall include coverage for hazards referred to as XCU (explosion, collapse, and underground).

H.2.2.2 Automobile Liability

Comprehensive automobile liability insurance with a combined single limit of $1,000,000 per occurrence for bodily injury and property damage. Coverage is to include owned, hired, and non-owned vehicles.

H.2.2.3 Workers' Compensation and Employer's liability

If and to the extent required by law, workers' compensation and employer's liability insurance. Workers compensation coverage is to be provided in compliance with applicable laws and employer’s liability limits shall be at least $500,000.

H.2.2.4 Umbrella/Excess Liability Coverage

Umbrella or Excess Liability coverage in an amount of $1,000,000 per occurrence and $1,000,000 in the aggregate. Coverage is to be in excess of commercial general liability, automobile liability, and employer liability.
H.2.3 General

All policies of insurance which this contract requires the Contractor to carry and maintain or cause to be carried or maintained pursuant to this contract shall be with insurance companies who have an A- Best VIII or higher rating. All such policies of insurance shall list the government as additional insured, except for workers compensation. Each such policy shall provide that any losses shall be payable notwithstanding any act or failure to act or negligence of Contractor or Government or any other person; provide that no cancellation, reduction in amount, or material change in coverage thereof shall be effective until at least sixty (60) days after receipt by Government of written notice thereof; provide that the insurer shall have no right of subrogation against the Government; and be reasonably satisfactory to the Government in all other respects. In no circumstances will the Contractor be entitled to assign to any third party rights of action which the Contractor may have against the Government. The foregoing notwithstanding, any cancellation of insurance coverage based on nonpayment of the premium shall be effective upon ten (10) days' written notice to the Government. The Contractor understands and agrees that cancellation of any insurance coverage required to be carried and maintained by the Contractor under this contract will constitute a failure to comply with the terms of this contract.

H.2.4 Self-insurance

The requirements to maintain insurance under Section H.2, Insurance Requirements, may be met by the use of self-insurance only under the following conditions and with the express prior written approval of the contracting officer:

H.2.4.1 Submittals

If the Contractor desires to self-insure, the Contractor shall submit to the Contracting Officer, in writing, a request to self-insure. The Contractor shall, when submitting any documents under this provision, apprise the Contracting Officer of any such documents that constitute confidential or proprietary business records, and mark those records accordingly. To support the determination of the Contracting Officer regarding the request, said officer may request some or all of the following information, to the extent the contractor maintains such information, on the contractors proposed self-insurance program—

1. A complete description of the program, including any resolution of the board of directors authorizing and adopting coverage, including types of risks, limits of coverage, assignments of safety and loss control, and legal service responsibilities;
2. If available, the corporate insurance manual;
3. The terms regarding insurance coverage for any Government property;
4. The contractor's latest financial statements;
5. Loss history and premiums history;
6. The means by which the self-insurance will be funded;
7. Claims administration policy, practices, and procedures;
8. The method of projecting losses; and
9. A disclosure of all captive insurance company and reinsurance agreements, including methods of computing cost.

H.2.4.2 Programs of Self Insurance

Programs of self-insurance covering Contractor’s insurable risks, including the deductible portion of purchased insurance, may be approved by the Contracting Officer when examination of a program indicates that its application is in the Government’s interest; such determination is within the sole discretion of the Government. The Government will not approve a program of self-insurance for workers’ compensation in a jurisdiction where workers’ compensation does not completely cover the employer’s liability to employees, unless the Contractor—

1. Maintains an approved program of self-insurance for any employer’s liability not so covered; or
(2) Shows that the combined cost to the Government of self-insurance for workers’ compensation and commercial insurance for employer’s liability will not exceed the cost of covering both kinds of risk by commercial insurance.

H.2.4.3 Approval
Once the Contracting Officer has approved a program, the Contractor must submit to that official for approval any major proposed changes to the program. Any program approval may be withdrawn if the contracting officer finds that either—

(1) Any part of a program does not comply with the requirements of this part and/or the criteria at FAR 31.205-19; or
(2) Conditions or situations existing at the time of approval that were a basis for original approval of the program have changed to the extent that a program change is necessary.

H.2.4.4 Qualifications
To qualify for self-insurance, the contractor must demonstrate to the Government an ability to sustain the potential losses involved. In making the determination, the Contracting Officer shall consider the following factors:

(1) The soundness of contractor’s financial condition, including available lines of credit.
(2) The geographic dispersion of assets, so that the potential of a single loss depleting all the assets is unlikely.
(3) The history of previous losses, including frequency of occurrence and the financial impact of each loss.
(4) The type and magnitude of risk, such as minor coverage for the deductible portion of purchased insurance or major coverage for hazardous risks.
(5) The contractor’s compliance with Federal and State laws and regulations.

H.3 Availability of Funds
Nothing in this contract shall be construed to obligate funds in advance of appropriations.

H.4 Liability
The Contractor shall indemnify and hold the Government harmless against any and all judgments, expenses, liabilities, claims, and charges of whatever kind or nature that may arise as a result of the activities of the Contractor, whether tortious, contractual, or other, except to the extent such claim or charge is cognizable under the Federal Tort Claims Act, or, in regard to indemnification, to the extent the Contractor is prohibited from doing so by Federal or State law.

H.5 Catastrophic Loss
The Contractor shall propose how it plans to protect itself from a catastrophic loss, including but not limited to vehicular damage, vandalism, and Acts of God or a Public Enemy that significantly affect the utility system(s). The Contractor will be expected to bring the system back into service expeditiously following any such catastrophic loss or event and shall identify in its proposal how it plans to accomplish this. In its plan, the Contractor shall identify any intent to rely on the Federal Emergency Management Agency (FEMA) or other Governmental relief agencies for financial assistance in recovering from any catastrophic loss and must identify to what extent, if any, the Contractor would expect reimbursement under the Contract. If the Contractor has catastrophic insurance, the Contractor shall provide a copy of the coverage to the Contracting Officer.
H.6 Notification of Infrastructure/Service Contract Transfer

The Contractor shall provide 120 day written notice prior to any resale, transfer, or encumbrance of the system or any components thereof. Regardless of the disposition of the Contractor’s property, the utility services contract can only be transferred to another entity with the Government’s consent (see 41 U.S.C. §15 and FAR §42.1204).

H.7 Government Repurchase Option

1. The Government may, at its sole option, repurchase the privatized system at the end of the contract term or in the event the contract is terminated for the convenience of the Government or for default.

2. The Government shall exercise its repurchase option by providing written notice to the Contractor.

3. As consideration for the repurchase, the Government shall pay the Contractor the amount of the Contractor’s Unrecovered Investments in the System as defined in Paragraph 8 below. The repurchase shall become effective and the System[s] shall become the property of the Government 120 days after the Government issues notice of its intent to exercise its repurchase option or on such later date as the Government may designate. Following the transfer of the System to the Government, the Contractor shall present an invoice for the repurchase price.

4. In the event of a repurchase, the system shall be transferred to the Government free of all liens and encumbrances. The Contractor and the Government shall cooperate in preparing and executing all documents required to accomplish the transfer. All information in all media (electronic, paper and otherwise) including, without limitation, books, manuals, operating procedures, specifications, databases and maps necessary or useful for operating the System shall be transferred to the Government with the System. In addition, copies of all Contractor operations and maintenance records shall be transferred to the Government with the System.

5. To the extent the Contractor receives payments for Unrecovered Investments in accordance with this clause, the Contractor shall not be entitled to equivalent payments for Unrecovered Investments under any termination, cancellation or similar provision of the Contract.

6. In the event of termination for default, the Government may offset against payments made as consideration for repurchase under this Section any damages, including excess re-procurement costs, it suffers as a consequence of the Contractor’s default. The Government shall have no obligation to tender the repurchase price until the quantum of such damages is defined.

7. The Contractor shall maintain an up to date account of the current System repurchase price throughout the contract term based upon a methodology established by the Contractor and approved by the Government prior to contract award. Upon request, the Contractor shall make the account available to the Government with appropriate supporting documentation.

8. Definitions

A. For purposes of this Section, “Privatized System” or “System” means all fixtures and equipment used or useful for operating the utility system[s].

B. For purposes of this Section, “Unrecovered Investments” means

1. The purchase price for the utility system[s] defined in Section B of the contract but only to the extent the Contractor has paid all or a portion of the purchase price to the Government without offsetting recovery;

2. Improvements or additions to the system located on Government property and approved by the Government that are:
a) identified in the Contractor’s Initial System Deficiency Corrections and Renewal and Replacement Plan and subsequent Plans provided annually throughout the contract term; or
b) the result of requests for connections or connecting facilities.

However, the Contractor will only be compensated to the extent such investments have not been recovered by the Contractor in the form of payments made by or on behalf of the Government on account of such investments.

H.8 Foreign Object Damage Prevention Program

The Contractor shall comply with the Installation’s foreign object damage prevention program whenever it engages in activities on or around flightlines, airfields, or runways.

H.9 Hazardous Substances

The Contractor, at its expense, must comply with all applicable laws on occupational safety and health, the handling and storage of hazardous materials, and the proper handling and disposal of hazardous wastes and hazardous substances generated by its activities. Responsibility for the costs of proper handling and disposal of hazardous wastes and hazardous substances is governed by applicable law. The terms hazardous materials, hazardous wastes, and hazardous substances are as defined in the Federal Water Pollution Control Act, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Solid Waste Disposal Act, the Clean Air Act, and the Toxic Substances Control Act, and their implementing regulations, as they may be amended from time to time.

Any unexploded ordnance discovered on government property by the Contractor is the responsibility of the Government and will not be disturbed by the Contractor but, upon discovery, shall be immediately reported to Installation Security and the Contracting Officer’s Representative.

H.10 Contribution in Aid of Construction (CIAC) Tax Liability

The parties hereby recognize that a purchase by the Contractor of a Government utility system at less than fair market value may be treated as a CIAC and therefore taxable income to the Contractor. As a result, the Contractor may incur an associated income tax liability. It is the responsibility of the Contractor to ensure that all transactions undertaken under the contract are in compliance with the United States Internal Revenue Service notices, guidelines, rules, and regulations governing the CIAC tax, and particularly the notices, guidelines, rules, and regulations governing how to determine fair market value, so that there is no CIAC tax liability to the Government. The Government will have no liability for nor will it pay any CIAC tax for which the Contractor is liable, or may become liable because of the Contractor’s performance under this contract.
H.11 Differing Site Conditions

FAR 52.236-2 -- Differing Site Conditions (Apr 1984)

(a) The Contractor shall promptly, and before the conditions are disturbed, give a written notice to the Contracting Officer of –

(1) Subsurface or latent physical conditions at the site which differ materially from those indicated in this contract; or

(2) Unknown physical conditions at the site, of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inhering in work of the character provided for in the contract.

(b) The Contracting Officer shall investigate the site conditions promptly after receiving the notice. If the conditions do materially so differ and cause an increase or decrease in the Contractor’s cost of, or the time required for, performing any part of the work under this contract, whether or not changed as a result of the conditions, an equitable adjustment shall be made under this clause and the contract modified in writing accordingly.

(c) No request by the Contractor for an equitable adjustment to the contract under this clause shall be allowed, unless the Contractor has given the written notice required; provided, that the time prescribed in paragraph (a) of this clause for giving written notice may be extended by the Contracting Officer.

(d) No request by the Contractor for an equitable adjustment to the contract for differing site conditions shall be allowed if made after final payment under this contract.

(End of Clause)

End of Section H
Section I
Contract Clauses

In the event of any inconsistencies between non-mandatory FAR and DFARS clauses incorporated by reference herein or elsewhere and any clauses set forth in full text in this Contract, the full text clauses shall control.

I.1 FAR 52.252-2 Clauses Incorporated by Reference (Feb 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at these addresses: http://farsite.hill.af.mil (All CLAUSES) and https://www.acquisition.gov/far/ (FAR Clauses ONLY).

(End of Clause)

I.2 FAR Clauses

The following FAR clauses are incorporated by reference:

<table>
<thead>
<tr>
<th>FAR Paragraph</th>
<th>Clause Title</th>
<th>IAW</th>
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<tr>
<td>52.202-1</td>
<td>Definitions</td>
<td>FAR 2.201</td>
<td>Jul 2004</td>
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<td>52.203-3</td>
<td>Gratuities</td>
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<td>52.203-5</td>
<td>Covenant Against Contingent Fees</td>
<td>FAR 3.404</td>
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<tr>
<td>52.203-6</td>
<td>Restrictions on Subcontractor Sales to the Government</td>
<td>FAR 3.503-2</td>
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<td>52.203-7</td>
<td>Anti-Kickback Procedures</td>
<td>FAR 3.502-3</td>
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<td>52.203-8</td>
<td>Cancellation, Recession, and Recovery of Funds for Illegal or Improper Activity</td>
<td>FAR 3.104-9(a)</td>
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<td>52.203-10</td>
<td>Price or Fee Adjustment for Illegal or Improper Activity</td>
<td>FAR 3.104-9(b)</td>
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<tr>
<td>52.203-12</td>
<td>Limitation on Payments to Influence Certain Federal Transactions</td>
<td>FAR 3.808(b)</td>
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<tr>
<td>52.203-13</td>
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<td>52.204-4</td>
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<tr>
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<tr>
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<td>52.215-21</td>
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<td>Cost or Pricing Data — Modifications</td>
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<td>52.219-4</td>
<td>Notice of Price Evaluation for HUBZone Small Business Concerns</td>
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<td>52.219-8</td>
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<td>52.219-9</td>
<td>Small Business Subcontracting Plan w/ Alt II below</td>
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<td>Alternate II</td>
<td>FAR 19.708(b)(1)(ii)</td>
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<td>52.219-16</td>
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<td>52.222-1</td>
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<td>52.222-4</td>
<td>Contract Work Hours and Safety Standards Act - Overtime Compensation</td>
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<td>52.222-21</td>
<td>Prohibition of Segregated Facilities</td>
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<td>52.222-26</td>
<td>Equal Opportunity</td>
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<td>Notification of Employee Rights Under the National Labor Relations Act</td>
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<td>52.222-54</td>
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<td>52.223-5</td>
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<td>52.223-6</td>
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<td>52.228-5</td>
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<td>52.229-3</td>
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<td>FAR Paragraph</td>
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<td>52.232-1</td>
<td>Payments</td>
<td>FAR 32.111(a)(1)</td>
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<td>52.232-8</td>
<td>Discounts for Prompt Payment</td>
<td>FAR 32.111(b)(1)</td>
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<td>52.232-11</td>
<td>Extras</td>
<td>FAR 32.111(c)(2)</td>
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<td>52.232-17</td>
<td>Interest</td>
<td>FAR 32.617(a) &amp; (b)</td>
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<td>52.232-18</td>
<td>Availability of Funds</td>
<td>FAR 32.705-1(a)</td>
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<td>52.232-23</td>
<td>Assignment of Claims ALT 1</td>
<td>FAR 32.806(a)(1)</td>
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<td>52.232-25</td>
<td>Prompt Payment</td>
<td>FAR 32.908(c)</td>
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<td>52.232-33</td>
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<td>FAR 32.1110(a)(1)</td>
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<td>52.233-1</td>
<td>Disputes ALT 1</td>
<td>FAR 33.215</td>
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<td>52.233-3</td>
<td>Protest after Award</td>
<td>FAR 33.106(b)</td>
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<td>52.233-4</td>
<td>Applicable Law for Breach of Contract Claim</td>
<td>FAR 33.215(b)</td>
<td>Oct 2004</td>
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<tr>
<td>52.237-2</td>
<td>Protection of Government Buildings, Equipment, and Vegetation</td>
<td>FAR 37.110(b)</td>
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<td>52.237-3</td>
<td>Continuity of Services</td>
<td>FAR 37.110(c)</td>
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<td>52.242-1</td>
<td>Notice of Intent to Disallow Costs</td>
<td>FAR 42.802</td>
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<td>52.242-13</td>
<td>Bankruptcy</td>
<td>FAR 42.903</td>
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<td>52.243-1</td>
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<td>52.244-6</td>
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<td>52.249-2</td>
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<td>52.249-8</td>
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<td>FAR 49.504(a)(1)</td>
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<tr>
<td>52.252-6</td>
<td>Authorized Deviations in Clauses</td>
<td>FAR 52.107(f)</td>
<td>Apr 1984</td>
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</tbody>
</table>

### 1.2.1 Disputes

The requirements of the Disputes clause at FAR 52.233-1 are supplemented to provide that in regard to the interpretation of retail rates, rate schedules and items directly related to rates and rate schedules provided under this contract, the parties agree to accept as authoritative the interpretation of any statewide public utility regulatory authority with jurisdiction over the Contractor. The Government shall not be bound to accept as authoritative interpretations that conflict with Federal law or regulation or that are found by any administrative or judicial forum to: 1) result in discrimination against the Installation; 2) have resulted from abuse of discretion; or 3) have directly or indirectly resulted from any failure on the part of the regulatory authority or its members to comply with applicable laws and regulations.
I.3 DFARS Clauses Incorporated by Reference

The use in this contract of any Defense Federal Acquisition Regulation Supplement (48 CFR Chapter 2) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

The following DFARS clauses are incorporated by reference:

<table>
<thead>
<tr>
<th>DFARS Paragraph</th>
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<th>Date</th>
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<tbody>
<tr>
<td>252.203-7001</td>
<td>Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies</td>
<td>DFARS 203.570-3</td>
<td>Dec 2008</td>
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<tr>
<td>252.203-7002</td>
<td>Requirement to Inform Employees of Whistleblower Rights</td>
<td>DFARS 203.970</td>
<td>Jan 2009</td>
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<tr>
<td>252.203-7003</td>
<td>Agency Office of the Inspector General</td>
<td>DFARS 203.1004(a)</td>
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<td>252.204-7000</td>
<td>Disclosure of Information</td>
<td>DFARS 204.404-70(a)</td>
<td>Dec 1991</td>
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<td>252.204-7003</td>
<td>Control of Government Personnel Work Product</td>
<td>DFARS 204.404-70(b)</td>
<td>Apr 1992</td>
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<tr>
<td>252.205-7000</td>
<td>Provision of Information to Cooperative Agreement Holders</td>
<td>DFARS 205.470</td>
<td>Dec 1991</td>
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<tr>
<td>252.209-7004</td>
<td>Subcontracting with Firms that Are Owned or Controlled by the Government of a Terrorist Country</td>
<td>DFARS 209.409</td>
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<td>252.219-7003</td>
<td>Small Business Subcontracting Plan (DoD Contracts)</td>
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<td>252.223-7004</td>
<td>Drug-Free Work Force</td>
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<td>252.225-7031</td>
<td>Secondary Arab Boycott of Israel</td>
<td>DFARS 225.7605</td>
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<tr>
<td>252.226-7001</td>
<td>Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns</td>
<td>DFARS 226.104</td>
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<tr>
<td>252.231-7000</td>
<td>Supplemental Cost Principles</td>
<td>DFARS 231.100-70</td>
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<td>252.235-7003</td>
<td>Frequency Authorization</td>
<td>DFARS 235.072(b)</td>
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<td>252.247-7023</td>
<td>Transportation of Supplies by Sea</td>
<td>DFARS 247.574(b)(1)</td>
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I.4 Utility Services Clauses Incorporated by Reference

The following Utility Services FAR and DFARS clauses are incorporated herein by reference:

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<td>52.241-11</td>
<td>Multiple Service Locations</td>
<td>FAR 41.501(d)(5)</td>
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</tbody>
</table>

I.5 Other Clauses

I.5.1 FAR 52.204-10: Reporting Executive Compensation and First-Tier Subcontract Awards (Jul 2010)

(a) Definitions. As used in this clause:

“Executive” means officers, managing partners, or any other employees in management positions.

“First-tier subcontract” means a subcontract awarded directly by a Contractor to furnish supplies or services (including construction) for performance of a prime contract, but excludes supplier agreements with vendors, such as long-term arrangements for materials or supplies that would normally be applied to a Contractor’s general and administrative expenses or indirect cost.

“Total compensation” means the cash and noncash dollar value earned by the executive during the Contractor’s preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

1. Salary and bonus.

2. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

3. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.

4. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.

5. Above-market earnings on deferred compensation which is not tax-qualified.

6. Other compensation, if the aggregate value of all such other compensation (e.g., severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds $10,000.
(b) Section 2(d) of the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. No. 109-282), as amended by section 6202 of the Government Funding Transparency Act of 2008 (Pub. L. 110-252), requires the Contractor to report information on subcontract awards. The law requires all reported information be made public, therefore, the Contractor is responsible for notifying its subcontractors that the required information will be made public.

(c)(1) Unless otherwise directed by the contracting officer, by the end of the month following the month of award of a first-tier subcontract with a value of $25,000 or more, (and any modifications to these subcontracts that change previously reported data), the Contractor shall report the following information at http://www.fsrs.gov for each first-tier subcontract. (The Contractor shall follow the instructions at http://www.fsrs.gov to report the data.)

(i) Unique identifier (DUNS Number) for the subcontractor receiving the award and for the subcontractor’s parent company, if the subcontractor has a parent company.

(ii) Name of the subcontractor.

(iii) Amount of the subcontract award.

(iv) Date of the subcontract award.

(v) A description of the products or services (including construction) being provided under the subcontract, including the overall purpose and expected outcomes or results of the subcontract.

(vi) Subcontract number (the subcontract number assigned by the Contractor).

(vii) Subcontractor’s physical address including street address, city, state, and country. Also include the nine-digit zip code and congressional district.

(viii) Subcontractor’s primary performance location including street address, city, state, and country. Also include the nine-digit zip code and congressional district.

(ix) The prime contract number, and order number if applicable.

(x) Awarding agency name and code.

(xi) Funding agency name and code.

(xii) Government contracting office code.

(xiii) Treasury account symbol (TAS) as reported in FPDS.

(xiv) The applicable North American Industry Classification System code (NAICS).

(2) By the end of the month following the month of a contract award, and annually thereafter, the Contractor shall report the names and total compensation of each of the five most highly compensated executives for the Contractor’s preceding completed fiscal year at http://www.ccr.gov, if—

(i) In the Contractor’s preceding fiscal year, the Contractor received—

(A) 80 percent or more of its annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants) and cooperative agreements; and

(B) $25,000,000 or more in annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants) and cooperative agreements; and

(ii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of
1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at [http://www.sec.gov/answers/execomp.htm](http://www.sec.gov/answers/execomp.htm).)

(3) Unless otherwise directed by the contracting officer, by the end of the month following the month of a first-tier subcontract with a value of $25,000 or more, and annually thereafter, the Contractor shall report the names and total compensation of each of the five most highly compensated executives for each first-tier subcontractor for the subcontractor’s preceding completed fiscal year at [http://www.fsrs.gov](http://www.fsrs.gov), if—

(i) In the subcontractor’s preceding fiscal year, the subcontractor received—

(A) 80 percent or more of its annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants) and cooperative agreements; and

(B) $25,000,000 or more in annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants) and cooperative agreements; and

(ii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at [http://www.sec.gov/answers/execomp.htm](http://www.sec.gov/answers/execomp.htm).)

(d)(1) If the Contractor in the previous tax year had gross income, from all sources, under $300,000, the Contractor is exempt from the requirement to report subcontractor awards.

(2) If a subcontractor in the previous tax year had gross income from all sources under $300,000, the Contractor does not need to report awards to that subcontractor.

(e) Phase-in of reporting of subcontracts of $25,000 or more.

(1) Until September 30, 2010, any newly awarded subcontract must be reported if the prime contract award amount was $20,000,000 or more.

(2) From October 1, 2010, until February 28, 2011, any newly awarded subcontract must be reported if the prime contract award amount was $550,000 or more.

(3) Starting March 1, 2011, any newly awarded subcontract must be reported if the prime contract award amount was $25,000 or more.

(End of Clause)

I.5.2 FAR 52.209-9: Updates of Publicly Available Information Regarding Responsibility Matters (Jan 2011)

(a)(1) The Contractor shall update the information in the Federal Awardee Performance and Integrity Information System (FAPIIS) on a semi-annual basis, throughout the life of the contract, by posting the required information in the Central Contractor Registration database at [http://www.ccr.gov](http://www.ccr.gov).

(2) At the first semi-annual update on or after April 15, 2011, the Contractor shall post again any required information that the Contractor posted prior to April 15, 2011.
(b)(1) The Contractor will receive notification when the Government posts new information to the Contractor’s record.

(2) The Contractor will have an opportunity to post comments regarding information that has been posted by the Government. The comments will be retained as long as the associated information is retained, i.e., for a total period of 6 years. Contractor comments will remain a part of the record unless the Contractor revises them.

(3)(i) Public requests for system information posted prior to April 15, 2011, will be handled under Freedom of Information Act procedures, including, where appropriate, procedures promulgated under E.O. 12600.

(ii) As required by section 3010 of Public Law 111-212, all information posted in FAPIIS on or after April 15, 2011, except past performance reviews, will be publicly available.

(End of Clause)

I.5.3 FAR 52.241-7: Change in Rates or Terms and Conditions of Service for Regulated Services (Feb 1995)

(a) This clause applies to the extent services furnished under this contract are subject to regulation by a regulatory body. The Contractor agrees to give the Contracting Officer in Section G.1 written notice of

(1) the filing of an application for change in rates or terms and conditions of service concurrently with the filing of the application and

(2) any changes pending with the regulatory body as of the date of contract award. Such notice shall fully describe the proposed change. If, during the term of this contract, the regulatory body having jurisdiction approves any changes, the Contractor shall forward to the Contracting Officer a copy of such changes within 15 days after the effective date thereof. The Contractor agrees to continue furnishing service under this contract in accordance with the amended tariff, and the Government agrees to pay for such service at the higher or lower rates as of the date when such rates are made effective.

(b) The Contractor agrees that throughout the life of this contract the applicable published and unpublished rate schedule(s) shall not be in excess of the lowest cost published and unpublished rate schedule(s) available to any other customers of the same class under similar conditions of use and service.

(c) In the event that the regulatory body promulgates any regulation concerning matters other than rates which affects this contract, the Contractor shall immediately provide a copy to the Contracting Officer. The Government shall not be bound to accept any new regulation inconsistent with Federal laws or regulations.

(d) Any changes to rates or terms and conditions of service shall be made a part of this contract by the issuance of a contract modification unless otherwise specified in the contract. The effective date of the change shall be the effective date by the regulatory body. Any factors not governed by the regulatory body will have an effective date as agreed to by the parties.

(End of Clause)

End of Section I
Section J
List of Attachments, Exhibits, and Reference Documents

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</tr>
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<table>
<thead>
<tr>
<th>Reference Documents</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
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Fort Knox Potable Water Utility System

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JA1 Fort Knox Potable Water Utility System

JA1.1 Fort Knox Overview

The U.S. Army Garrison at Fort Knox is located roughly 36 miles southwest of Louisville and 14 miles northwest of Elizabethtown, Kentucky. The Army’s main cantonment and range areas cover over 109,000 acres spread across Hardin, Bullitt and Nelson counties. The Federal government acquired the initial portion of the Installation in 1903 for the purpose of conducting Army maneuvers. Named for Major General Henry Knox, the first Secretary of War, Camp Knox was established in 1918 as an artillery training center to provide military training to personnel in response to the US involvement in World War I. Camp Knox was later designated Fort Knox in 1933.

In 1936 the U.S. Treasury Department began construction of the U.S. Bullion Depository and the Gold Vault opened in January 1937. During World War II, the U.S. Bullion Depository continued to operate at Fort Knox, receiving more and more shipments of the country's gold reserves. The Gold Vault was also used to store and to safeguard the English crown jewels and the Magna Carta, along with the gold reserves of several of the countries of occupied Europe. In December 1941, the Gold Vault also received the original documents of the Constitution, the Bill of Rights, and the Declaration of Independence for safekeeping. These historic documents left Fort Knox on Oct 1, 1944, and were returned to Washington DC for public display.

The Army created its first armored force at Fort Knox in 1940 and as a result the Installation is often referred to as “the Home of Armor”. During World War II, four combat armored divisions were trained at Installation. Since first established in 1918, Fort Knox has played a key role in the development of military tactics, doctrine, and equipment, and has been an integral part of the training establishment for the active Army and Army Reserve.

Today, the Armor Center and School is the largest organization on Fort Knox and performs the mission of training all armor Soldiers and Marines. The Army Recruiting Command headquarters conducts the mission of bringing men and women into the U.S. Army. Additionally, the Eastern Region of the ROTC is headquartered at Fort Knox. The Army Accessions Command has personnel on post and will relocate the headquarters here as a result of the BRAC decisions of 2005. Units located on Fort Knox are considered “Partners in Excellence” and include active duty Army organizations, Army Reserve, National Guard and the U.S. Marine Corps.

According to current information published by Fort Knox (http://www.knox.army.mil/), the Installation supports a total population of over 23,000 Soldiers, family members and civilians.

JA1.1.1 Army Family Housing

Fort Knox recently privatized the Army Family Housing on Post to Knox Hills, a partnership between Fort Knox and Actus Lend Lease. This Residential Community Initiative (RCI) transfers ownership and maintenance responsibility of all of the housing units to a private contractor. Under this RCI agreement, Knox Hills will also remodel, renovate, demolish some structures and build new units in multiple phases over the initial years of the 50-year contract term. It should be pointed out that this RCI initiative does not involve the transfer of land nor does it include the transfer of
the existing potable water utility system components within the housing areas. The existing distribution system components in the housing areas which have not been renovated have been retained by the Government and are, therefore, included as part of this UP action. The ownership of the new potable water utility system components in the housing areas will be transferred from Knox Hills to Fort Knox for ownership, operation and maintenance and will also be part of the utility privatization action. It is important to note that the RCI process will result in some reconfiguration of the remaining housing areas with resultant changes in the utility systems serving those neighborhoods. The utility system owner should expect to be very much involved in these future changes.

JA1.2 Potable Water Utility System Description

JA1.2.1 Potable Water Utility System Fixed Equipment Inventory

Fort Knox’s potable water utility system consists of all appurtenances physically connected to the system from the point in which the Government ownership currently starts to the point of demarcation defined by the real estate instruments. Generally, the point of demarcation will be the building footprint. The system may include, but is not limited to, the raw water wells, the surface water intake structures at the dams, the low lift pump station (LLPS), the water treatment plants (WTP), the clear wells, the high lift pump stations (HLPS), the booster pump station (BPS), the elevated water storage tanks and the distribution lines including raw water and finished water transmission lines and the service laterals. The following description and inventory is included to provide the Offeror with a general understanding of the size and configuration of the potable water utility system. The Offeror shall base the proposal on site inspections, information in the bidders’ library, other pertinent information, and to a lesser degree the following description.

Ownership of the potable water system utility components including, but not limited to, the raw water wells, the surface water intake structures at the dams, the LLPS, the WTP facilities, the clear wells, the HLPSs, the BPS, the elevated water storage tanks and the distribution lines including raw water and finished water transmission lines and the service laterals will be transferred to the Utility Privatization (UP) Contractor. There are currently no plans to transfer any land ownership inside the main cantonment area. An easement will be provided for the land on which the potable water system structures are located (i.e., the pump stations, the water storage tanks, etc.). Fort Knox will retain all its water rights. All structures transferred must comply with the Installation’s fire protection and security standards.

Specifically excluded from the potable water utility system privatization package:

- The Army-owned dams and impoundment structures at McCracken Spring and Otter Creek
- Raw water intake structures which are contained within the dams
- Golf course / landscaping irrigation systems
- Swimming pool facilities
- Wash rack facilities
The following description and inventory is included to provide the Offeror with a general understanding of the size and configuration of the potable water utility system. The description and inventory were developed based on the best available data.

The Offeror shall base its proposal on site inspections, information in the technical library, and other pertinent information, as well as the following description and inventory. If after award the Offeror identifies additional inventory not listed in Section JA1.2.1.4, the Offeror may submit to the Contracting Officer a request for an equitable adjustment. If the Offeror determines that the inventory listed in Section JA1.2.1.4 is overstated, the Offeror shall report the extent of the overstatement to the Contracting Officer, in accordance with Section C.11.1, *Due Diligence Adjustment*.

Generally, the Government uses the following useful lives in determining the value of the potable water utility system to be privatized:

<table>
<thead>
<tr>
<th>Component</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw water wells – structures</td>
<td>75 Years</td>
</tr>
<tr>
<td>Raw water wells – pumps / control systems</td>
<td>25 Years</td>
</tr>
<tr>
<td>WTP – Structures</td>
<td>75 Years</td>
</tr>
<tr>
<td>WTP - Pumps / Control Systems</td>
<td>25 years</td>
</tr>
<tr>
<td>Pipe and services</td>
<td>50 years</td>
</tr>
<tr>
<td>Meters, main valves and hydrants</td>
<td>25 years</td>
</tr>
<tr>
<td>Water storage tanks</td>
<td>75 years</td>
</tr>
<tr>
<td>Pump Station – Structure</td>
<td>75 years</td>
</tr>
<tr>
<td>Pump Station - Pumps / Control Systems</td>
<td>25 years</td>
</tr>
<tr>
<td>SCADA and Cathodic Protection</td>
<td>25 years</td>
</tr>
</tbody>
</table>

**JA1.2.1.1 System Description**

Fort Knox’s potable water utility system includes 13 groundwater wells, two raw water intake structures at the dams, a low-lift pumping station, 48,700 linear feet (LF) (9.2 miles) of raw water line, two WTP facilities, three clear wells, two high lift pump stations, one booster pump station, eight elevated storage tanks, the main cantonment area’s potable water distribution system which includes roughly 810,329 LF (153.5 miles) of potable water distribution pipe and the range areas’ potable water distribution systems which include roughly 48,397 LF (9.2 miles).

For the purposes of this document, Fort Knox’s potable water system has been divided into the following four components: (1) raw water supply sources, (2) the WTP facilities, (3) the main cantonment area’s water distribution and storage and (4) the range areas’ water distribution systems. The schematic diagram of Fort Knox’s potable water utility system is included in the Offeror’s Technical Library.

**Raw Water Supply Sources**

The raw water is taken from four primary sources: the Otter Creek, the McCracken Spring, 13 Army-owned ground water wells and 3 leased ground water wells. The Otter Creek and McCracken Spring facilities, located southwest of the main cantonment area, are the primary
sources of water to the Central WTP. Raw water from the West Point well field located north of the main cantonment area along the Ohio River can also be pumped to the Muldraugh WTP via a 24-inch cast iron line or a 14-inch ductile iron line leased by the Army from Hardin County Water District No. 1 (HCWD No. 1) to the Central WTP. The Army’s 13 ground water wells and the 3 leased wells are the primary sources of raw water to the Muldraugh WTP.

A small impoundment and concrete dam structure below the McCracken Spring provides surface water to the Otter Creek pumping station (PS), via a gravity feed 16-inch case iron line. A small impoundment and concrete dam structure on the Otter Creek also provides surface water to the Otter Creek pumping station (Facility No. 9213). The small impoundment and dam structures were constructed in the late 1930s and have been dredged periodically over the subsequent years. The Otter Creek PS pumps the surface water withdrawn from the McCracken Spring and the Otter Creek to the Central WTP. The pumping station includes an intake structure with mechanical screens, pump controls and telemetry, one 1,200 gpm (1.728 MGD) 150 HP, pump and two 2,100 gpm (3.024 MGD) pumps (one pump is 230 HP pump whereas the second pump is 250 HP), and a 550 kilowatt (kW) diesel emergency/standby generator. Originally constructed in 1936, the Otter Creek’s mechanical screens, sluice gates, pump controls and telemetry and pumps have been replaced over the years. The 1,200 gpm and 2,100 gpm (230 HP) pumps were installed in 1983 and the other 2,100 gpm pump was installed in 2008.

Although the physical structure of the LLPS appears to be in relatively good condition given its age, the roof, doors and windows of the LLPS are in need of repair or replacement. The back side of the PS near the raw water intake on the Otter Creek is also in need of repair. The raw water lines from McCracken Spring to the Otter Creek PS and from the Otter Creek PS to the Central WTP are over 70 years old and may need to be considered for replacement in the next few years.

The Government’s 13 ground water wells and the 3 ground water wells leased by Fort Knox from HCWD No.1 are located in the West Point well field, north of the main cantonment area along the Ohio River, on land either owned by or leased by the Army. The well field is a naturally formed alluvial aquifer bounded by the Ohio River, the Salt River and the inland hills. The raw water wells utilized either vertical turbine pumps on top of the wells or submersible pumps located with the well. 12 wells have pumps rated at 750 gpm (1.080 MGD), 125 HP and one of wells is rated at 500 gpm (0.720 MGD), 75 HP.

Table 1 summarizes the facility numbers, well numbers, locations, dates of original installation and upgrades, well depth, and the rated capacity of the wells in gallons per minute (gpm) and in MGD. The table also includes the relevant information for three raw water wells leased by Fort Knox from Hardin County Water District No. 1 in the West Point well field.
Table 1
Raw Water Wells
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Facility No.</th>
<th>Well</th>
<th>Location</th>
<th>Dates Installed/Upgraded</th>
<th>Estimated Depth</th>
<th>Rated Capacity (gpm)</th>
<th>Rated Capacity (MGD)</th>
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<tr>
<td>8001</td>
<td>No. 1</td>
<td>West Point Well Field</td>
<td>1998</td>
<td>82 feet</td>
<td>750</td>
<td>1.080</td>
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<tr>
<td>8003</td>
<td>No. 2</td>
<td>West Point Well Field</td>
<td>2004</td>
<td>121 feet</td>
<td>750</td>
<td>1.080</td>
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<td>8005</td>
<td>No. 3</td>
<td>West Point Well Field</td>
<td>2004</td>
<td>134 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8022</td>
<td>No. 5</td>
<td>West Point Well Field</td>
<td>2002</td>
<td>114 feet</td>
<td>750</td>
<td>1.080</td>
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<tr>
<td>8011</td>
<td>No. 6</td>
<td>West Point Well Field</td>
<td>2000</td>
<td>107 feet</td>
<td>500</td>
<td>0.720</td>
</tr>
<tr>
<td>8025</td>
<td>No. 7</td>
<td>West Point Well Field</td>
<td>1970</td>
<td>106 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8028</td>
<td>No. 8</td>
<td>West Point Well Field</td>
<td>1998</td>
<td>116 feet</td>
<td>750</td>
<td>1.080</td>
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<tr>
<td>8030</td>
<td>No. 9</td>
<td>West Point Well Field</td>
<td>1998</td>
<td>125 feet</td>
<td>750</td>
<td>1.080</td>
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<tr>
<td>8033</td>
<td>No. 10</td>
<td>West Point Well Field</td>
<td>1999</td>
<td>134 feet</td>
<td>750</td>
<td>1.080</td>
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<tr>
<td>8036</td>
<td>No. 11</td>
<td>West Point Well Field</td>
<td>2000</td>
<td>132 feet</td>
<td>750</td>
<td>1.080</td>
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<tr>
<td>8038</td>
<td>No. 12A</td>
<td>West Point Well Field</td>
<td>1985</td>
<td>113 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8001</td>
<td>No. 12B</td>
<td>West Point Well Field</td>
<td>2003</td>
<td>113 feet</td>
<td>750</td>
<td>1.080</td>
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<tr>
<td>8003</td>
<td>No. 13</td>
<td>West Point Well Field</td>
<td>1992</td>
<td>--</td>
<td>750</td>
<td>1.080</td>
</tr>
</tbody>
</table>

**Total Fort Knox Wells**

<table>
<thead>
<tr>
<th>Facility No.</th>
<th>Well</th>
<th>Location</th>
<th>Dates Installed/Upgraded</th>
<th>Estimated Depth</th>
<th>Rated Capacity (gpm)</th>
<th>Rated Capacity (MGD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>--</td>
<td>No. 4</td>
<td>West Point Well Field</td>
<td>--</td>
<td>--</td>
<td>1,000</td>
<td>1.440</td>
</tr>
<tr>
<td>--</td>
<td>No. 5</td>
<td>West Point Well Field</td>
<td>--</td>
<td>--</td>
<td>1,000</td>
<td>1.440</td>
</tr>
<tr>
<td>--</td>
<td>No. 6</td>
<td>West Point Well Field</td>
<td>--</td>
<td>--</td>
<td>1,000</td>
<td>1.440</td>
</tr>
</tbody>
</table>

**Total Leased Wells**

<table>
<thead>
<tr>
<th>Facility No.</th>
<th>Well</th>
<th>Location</th>
<th>Dates Installed/Upgraded</th>
<th>Estimated Depth</th>
<th>Rated Capacity (gpm)</th>
<th>Rated Capacity (MGD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>--</td>
<td>No. 4</td>
<td>West Point Well Field</td>
<td>--</td>
<td>--</td>
<td>1,000</td>
<td>1.440</td>
</tr>
<tr>
<td>--</td>
<td>No. 5</td>
<td>West Point Well Field</td>
<td>--</td>
<td>--</td>
<td>1,000</td>
<td>1.440</td>
</tr>
<tr>
<td>--</td>
<td>No. 6</td>
<td>West Point Well Field</td>
<td>--</td>
<td>--</td>
<td>1,000</td>
<td>1.440</td>
</tr>
</tbody>
</table>

**Total Leased Wells**

<table>
<thead>
<tr>
<th>Facility No.</th>
<th>Well</th>
<th>Location</th>
<th>Dates Installed/Upgraded</th>
<th>Estimated Depth</th>
<th>Rated Capacity (gpm)</th>
<th>Rated Capacity (MGD)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Although the wells are routinely cleaned and maintained by Fort Knox, many of the wells are producing raw water with elevated chloride levels. It is believed that the sources of the chloride into the aquifer are from abandoned natural gas and oil wells in the nearby area which were not properly sealed and capped. The raw water from the high chloride wells is brought down to acceptable levels by combining this production with the wells with lower chloride levels. The 24-inch raw water line from the West Point well field to the Muldraugh WTP is over 70 years old and may need to be considered for replacement in the next few years.

The Army has also notified HCWD No. 1 that, if privatization occurs, it intends to terminate the lease of the three wells and the 14-inch raw line upon conveyance of the utility system. Upon termination of the lease, the three wells and 14-inch line will revert back to HCWD No.1. As a result, these system components will not be included in the privatization action.

**Water Treatment Facilities**

As previously noted, Fort Knox has two WTP facilities: the Central WTP facility and the Muldraugh WTP facility. As the name indicates, the Central WTP is located in the central area of the main cantonment area. The Muldraugh WTP is located on the northwestern side of the Installation, near the town of Muldraugh, Kentucky.
The Central WTP facility (Facility No. 1205) was initially constructed in 1937, and has been partially upgraded numerous times over the years. The primary source of raw water to the 3.5 MGD Central WTP is the surface water from the Otter Creek and McCracken Spring facilities, located southwest of the main cantonment area. When surface water is not desirable for treatment, the ground water is pumped from the West Point well field to the main cantonment area on to the Central WTP via the leased 14-inch ductile iron line.

The Central WTP facility is a combination water softening and WTP facility. As detailed in the monthly operating reports, the facility continues to produce a good quality finished-water. Although the Central WTP has historically been staffed over 24 hours, the WTP facility is currently only operated roughly 6-12 hours per day. The Central WTP is currently operated to produce finished water with chlorine residual reading in the range of 1.8 to 2.9 TAP, pH reading in the range of 8.4 to 8.8 TAP, hardness reading in the range of 100 to 110 parts per million (ppm) and fluoride in the range of 1.0 to 1.2 ppm. Should the potable water utility system be privatized, the UP Contractor will be required to operate the Central WTP in a manner that the finished water meets these levels.

The plant was originally designed to treat surface water using lime and aluminum sulfate for pH adjustment, coagulation and sedimentation prior to filtration. Today, the treatment process includes aeration, flocculation, sedimentation, filtration and chlorination before the water is pumped into the distribution system. Both pre-chlorination and post-chlorination are used. The filter media (anthracite and sand) within the three mixed media filters was recently replaced in 2008. Reinforced concrete construction was used throughout the plant with liberal use of tile and marble for interior walls and flooring. The building is sound and is an excellent example of art-nouveau architecture.

The sludge from the treatment process at the Central WTP is trucked to sludge lagoons near the landfill on the Installation where the sludge is dried and disposed of in the landfill. If the Fort Knox system is privatized, the sludge from the Central WTP will be trucked off Post by the UP Contractor for complete disposal. The sludge lagoons located at the landfill are not included in this privatization action.

From the mixed media filters, the finished water flows into either the 2.0 million gallon (MG) clear well or the 500,000 gallon clear well located in the east side of the WTP facility. The finished water is then pumped to the distribution system via the HLPS located within the Central WTP facility. The HLPS includes pump controls and telemetry, one 4,850 gpm (6.984 MGD) 250 HP pump, one 1,000 gpm (1.440 MGD) 70 HP pump and one 1,400 gpm (2.016 MGD) 60 HP pump, and a 280 kilowatt (kW) dual fuel (natural gas / fuel oil) emergency / standby generator. The HLPS also houses a 5,400 gpm pump which is used to backwash the three mixed media filters in the Central WTP facility.

The mechanical systems and overflow weirs in one of the primary clarifiers at the Central WTP facility are currently being replaced. New hand rails around the top of the clarifiers and sedimentation basins are also being installed. Although the Central WTP facility is generally in good condition considering the age of the facility, the 2.0 MG clear well is in need of immediate repair or replacement. The exterior / above ground portion of the concrete tank is spalling in several areas, the structural integrity of the roof of the tank is in question and the clear well appears to leaking underground. The Installation is planning to study the potential repair /
replacement of the clear well. One alternative under consideration involves the removal / replacement of the roof at a lower elevation below grade and the lining of the interior of the tank.

The Muldraugh WTP facility (Facility No. 3009) was initially constructed in 1941, and has been partially upgraded numerous times over the years. The primary source of raw water to the 7.0 MGD Muldraugh WTP is the ground water pumped from the Army’s 13 wells and the three leased wells in the West Point well field, located north along the Ohio River. The ground water from the wells is pumped roughly 3 miles to the Muldraugh WTP via a 24-inch case iron line.

The Muldraugh WTP facility is also a combination water softening and WTP. As detailed in the monthly operating reports, the facility continues to produce a good quality finished-water, in spite of the deteriorating equipment and facility. This is likely due to the fact that the Muldraugh WTP is generally operated at roughly 2.5 MGD, or 36 percent of the WTP’s design capacity of 7.0 MGD. The Muldraugh WTP is operated and staffed 24 hours per day / 365 days per year. The Muldraugh WTP is also currently operated to produce finished water with chlorine residual reading in the range of 1.8 to 2.9 TAP, pH reading in the range of 8.4 to 8.8 TAP, hardness reading in the range of 100 to 110 ppm and fluoride in the range of 1.0 to 1.2 ppm. Should the potable water utility system be privatized and the Muldraugh WTP still be in operation, the UP Contractor will be required to operate the WTP facility in a manner that the finished water meets these levels.

The plant was originally designed to treat surface water using lime and aluminum sulfate for pH adjustment, coagulation and sedimentation prior to filtration. Today, the treatment process includes aeration, flocculation, sedimentation, filtration and chlorination before the water is pumped into the distribution system. Both pre-chlorination and post-chlorination are used in the treatment process. The Muldraugh WTP facility is a “semi-permanent” structure. The foundations, filters, settling basins, floors and the underground clear well are of reinforced concrete construction. The walls of the above ground structure are constructed of concrete brick construction.

After flowing into the 1.0 MG clear well located on the east side of the WTP facility, the finished water is pumped through a 24-inch case iron line that connects the WTP facility to the distribution system via the Muldraugh HLPS (Facility No. 3008). The HLPS is located within a fenced area of the Muldraugh WTP facility. The HLPS includes pump controls and telemetry, one 3,500 gpm (5.040 MGD) 250 HP pump, one 4,850 gpm (6.984 MGD) 350 HP pump and one 2,200 gpm (3.168 MGD) 150 HP pump, and a 600 kW diesel emergency / standby generator. The HLPS also houses a 5,400 gpm pump used to backwash the seven filters.

There are two SCADA systems with monitoring and control equipment located at the Muldraugh WTP. Both of the systems are antiquated by today’s industry standards and are approaching the end of their respective design life. Although the SCADA information on the wells, tank level, and pumps is transmitted to the Central WTP, the wells and high lift pumps can only be controlled remotely at the Muldraugh WTP facility.

The sludge from the treatment process in the Muldraugh WTP is pumped into one of four sludge lagoons located northeast of the WTP facility. Three of the sludge lagoons are filled to capacity and are no longer operational. The fourth sludge lagoon was recently cleaned and the solids were trucked to the Installation’s landfill. The UP Contractor will not own, but will be responsible for the operation of the fourth sludge lagoon through the remaining operational life (not to exceed 5
years) of the Muldraugh WTP. When the Muldraugh WTP is taken out of operation, the Government will be responsible for the demolition / remediation of the four sludge lagoons.

Although the Muldraugh WTP facility is currently operating at an acceptable level, the WTP facility has not been maintained to the same level as that of the Central WTP facility. The filter controls and valves and the pump and controls are well beyond its respective design life. The pipe bolts, valves and other controls located in the filter pipe gallery are in poor condition. Many of the pipe connection bolts are corroded and need to be replaced; most of the valves appeared to be original and have failed or are starting to fail; and the outside of the pipe was corroded and in need of cleaning and painting. Most of the exterior doors, windows and the roofs of the WTP facility’s structures are failing and in need of replacement. The filter media within the seven rapid sand filters was last replaced in 1997. The 24-inch finished water line from the Muldraugh WTP to the connection with the main cantonment distribution system is over 65 years old and may also need to be considered for replacement in the next few years.

Given the high levels of chlorides in the raw water coupled with the age and relatively poor condition of the Muldraugh WTP facility, the Army is currently looking at purchasing potable water from a local municipality to replace the potable water capacity at the Muldraugh WTP facility. As a result, the Army does not plan to expend any significant amount of funding at the Muldraugh WTP facility other than to demolish the WTP once the facility is permanently taken out of service. The UP Contractor will be required to own, operate and maintain the Muldraugh WTP until an alternate potable water source is provided within the next 5 years.

**Main Cantonment’s Potable Water Distribution and Storage System**

The water distribution system transports the finished water from the two WTP facilities to the various facilities located throughout the Installation. The system provides domestic, industrial and fire protection throughout the Installation. The distribution system consists of pipes, valves, meters, fire hydrants, water storage tanks and the BPS. The distribution system piping which includes mains, service lines and fire lines with known sizes ranging from less than 6-inch to 24 inches in diameter. The distribution pipe includes polyvinyl chloride, cast iron, ductile iron, and asbestos concrete. Since the majority of the water distribution pipe was installed prior to 1950, the Installation plans to replace most of the distribution lines over the next 20 years.

Fort Knox’s potable water utility system includes one BPS located in the Van Voorhis Housing area. Constructed in 1995, the Van Voorhis BPS (Facility No. 5898) includes three 175 gpm, 10 HP pumps and one diesel driven 2,000 gpm, 125 HP fire protection pump.

Eight elevated storage tanks are located throughout the system support Fort Knox’s potable water distribution system. The combined capacity of the storage tanks is approximately 3.550 million gallons. The type, location, manufacturer, date of fabrication and the capacity of each tank are summarized in Table 2.
TABLE 2
Potable Water Storage Tanks
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Facility No.</th>
<th>Tank No.</th>
<th>Type</th>
<th>Location</th>
<th>Installed/Upgrade</th>
<th>Capacity (gallons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1190</td>
<td>WT001</td>
<td>Elevated</td>
<td>Education Center # 1, Dixie Street</td>
<td>1935/2004</td>
<td>250,000</td>
</tr>
<tr>
<td>1191</td>
<td>WT002</td>
<td>Elevated</td>
<td>Education Center # 2, Dixie Street</td>
<td>1937/2004</td>
<td>500,000</td>
</tr>
<tr>
<td>7100</td>
<td>WT003</td>
<td>Elevated</td>
<td>Near WWTP, Ninth Street</td>
<td>2010</td>
<td>500,000</td>
</tr>
<tr>
<td>2911</td>
<td>WT004</td>
<td>Elevated</td>
<td>Old Ironsides, Brave Rifles Ave.</td>
<td>1941/2002</td>
<td>500,000</td>
</tr>
<tr>
<td>5899</td>
<td>WT005</td>
<td>Elevated</td>
<td>Van Voorhis Housing.</td>
<td>1958/1994</td>
<td>300,000</td>
</tr>
<tr>
<td>2797</td>
<td>WT006</td>
<td>Elevated</td>
<td>Frazier-Wilson</td>
<td>1995</td>
<td>500,000</td>
</tr>
<tr>
<td>7561</td>
<td>WT007</td>
<td>Elevated</td>
<td>Fort Knox High School, Dixie Street</td>
<td>1997</td>
<td>500,000</td>
</tr>
<tr>
<td>4773</td>
<td>WT008</td>
<td>Elevated</td>
<td>Pritchard Housing</td>
<td>1997</td>
<td>500,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total 3,550,000</td>
</tr>
</tbody>
</table>

Note: The tank upgrades included removal of lead paint, recoating of the tank interior, repainting of the exterior, replacement of anodes and rectifier, and replacement of altitude valve.

Tank Nos. 5, 6, 7, and 8 are in need of some immediate attention. Tank Nos. 5, 6, and 8 require complete renovation to include the coating of the interior of the tank, painting of the exterior of the tank and legs, the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks, and a new altitude valve. The exterior of Tank No. 7 will be painted during the summer of 2011. Tank No. 7 will still require coating of the interior of the tank, painting of the legs, the installation of new sacrificial anodes, a new rectifier on the outside of the tank, and a new altitude valve.

Range Areas’ Water Distribution Systems

There are three relatively small potable water distribution systems located in the Zussman Range, Yano Range and Basham’s Corner areas, with routine environmental testing and reporting performed by the water providers.

The potable water distribution system serving the Zussman Range area, located near the Mount Eden, includes roughly 30,287 LF of PVC pipe constructed in 1997; 443 LF of PVC pipe constructed in 2002; and, 14,779 LF of polyethylene (PE) pipe installed in 2002. The potable water, supplied to this system, is purchased from the City of Louisville.

The potable water distribution system serving the Yano Range area includes roughly 2,500 LF of PVC pipe. The Yano Range distribution system was initially constructed in the 1950s and was renovated in mid-1990s with additional. The potable water, supplied to this system, is purchased from the Hardin County Water District No. 2 (HCWD No. 2).

The potable water distribution system serving the Basham’s Corner area, located Highway 60 and Highway 1882, includes roughly 388 LF of PVC pipe constructed in 2004. The potable water, supplied to this system, is purchased from the Meade County Water District.
### JA1.2.1.2 Points of Demarcation

Fort Knox’s potable water utility system consists of all components from the supply points to the points where water is supplied to end-users. The point of demarcation for each end user is defined as the point or component on the distribution system where ownership changes from the utility owner to the building owner. In most cases the point of demarcation is the first upstream component (e.g., meter, valve, regulator, etc.) of the system located outside of the facility footprint. However, in situations where the facility water meter is located within the facility, the point of demarcation will be inside the facility and the Contractor will be required to coordinate his work within the facility. The technical library contains a list of facilities where the point of demarcation is located within the facility.

Table 3 identifies the type of service and general location of the point of demarcation with respect to each building served by the distribution system.

<table>
<thead>
<tr>
<th>Point of Demarcation</th>
<th>Applicable Scenario</th>
<th>Sketch</th>
</tr>
</thead>
<tbody>
<tr>
<td>The point of demarcation is downstream of the water meter, backflow device, or valve (closest apparatus to the exterior of the structure) within five feet of the face of the structure. If greater than five feet from the face of the structure, the demarcation point is five feet from the face of the structure.</td>
<td>Water meter, backflow device, or cutoff valve is located on the service line entering the structure within five feet of the exterior of the structure.</td>
<td><img src="image1" alt="Diagram" /></td>
</tr>
<tr>
<td>Point of demarcation is the downstream side of the first water valve located downstream of the meter and / or of the main backflow prevention device.</td>
<td>Non-residential service line or dedicated fire line enters a mechanical room and a water meter and / or a main backflow prevention device is located in the mechanical room.</td>
<td><img src="image2" alt="Diagram" /></td>
</tr>
<tr>
<td>The point of demarcation is five feet from the face of the structure where the service line enters the structure for either potable water or fire protection service.</td>
<td>No water meter, backflow device, or cutoff valve exists on the service line entering the structure.</td>
<td><img src="image3" alt="Diagram" /></td>
</tr>
<tr>
<td>No point of demarcation exists; the utility service contractor will own all exterior fire suppression infrastructure, up to and including fire hydrants.</td>
<td>Exterior fire protection exists at the Installation.</td>
<td><img src="image4" alt="Diagram" /></td>
</tr>
</tbody>
</table>
Table 4 identifies the unique points of demarcation.

**TABLE 4**
Unique Points of Demarcation
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Point of Demarcation</th>
<th>Applicable Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Water Intakes at the McCracken and Otter Creek Dams</td>
<td>The upstream side of the valve or sluice gate to the raw water intake structure.</td>
</tr>
<tr>
<td>Interconnects for the Purchase of Water for the Range Areas</td>
<td>The downstream side of the potable water supplier’s meter.</td>
</tr>
</tbody>
</table>
| Interconnects for Sale of Water to HCWD No. 1 | 1.) The downstream side of the valve on the 12-inch main connects to the Prichard Elevated Water Storage Tank (WT008).  
2.) Near the intersection of Estrada and Bennett streets where the HCWD No. 1’s 10-inch water main (connected to HCWD No. 1’s booster pump station) taps Fort Knox’s 12-inch water main. |
| Interconnects for Sale of Water to the City of Muldraugh | 1.) The downstream side of the meter located at U.S. Highway 31W, on the north end of Fort Knox’s 10-inch water main.  
2.) The downstream side of the 12-inch valve connected to Fort Knox’s 24-inch water main near Watts Street. |
| Golf course / landscaping irrigation systems | The downstream side of the meter or main service valve. |

**JA1.2.1.3 Condition Assessment**

The water pipes at Fort Knox are reported to be generally in poor condition. Currently, there are some dead end lines that are flushed periodically to ensure water quality. The water valves are generally in average condition. There are an adequate number of fire hydrants located throughout the system. The hydrants are exercised over a three year period and are generally in good condition with adequate water pressure. There are service lines that do not have isolation valves on them.

**JA1.2.1.4 Inventory**

The property being sold in this action will be as described in Table 5 of this utility specific attachment of the solicitation. The system will be sold in an “as is, where is” condition without any warranties, representations, or obligations on the part of the Government to make any alterations, repairs, or improvements. Any proposal that offers an alternative description of the property being sold may be deemed technically unacceptable.

Ancillary equipment attached to, and necessary for, operating the system, though not specifically mentioned herein, is considered part of the purchased utility.

When not specifically identified by system geographic information system (GIS) drawings and databases, the size and type of system components were estimated based on the size of the piping the component was connected to. Additionally, when the year of construction was not known, it was estimated based on the age of the piping or the age of the facility served.
<table>
<thead>
<tr>
<th>Component</th>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
<th>Average Year of Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RAW WATER SOURCES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>McCracken Spring Intake</td>
<td></td>
<td></td>
<td></td>
<td>1937/1980</td>
</tr>
<tr>
<td>CI Line to Otter Creek PS</td>
<td>16-inch</td>
<td>2,500</td>
<td>Linear Feet</td>
<td>1937</td>
</tr>
<tr>
<td>Otter Creek PS (Facility No. 9213)</td>
<td>Structure</td>
<td>1,701</td>
<td>Square Feet</td>
<td>1936/1953</td>
</tr>
<tr>
<td>Intake / Mechanical Screen</td>
<td>1</td>
<td>Each</td>
<td>1953/1999</td>
<td></td>
</tr>
<tr>
<td>Pump controls &amp; telemetry</td>
<td>1</td>
<td>Each</td>
<td>1995</td>
<td></td>
</tr>
<tr>
<td>Pump No. 4</td>
<td>1,200 gpm, 150 HP</td>
<td>1</td>
<td>Each</td>
<td>1983</td>
</tr>
<tr>
<td>Pump No. 9</td>
<td>2,100 gpm, 230 HP</td>
<td>1</td>
<td>Each</td>
<td>1983</td>
</tr>
<tr>
<td>Pump No. 10</td>
<td>2,100 gpm, 250 HP</td>
<td>1</td>
<td>Each</td>
<td>2008</td>
</tr>
<tr>
<td>Emergency Generator</td>
<td>350 kW</td>
<td>1</td>
<td>Each</td>
<td>1981</td>
</tr>
<tr>
<td>CI Line to Central WTP</td>
<td>16-inch</td>
<td>26,400</td>
<td>Linear Feet</td>
<td>1937</td>
</tr>
<tr>
<td>Central WTP (Facility No. 1205)</td>
<td>3.5 MGD</td>
<td>1</td>
<td>Each</td>
<td>1937</td>
</tr>
<tr>
<td>Structure</td>
<td>6,799 SF</td>
<td></td>
<td></td>
<td>1937</td>
</tr>
<tr>
<td><strong>Chemical Feed Systems</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clarifier</td>
<td>3.5 MG</td>
<td>1</td>
<td>Each</td>
<td>1937/2008</td>
</tr>
<tr>
<td>Multi-media filters</td>
<td>1 MG</td>
<td>3</td>
<td>Each</td>
<td>1937/2008</td>
</tr>
<tr>
<td>Filter backwash tank</td>
<td>150,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1978</td>
</tr>
<tr>
<td>Clear well No. 1</td>
<td>0.5 MG</td>
<td>1</td>
<td>Each</td>
<td>1937</td>
</tr>
<tr>
<td>Clear well No. 2</td>
<td>2 MG</td>
<td>1</td>
<td>Each</td>
<td>1945</td>
</tr>
<tr>
<td><strong>Central WTP High Lift</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump No. 1 &amp; controls</td>
<td>4,850 gpm, 250 HP</td>
<td>1</td>
<td>Each</td>
<td>1970</td>
</tr>
<tr>
<td>Pump No. 2 &amp; controls</td>
<td>1,000 gpm, 70 HP</td>
<td>1</td>
<td>Each</td>
<td>1984</td>
</tr>
<tr>
<td>Pump No. 3 &amp; controls</td>
<td>1,400 gpm, 60 HP</td>
<td>1</td>
<td>Each</td>
<td>1984</td>
</tr>
<tr>
<td>Filter backwash pump &amp; controls</td>
<td>5,400 gpm,</td>
<td>1</td>
<td>Each</td>
<td>1994</td>
</tr>
<tr>
<td>Emergency generator - dual fuel (natural gas / fuel oil)</td>
<td>280 kW</td>
<td>1</td>
<td>Each</td>
<td>2010</td>
</tr>
<tr>
<td><strong>West Point Well Field</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Well No. 1, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>1998</td>
</tr>
<tr>
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<td></td>
<td>24”</td>
<td>1</td>
<td>Each</td>
<td>1935</td>
</tr>
<tr>
<td>Fire Hydrants</td>
<td></td>
<td>722</td>
<td>Each</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td></td>
<td>83</td>
<td>Each</td>
<td>1958</td>
</tr>
<tr>
<td></td>
<td></td>
<td>14</td>
<td>Each</td>
<td>1997</td>
</tr>
<tr>
<td></td>
<td></td>
<td>54</td>
<td>Each</td>
<td>2005</td>
</tr>
<tr>
<td>Meters</td>
<td></td>
<td>50</td>
<td>Each</td>
<td>Assume 1998</td>
</tr>
<tr>
<td>Pressure Reducing Station</td>
<td></td>
<td>1</td>
<td>Each</td>
<td>2003</td>
</tr>
<tr>
<td>SCADA</td>
<td></td>
<td>2</td>
<td>Each</td>
<td>1995</td>
</tr>
<tr>
<td>Well Control System</td>
<td></td>
<td>1</td>
<td>Each</td>
<td>1995</td>
</tr>
<tr>
<td>Van Voorhis BPS (Facility No. 5898)</td>
<td>Structure</td>
<td>NA</td>
<td>SF</td>
<td>1995</td>
</tr>
<tr>
<td>Pump No. 1 &amp; pressure tank</td>
<td></td>
<td>175 gpm, 10 HP</td>
<td>1</td>
<td>Each</td>
</tr>
<tr>
<td>Component</td>
<td>Size</td>
<td>Quantity</td>
<td>Unit</td>
<td>Average Year of Construction</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>---------------------</td>
<td>----------</td>
<td>-----------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>Pump No. 2 &amp; pressure tank</td>
<td>175 gpm, 10 HP</td>
<td>1</td>
<td>Each</td>
<td>1995</td>
</tr>
<tr>
<td>Pump No. 3 &amp; pressure tank</td>
<td>175 gpm, 10 HP</td>
<td>1</td>
<td>Each</td>
<td>1995</td>
</tr>
<tr>
<td>Fire protection (diesel fueled)</td>
<td>2,000 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>1995</td>
</tr>
</tbody>
</table>

**Elevated Storage Tanks (Steel)**

| Tank No. 1 & cathodic protection         | 250,000 gallons     | 1        | Each      | 1935/2004                    |
| Tank No. 2 & cathodic protection         | 500,000 gallons     | 1        | Each      | 1937/2004                    |
| Tank No. 3 & cathodic protection         | 500,000 gallons     | 1        | Each      | 2010                         |
| Tank No. 4 & cathodic protection         | 500,000 gallons     | 1        | Each      | 1941/2002                    |
| Tank No. 5 & cathodic protection         | 300,000 gallons     | 1        | Each      | 1958/1994                    |
| Tank No. 6 & cathodic protection         | 500,000 gallons     | 1        | Each      | 1995                         |
| Tank No. 7 & cathodic protection         | 500,000 gallons     | 1        | Each      | 1997                         |
| Tank No. 8 & cathodic protection         | 500,000 gallons     | 1        | Each      | 1997                         |

**ZUSSMAN RANGE (MT. EDEN)**

**Distribution Pipe**

<table>
<thead>
<tr>
<th>PVC</th>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
<th>Average Year of Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1”</td>
<td>110</td>
<td>Linear Feet</td>
<td>1997</td>
</tr>
<tr>
<td></td>
<td>1”</td>
<td>383</td>
<td>Linear Feet</td>
<td>2002</td>
</tr>
<tr>
<td></td>
<td>1.5”</td>
<td>60</td>
<td>Linear Feet</td>
<td>2002</td>
</tr>
<tr>
<td></td>
<td>4”</td>
<td>30,177</td>
<td>Linear Feet</td>
<td>1997</td>
</tr>
<tr>
<td><strong>Total PVC Pipe</strong></td>
<td></td>
<td>30,730</td>
<td>Linear Feet</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PE</th>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
<th>Average Year of Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1”</td>
<td>1,111</td>
<td>Linear Feet</td>
<td>2002</td>
</tr>
<tr>
<td></td>
<td>4”</td>
<td>13,668</td>
<td>Linear Feet</td>
<td>2002</td>
</tr>
<tr>
<td><strong>Total PE Pipe</strong></td>
<td></td>
<td>14,779</td>
<td>Linear Feet</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Valves</th>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
<th>Average Year of Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1”</td>
<td>4</td>
<td>Each</td>
<td>1997</td>
</tr>
<tr>
<td></td>
<td>1”</td>
<td>2</td>
<td>Each</td>
<td>2002</td>
</tr>
<tr>
<td></td>
<td>1.5”</td>
<td>1</td>
<td>Each</td>
<td>2002</td>
</tr>
<tr>
<td></td>
<td>4”</td>
<td>2</td>
<td>Each</td>
<td>1997</td>
</tr>
<tr>
<td></td>
<td>4”</td>
<td>13</td>
<td>Each</td>
<td>2002</td>
</tr>
</tbody>
</table>

**YANO RANGE**

**Distribution Pipe**

<table>
<thead>
<tr>
<th>PVC</th>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
<th>Average Year of Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2”</td>
<td>2,500</td>
<td>Linear Feet</td>
<td>1990</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Valves</th>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
<th>Average Year of Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2”</td>
<td>2</td>
<td>Each</td>
<td>1990</td>
</tr>
</tbody>
</table>

| Pressure Reducing Valves                 |        | 2        | Each      | 1990                         |
### JA1.2.2 Potable Water Utility System Non-Fixed Equipment and Specialized Tools

Table 6 lists other ancillary equipment (spare parts), and Table 7 lists specialized vehicles and tools included in the purchase. Offerors shall field verify all equipment, vehicles, and tools prior to submitting a proposal. Offerors shall make their own determination of the adequacy of all equipment, vehicles, and tools.

#### TABLE 6

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Item</th>
<th>Make/Model</th>
<th>Description</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Potable Water Utility System, Fort Knox, Kentucky</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

No spare parts are included with the Fort Knox Potable Water Utility System.
TABLE 7
Specialized Vehicles and Tools
Potable Water Utility System, Fort Knox, Kentucky

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Item</th>
<th>Make/Model</th>
<th>Description</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>No specialized vehicles or tools are included with the Fort Knox Potable Water Utility System.</td>
<td></td>
</tr>
</tbody>
</table>

JA1.2.3 Potable Water Utility System Manuals, Drawings, and Records

Table 8 lists the manuals, drawings, and records that will be transferred with the system.

TABLE 8
Manuals, Drawings, and Records
Potable Water Utility System, Fort Knox, Kentucky

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Item</th>
<th>Description</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Fort Knox maintains a limited collection of technical manuals, SCADA operational manual, drawings, and records on the installed components of the Potable Water Utility System. This information will be transferred to the Contractor during the transition period. System maps will be available in the Offeror’s Technical Library.</td>
<td></td>
</tr>
</tbody>
</table>

JA1.3 Specific Service Requirements

The service requirements for the Fort Knox potable water system are as defined in Section C, Description/Specifications/Work Statement. The following requirements are specific to the Fort Knox utility system and are additive to those found in Section C. If there is a conflict between requirements described below and Section C, the requirements listed below take precedence over those found in Section C.

JA1.3.1 On-Site Contractor Facility

The Contractor may establish an on-site facility in order to meet response time requirements and participate in Government meetings as necessary. This location will be determined and provided by the Installation. Should the Contractor choose to construct a facility, the Contractor will immediately acquire and install a temporary facility followed by construction of a permanent, Installation Design Guide (IDG) compatible facility. This facility will be manned with an individual that is capable of representing the Contractor at Government meetings. The Contractor will be responsible for maintaining the grounds around the facility and those areas which are fenced in for Contractor use only.

In lieu of having an on-site facility, the Offeror must explain in their proposal how they will meet the Fort Knox response time requirements.

JA1.3.2 Temporary Contractor Facilities

Temporary facilities may be placed on post for construction projects. Approval from the Contracting Officer (KO) / Contracting Officer’s Representative (COR) and appropriate staff personnel is required prior to the Contractor locating a construction trailer on post. The approval will be for a term commensurate with the construction period and will provide for termination of the approval upon completion of the work. Construction, use, duration of use, removal, and
clean-up associated with these temporary facilities will be negotiated with the Government on a project-specific basis.

**JA1.3.3 Restricted Access Areas**

The areas listed below generally require more intensive security procedures to access. The Contractor will be required to obtain separate badges to access these areas:

- The U.S. Department of Treasury’s Gold Bullion Depository.
- AMMO Storage Area

The Contractor will be restricted in secure areas and during times when the post is secured due to threat or alert. The Government may limit or restrict the right of access granted for any reason considered to be necessary (e.g., national security, public safety).

**JA1.3.4 Limited Access**

Fort Knox is a closed post and access may be limited at times with controlled gate openings and closures. Gate operating times and procedures are published by the Provost Marshal’s Office. Unscheduled gate closures by the Military Police may occur at any time, and personnel entering or exiting Fort Knox may experience a delay due to vehicle inspection, registrations, wearing of seat belts, etc. When an unforeseen closure of Fort Knox occurs during normal duty hours, the Contractor shall reschedule the work. The exact date and time will be coordinated with the COR. Emergency work shall continue regardless of closure of Fort Knox.

**JA1.3.5 Vehicles**

The Contractor and Contractor employees shall register vehicles with Fort Knox Provost Marshal within 5 working days from date of employment and renew registration annually thereafter. The registrant shall remove the registration decal from the registered vehicle upon termination of employment or sale of vehicle. Personnel operating vehicles on government property shall possess a valid Kentucky or other state driver’s license. This registration procedure is established to facilitate access to the Installation. The Contractor shall not fuel and/or maintain personal or Contractor owned vehicles in Government-furnished facilities. However, the Contractor may use AAFES stations to fuel vehicles that remain on post at all times.

**JA1.3.6 Coordination Requirements Prior to Performing Work**

The Contractor will coordinate vehicle parking areas, work staging areas, vegetative disturbance, landscaping disturbance and customer notification with the Contracting Officer’s Representative and appropriate staff personnel prior to performing this work.

**JA1.3.7 Planning and Programming**

In order to function as a partner with the Fort Knox DPW, the Contractor must be fully engaged in planning and programming activities for projects that may impact the utility system(s). Costs associated with planning / programming shall be included in the Contractor’s O&M costs as part of normal operations. The following listing generally describes activities in which the UP contractor may be asked to assist the DPW:
➢ The Contractor will assist in the development of Requests for Action (RFAs) (See Section JA1.3.8). This may include providing detailed information to support scopes of work, budget estimates, etc. for any necessary changes to the utility system and/or services provided.

➢ The Contractor will be invited to and participate in meetings for projects impacting the utility system(s) such as, but not limited to, DD1391s development of Statement of Work (SOW) for Military Construction (MILCON) projects, planning charrette for MILCON projects, Real Property Master Planning Boards, Fort Knox and SOW Line Item Reviews. As required by the Government Project Manager, the Contractor will attend the pre-design meeting, design charrette, pre-construction meetings, site visits, partnering meetings, etc.

➢ The Installation anticipates that it will experience significant growth and expansion during the Contract period that will necessitate new and/or upgraded facilities. Therefore, as part of its regular utility services under the monthly utility service charge, the Contractor must maintain capability to prepare and provide in a timely manner complete designs for such facilities, including site maps, sketches, and/or drawings.

➢ The Contractor shall respond to requests from the Government for new/upgraded facilities and/or demolition of existing facilities. The Contractor will coordinate the design and construction of such facilities with the Government, A/E, and construction contractors.

➢ The Contractor shall identify future project requirements as well as system deficiencies. The Contractor will identify the specific utility requirement for each project and prepare designs and project cost proposals.

➢ The Contractor shall participate in strategic planning and propose long-term initiatives.

➢ The Contractor shall provide supporting information to assist the Government in developing budget estimates for unfunded projects.

➢ The Contractor shall respond to customer questions.

JA1.3.8 Request for Action (RFA) Process

The following language GENERALLY describes the process for an RFA and may not be all inclusive. It is provided for informational purposes only, and the Government is not binding itself to follow these steps. Nonetheless, the current process is as follows: (Abbreviations: PM – DPW Project Manager; KO – Contracting Officer; COR - Contracting Officer’s Representative; UP – Utility Privatization Contractor.)

**STEP 1**: The PM prepares Work Orders and provides to the COR. The COR then forwards to the KO and the KO contacts the UP contractor regarding the potential project.

**STEP 2**: The PM develops independent government estimates (IGE) and provides to COR and KO.

**STEP 3**: The UP Contractor identifies specific utility system requirements for the project, develops a scope of work, detailed cost estimate, sketch, period of performance, and project schedule. The UP Contractor should also identify any applicable increase/decrease to the O&M/R&R

**STEP 4**: The KO, COR, and PM review the UP contractor’s proposal.
**STEP 5**: UP Contractor, KO, COR, and PM discuss and agree on price and schedule.

**STEP 6**: The PM provides the COR with funds and work order.

**STEP 7**: Funds are provided to the KO.

**STEP 8**: KO issues modification.

**STEP 9**: The PM and/or general contractor coordinates with the UP Contractor regarding schedule.

**STEP 10**: The UP contractor completes Quality Assurance/Quality Control (QA/QC) and Inspections.

**STEP 11**: The UP contractor invoices for the project.

**STEP 12**: Modify the UP contract to include O&M and R&R for the added assets.

**JA1.3.9 Mapping Requirements**

Maps shall be prepared according to the following specifications:

a. A single map of the entire site shall be prepared indicating the existing site conditions and required demolitions.

b. A single map indicating proposed utilities and other constructions to include the footprint of structures, paving (including curbing), sidewalks, and other relevant planimetric features.


d. Due north on the map will be as viewed from the bottom of the map. Rotation and translation of coordinate systems will not be allowed nor will orientation to Magnetic North. The Magnetic North orientation view may be rotated for plotting purposes but the orientation of the map must be geographically correct when selecting ‘top view’.

e. The map will contain a labeled coordinate grid with spacing appropriate to the map extents. For instance, a map scale of 1”=30’ will have coordinates labeled at 100’ intervals north/south and east/west.

f. All utilities on the map will be clearly labeled as to size and material.

**JA1.3.10 Updated Utility Maps**

The Contractor is required to submit to the Installation updates to utility maps within 30 days after completion of any changes and updated utility maps annually with the Capital Plan or upon request of the Government. The Contractor is responsible for coordinating with and updating the Installation’s GIS. GIS information must be in acceptable DoD format and compatible with existing Fort Knox GIS System.
JA1.3.11 Disposition of Removed or Salvaged Materials

Disposition of facilities and material removed from a system shall be the responsibility of the Contractor. If the cost structure is dependent upon in-place value, the salvage value of equipment removed from service prior to the end of its useful life shall be deducted from the in-place value of the system.

JA1.3.12 Component Replacement

Infrastructure unutilized after construction can be abandoned in place, provided the abandoned infrastructure poses no immediate or future health, safety, operational, or environmental risks in compliance with industry standards. However, unsightly abandoned infrastructure may be required to be removed and disposed of properly as may be practical or common practice, such as gas metering when units have been converted to total electric. Generally, above-ground infrastructure may require demolition and removal. Abandoned infrastructure must be clearly marked on the utility maps.

JA1.3.13 Excavation Marking Process

JA1.3.13.1 Contractor-Provided Markings

Contractor shall subscribe to the regional process (one-call dispatch center) for notification and marking of underground utilities. The Contractor shall endeavor to mark all utilities in the time windows defined by this process. In some cases, where non-metallic lines do not have tracer wires, it may take longer to locate the lines. In these cases, the Contractor will make necessary notifications about a possible delay in the marking process. Contractor shall be responsible for all repairs, costs, and damages due to excavations by others for which he did not properly mark his utilities as part of the utility marking process.

JA1.3.13.2 Notification Prior to Digging

The UP Contractor shall notify the regional Before You Dig (BUD) dispatch center of his digging requirement. The UP Contractor shall be responsible for all repairs, costs, and damages due to his excavations, including excavations extending beyond areas that have been permitted for excavation.

JA1.3.14 System Survey and Assessment / Utility Record Drawings

The Contractor shall initiate a comprehensive survey of the system to identify components not shown on record drawings and identify errors on existing record drawings. Production and maintenance of record drawings shall be in accordance with Section C.5.1.5, Record Drawings, and all work shall conform to the latest release of the software the Government is using compatible with the latest versions of Spatial Data Standards. The Contractor will provide geo-referenced data in a format that can be readily used in GIS (geographic information system) (widely used by DoD and external agencies). All maps and associated data must comply with the latest version of Spatial Data Standards for Facilities, Infrastructure and Environment (SDSFIE) available from the CADD/GIS Technology Center at http://tsc.wes.army.mil/products/TSSDS-TSFMS/tssds/html. The project must be completed no later than one year after the contract start date. Effort will include a comprehensive record search, will also require physical survey work, and may include some excavation to ascertain line location, type, and condition.
The Contractor will also develop and maintain an accurate computerized model of the utility system. The model should reflect major system components and attributes. It is envisioned that this model will be used for briefing, planning activities, contingency applications, long-range plans, analyzing system faults, and addition or deletion of new flow. The Installation is familiar with and would prefer that the UP Contractor utilize the Kentucky Pipe Model 2006. (See the Technical Library for the current model being used.)

**JA1.3.15 Installation Design Guide**

The Contractor will follow the Fort Knox Installation Design Guide (IDG) and the respective environmental guide specifications for all work. The Contractor shall provide updates to the IDG with his applicable construction standards and specifications within 45 days after the contract start date.

**JA1.3.16 Supervisory Control and Data Acquisition System**

The Contractor shall install and maintain a new Supervisory Control and Data Acquisition (SCADA) system to fully integrate system tank level signals, pump controls, and monitor and remotely read the advanced metering device once they are installed per the Army’s Metering Program (AMP) (See Section JA1.5 for AMP discussion). As a minimum, the system will enable the controller to regulate tank levels, monitor system pressure, and monitor various critical water quality parameters.

**JA1.3.17 Fire Control and Safety**

In all cases, the Contractor shall abide by Fort Knox fire protection requirements. Should the Contractor choose to construct an on-site facility to locate office space, warehouse, etc., the Contractor shall permit Fire Department personnel access to their facility to perform fire inspections and emergency response. Where required by federal, state or local regulation, the Contractor shall maintain the fire alarm system for all facilities owned and operated by the Contractor.

Changes to O&M processes and procedures will be coordinated with DPW and the Fire Department.

**JA1.3.18 Fire Flow**

The Contractor shall perform flow testing and marking of fire hydrants IAW National Fire Protection Association standards/recommended practices. The Contractor will perform the services during the late spring each year and coordinate the services with Fire/Emergency Services of Fort Knox. The annual inspection shall be documented on a written report and a copy sent to Fire Prevention Section. The Contractor shall update numbers and locations of hydrants on the Installation’s water distribution maps.

*Exception on marking the fire hydrants* – the numbers shall be ½” in height, placed on the back side of the bonnet, black in color. The rim of the bonnet will have reflective paint of the capacity of the fire hydrants using the color code in NFPA 291.

The Contractor shall own, operate, maintain, and test the Post water system IAW Kentucky Department of Environmental Protection, Frankfort Division of Water (Division of Water)
standards. The Contractor shall provide the Contracting Officer, COR, and DPW with copies of any and all testing information and reports submitted to the Division of Water.

The Contractor shall coordinate any changes to the potable water utility system that may affect fire flow capabilities with the DPW and the Fort Knox Fire Department.

**JA1.3.19 Environmental Issues**

The Contractor shall follow all environmental rules and regulations IAW with Section C.10, *Environmental Compliance*.

Trees in which the Indiana Brown Bat reside cannot be cut during the summer months. The Contractor shall notify EMD prior to cutting trees.

**JA1.3.20 Required Regulatory Reports**

The Contractor shall be responsible for any reporting required by local, State and Federal regulatory bodies. The Contractor shall provide the COR with information as directed that may be necessary and in the timeframe requested to support reports required by the Department of the Army and other appropriate agencies.

**JA1.3.21 Official Inspections**

The Contractor shall immediately inform the COR, Post Safety Office or Environmental Management Division (EMD), Directorate of Public Works, Fort Knox through the KO or COR when the United States Environmental Protection Agency (EPA), the Kentucky Department of Environmental Protection, Frankfort Division of Water, the County Department of Health, the MEDDAC, the Public Service Commission, or OSHA, following notification of any scheduled or unscheduled inspector visits to the Installation for an official inspection.

**JA1.3.22 First Response Investigation**

Restoration of utility service is extremely important to DoD installations and expectations are generally covered well throughout this RFP. However, occasions do arise where it may not be immediately apparent who the responsible repair agency is. This frequently occurs where an apparent fault (e.g., line break, leak, etc.) is located near a point of demarcation. In these situations, someone may have to excavate to the actual fault to determine the precise location of the fault and who the appropriate repair agency is. The Contractor must plan to perform this type of “first response investigation”. This may involve pumping water and excavation. In these situations, the Contractor should proceed toward fixing the problem until such time it is determined that repair responsibility is with someone else.

**JA1.3.23 Response to Service Requests**

The Contractor shall respond only to the service requests (service calls). The Contractor shall have a telephone manned 24 hours/day, 365 days/year that the customers may call to report utility system problems. There shall be only one phone number, active during duty hours and non-duty hours, for the Government to call to report system problems. For all response times, the Contractor shall respond within the allotted time, take necessary corrective actions, order necessary materials, and schedule additional repairs. The Contractor shall develop procedures for notification of utility outage to necessary personnel during the transition period.
JA1.3.24 Utility Outage

Because of the critical nature of many Fort Knox mission requirements, response to utility emergencies in and around the Cantonment area must be immediate. The Contractor will respond with a knowledgeable individual to emergency utility problems within 30 minutes of notification during duty hours (0700-1700, Monday – Friday) and within 1 hour during non-duty hours. Additionally, repair crews must be on scene within one hour during duty hours and within two hours during non-duty hours. In the Zussman Range, Yano Range and Basham’s Corner areas, response times shall be 1½ hours during normal duty hours and 2 hours during non-duty hours. Work shall be continued until the problem is corrected. The above response times do not apply to conditions where inclement weather (tornadoes, ice/snow storms, major lightning storms, floods) prevents normal operation. It is recognized that extraordinary conditions will cause the response times to vary proportionally to the number and expanse of system outages, and the priority of service restoration.

The type of service request, priority and minimum response time for various service requests are furnished below.

**EMERGENCY:**

Emergency - Life or Death – Respond Immediately

“Life or Death” emergencies will typically be handled by Fort Knox Emergency Response agencies, like the Military Police or Fire Department. These agencies or DPW will contact the Contractor. The Contractor shall respond immediately.

Priority 1 - Emergency - Not Life or Death - Respond Same Day IAW previous paragraph

Priority 1 requests arise due to situations that, if left uncorrected, will cause significant damage to a facility, or compromise security or safety, or negatively affect productivity for an entire operation or group. The Contractor shall respond to Priority 1 request as appropriate and reduce the severity of the situation within 1 hour. The Contractor shall complete the service orders within 24 hours unless there is a delay from the Government or the Contractor cannot procure the material.

**URGENT:**

Priority 2 – “Health & Welfare” – Respond within 3 Working Days

Priority 2 requests arise due to situations that, if left uncorrected will measurably reduce productivity, cause discomfort or inconvenience to the customer, waste resources, or create the need for additional minor repairs. The Contractor shall respond to Priority 2 request within three working days. The Contractor shall complete the service orders within 7 business days unless there is a delay from the Government or the Contractor cannot procure the material.

**ROUTINE:**

Priority 3 – “Productivity Inhibitor” – Respond within 5 days

Priority 3 requests arise due to situations that, if left uncorrected, will cause measurable discomfort or inconvenience to the customer, waste resources or create the need for additional minor repairs, is esthetically unpleasant or inconvenient. The Contractor shall respond to Priority 3 request within five working days. The Contractor shall complete the service orders within 10 business days unless there is a delay from the Government or the Contractor cannot procure the material.
JA1.3.25 Emergency Operations

The Contractor shall have an emergency plan in place for such occurrences. If the damage from a storm or disaster is widespread and affects the Contractor’s other customers (off the Fort Knox installation), Fort Knox’s DPW personnel must be informed of the Installation’s restoration priority. The Contractor shall notify Fort Knox’s DPW personnel of each situation/priority as soon as possible. The Contractor will provide an emergency operations plan, updated on an annual basis. The Contractor shall develop and document an emergency operations plan that addresses all aspects of the contractor’s response to emergency conditions including but not limited to system failures due to acts of God, breakdown, or demand spikes. The Government requires first priority response for service restoration to mission critical facilities during national emergencies, deployments, and alerts. The priority response will take into consideration the Contractor’s other critical civilian priorities (life-safety priorities such as hospitals). In no case will equipment and/or personnel normally used in the support of Fort Knox’s utility system be pulled to serve the Contractor’s external customers if utility service to Fort Knox is experiencing an outage that requires their service. Some personnel assigned to Fort Knox may be pulled to assist in the restoration of service to customers external to Fort Knox if the Fort Knox’s system is not experiencing an outage. A minimal staff shall remain in service to Fort Knox at all times. The priority of restoration is:

1. Medical Facilities
2. Command and Control Facilities
3. Schools
4. Food Services and Shopping
5. Barracks and Housing

JA1.3.26 Temporary Service

Temporary service will be coordinated with Fort Knox’s DPW and the affected customer(s) if temporary service is required. The Contractor must make all possible preparation and coordination prior to actual outage. It is the responsibility of the Contractor to limit the length of an outage to minimum requirements.

JA1.3.27 Planned Outages

The Contractor must coordinate any planned outages for construction or maintenance with the DPW and affected customers. For outages requiring 4 or more hours of interruption to service, work should be planned during off hours, such as, in the evening or weekends or holidays depending on the customers affected. In rare cases, the Contractor may be required to provide temporary or emergency services for the length of the planned outage.

JA1.3.28 Cost of Supporting Utilities

The Contractor may consume reasonable quantities of supporting utilities at no charge. However, Contractor shall fully cooperate with the Government with respect to energy / water conservation measures as described in Section C.3.4, Energy and Water Efficiencies and Conservation. The UP Contractor’s usage may be separately metered to provide the Army with the capability to monitor the contractor’s use of these services and to ensure that the UP contractor is practicing
energy conservation measures as prescribed by the Army through their Army Energy and Water Campaign Plan (AEWCP).

**JA1.3.29 Water Storage Tanks**

**JA1.3.29.1 Equipment Mounted on Water Storage Tanks**

The Contractor shall allow the Government access to operate and maintain any communication equipment, obstruction lights, emergency warning equipment, public address equipment, and other Government equipment on water storage tanks being privatized at no additional cost to the Government. The Contractor shall develop a procedure for granting the Government access. This procedure shall be submitted to the Contracting Officer for approval.

Further, the installation considers cellular telephone antennas to be mission essential. Therefore, as noted in Section C.4.2.2.2, the Contractor will take ownership of the water storage tanks subject to any cellular telephone antenna leases. In addition to retaining the right to locate existing antennas on water storage tanks and to continue to accrue revenue from existing contracts/leases, the installation will retain the right to locate additional antennas on privatized water storage tanks and to retain all revenue from future contracts/leases.

**JA1.3.29.2 Application of Logos on Water Storage Tanks**

The Government reserves the right to approve the design of all logos applied to any water storage tanks. The Contractor shall submit all logos to the Contracting Officer for approval prior to application on the water storage tanks. Additional logos and/or lighting requested by the Government will be funded by the Government.

**JA1.3.30 Cultural Resources**

Transfer of ownership of certain historic properties necessitates Government compliance with federal laws and regulations to meet historic preservation requirements. The final transfer documents will include an easement or covenant that includes adequate and legally enforceable restrictions or conditions to ensure long-term preservation of historic properties to meet these preservation requirements. As a result of this easement or covenant, the Contractor will likely be required to preserve and maintain transferred historic properties in accordance with Secretary of the Interior’s Standards for the Treatment of Historic Properties (36 CFR 68).

The Contractor shall not remove or disturb any historical, archaeological, architectural or other cultural artifacts, relics, remains, or objects of antiquity.

Activities involving ground disturbance, construction, demolition, landscape modification, or alteration of the exterior or interior of a historic building has the potential to adversely affect cultural resources. Historic districts, buildings, landscape features, or archaeological sites considered eligible for the National Register of Historic Places that may be identified in the future shall be subject to the terms of this section. With regard to the historic building / facilities to be transferred as part of the utility privatization action, please see the Offeror’s Technical Library.

The Contractor will coordinate projects that may affect cultural resources listed on the Installation Cultural Resources Management Plan as reviewed with the Contracting Officer’s Representative (COR). The COR will coordinate with the Fort Knox Cultural Resources Program to determine if consultation with the Department of Environmental Protection is required per 36 CFR 800. For
non-emergency work, the COR will respond to the Contractor within 10 working days. Initial
SHPO review requires 30 days and additional consultation may be required to avoid, minimize or
mitigate any adverse effect. The Contractor shall not start work until notified by the COR.

In emergency situations, the Contractor is not required to consult with Fort Knox in advance of
actions to repair the utility distribution system. The Contractor will notify Fort Knox, who will
notify the Department of Environmental Protection, following execution of all emergency
measures affecting historic properties. The emergency exception contained in this paragraph will
only apply to undertakings initiated within 10 days of the emergency. For emergency work, the
Contractor may take steps to safeguard life and property, and restore service, but shall minimize
impact to the site.

In the event archaeological materials are inadvertently encountered during construction or
excavation activities, the activity must stop and the Contractor shall immediately notify the COR.

Costs for mitigation of damage to cultural resources (restoration, repair, or replacement) due to the
Contractor’s failure to comply with historical and cultural preservation laws, regulations, or
programs, that relate or may arise under performance of this contract may be deducted or offset by
the Government from any monies due the Contractor, and with respect to the nature and severity of
the damage. The Contractor will take any corrective or remedial actions as directed by the
Contracting Officer.

**JA1.3.31 Standards and Regulations**

The Contractor will provide the Installation with three hard copies and one electronic copy of the
Contractor’s standards and regulations within 45 days after contract start date.

**JA1.3.32 Network Access Requirements**

- Information Assurance (IA): Contractor personnel requiring access to U.S. Government
  Information Systems to fulfill their duties shall possess the required favorable security
  investigation, security clearance, formal access approval, and “need-to-know” prior to
  being granted access to any Government computer or computer network.

- Information Technology (IT)-I Level of Security Access is required for contractor
  personnel in IA positions working with infrastructure devices, IDSs, routers, System
  Administration or Network Administration, with privileged-level access to control,
  manage, or configure IA tools or devices, individual information systems, networks, and
  enclaves. At a minimum, such contractor personnel shall require a favorably completed
  NAC, initiation of SSBI, completion of Forms SF85P, SF86, and Supplemental
  Questionnaire.

- IT-II Level of Security Access is required for contractor personnel in IA positions required
  to work with operating systems administration of common applications or enclaves, or
  back-up operators with limited privileged level access to control, manage, or configure
  information systems or devices. At a minimum, such contractor personnel shall require a
  favorable review of local personnel, base / military, medical, and other security records as
  appropriate, initiation of a NACLC, and completion of Forms SF85P or SF86 and
  Supplemental Questionnaire.
• IT-III Level of Security Access is required for Contractor personnel in positions as normal users, power user on individual systems for configuration with non-privileged level of access to information systems and devices. At a minimum, such contractor personnel shall require a favorable review of local personnel, base / military, medical, and other security records as appropriate, initiation of a NAC, and completion of Form SF85P and the Supplemental Questionnaire.

• Contractor personnel shall not be granted access to any Government computer systems or networks until proof of compliance to the IA clearance requirements.

• Once Contractor personnel have complied with the IA requirements as reflected above, they will be granted the appropriate IT level of security access.

• Contractor personnel shall personally pick-up and sign for Government network user identification and password at the Information Assurance Office.

• Contractor employee(s) shall be solely responsible for the safeguarding of user passwords and shall immediately report any suspected compromise or loss of the password to the Information Assurance Office.

• The Contractor is responsible for notifying the Contract Officer Representative (COR) and also the Information Assurance Office of any changes to their status or their personnel status.

JA1.4 Current Service Arrangement

Fort Knox collects and treats the raw surface water and ground water and distributes the finished water throughout the Installation. Table 9 summarizes the annual volume of raw water treated and/or used by Fort Knox over the last three calendar years.

<table>
<thead>
<tr>
<th>Table 9</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>TABLE 9</th>
<th>Annual Volume of Raw Water Treated or Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potable Water Utility System, Fort Knox, Kentucky</td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>CY2005 (MG)</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Muldraugh WTP</td>
<td>842.364</td>
</tr>
<tr>
<td>Central WTP</td>
<td>245.598</td>
</tr>
<tr>
<td>Total</td>
<td>1,087.962</td>
</tr>
</tbody>
</table>

Table 10 summarizes the peak day volumes of raw water treated and/or used by Fort Knox over the last three calendar years.
In addition to the potable water supplied by the Muldraugh and Central WTPs, Fort Knox also purchases potable water from the City of Louisville for the Zussman Range, from the Meade County Water District for Basham’s Corner area, and from HCWD No. 2 for Yano Range.

Fort Knox also sells potable water to the City of Muldraugh and the HCWD No. 1. All potable water or raw water sales agreements will be negotiated, reviewed and approved by Fort Knox and the Department of Army, and coordinated with the UP Contractor.

**JA1.5 Secondary Metering**

Between the raw water supply points and the end-user points of demarcation, the Contractor shall own, operate and maintain the existing meters at locations throughout the Installation, as directed by the Contracting Officer in keeping with the guidance in Section C.3.3, *Sub-Metering*.

The Army intends to pay for the installation of new meters under the Army’s Metering Program (AMP). The Contractor shall closely work with the Army and the Army’s Contactors to facilitate the installation of advanced metering equipment on the existing meters, the installation of new meters with advanced metering capability and the integration of the advanced metering capability consistent with the AMP. (For additional information on the AMP, please see the information included in the Offeror’s technical library.) It is the Army’s intent to transfer the new meters to the UP Contractor under the utility privatization contract. Subject to the change provisions of the contract, an equitable adjustment will be negotiated between the KO and the UP Contractor for the ownership, operation and maintenance for the new meters.

**JA1.5.1 Existing Meters**

*Table 11* list the existing meters (at the time of contract award) that will be transferred to the Contractor and for which the Contractor shall provide meter readings IAW Section C.3.3, *Sub-Metering*, and JA1.6, *Monthly Submittals*.

**TABLE 11**
Existing Secondary Meters
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Meter No.</th>
<th>Tenant Organization</th>
<th>Group No.</th>
<th>Building Served / Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000259</td>
<td>81st RSC</td>
<td>2271</td>
<td>Building No. 5901 - Vehicle Maintenance Shop GS</td>
</tr>
<tr>
<td>1000405</td>
<td>Anderson Guest House</td>
<td>918</td>
<td>Building No. 7961 - Anderson Guest House</td>
</tr>
<tr>
<td>1000009</td>
<td>Armed Forces Bank</td>
<td>552</td>
<td>Building No. 1507 - Armed Forces Branch Bank</td>
</tr>
<tr>
<td>Meter No.</td>
<td>Tenant Organization</td>
<td>Group No.</td>
<td>Building Served / Description</td>
</tr>
<tr>
<td>---------------</td>
<td>--------------------------------------</td>
<td>-----------</td>
<td>-----------------------------------------------------------------</td>
</tr>
<tr>
<td>421880</td>
<td>City of Muldraugh (20J D9SC)</td>
<td>587</td>
<td>Muldraugh North Meter</td>
</tr>
<tr>
<td>1200583</td>
<td>City of Muldraugh (20J D9SC)</td>
<td>587</td>
<td>--</td>
</tr>
<tr>
<td>17979192</td>
<td>City of Muldraugh (20J D9SC)</td>
<td>587</td>
<td>Muldraugh South Meter</td>
</tr>
<tr>
<td>19799193</td>
<td>City of Muldraugh (20J D9SC)</td>
<td>587</td>
<td>South Meter Low</td>
</tr>
<tr>
<td>3955284</td>
<td>Commissary</td>
<td>507</td>
<td>Building No. 121 - Commissary B</td>
</tr>
<tr>
<td>6236457</td>
<td>Commissary</td>
<td>507</td>
<td>Building No. 121 - Commissary A</td>
</tr>
<tr>
<td>2559422</td>
<td>Credit Union</td>
<td>557</td>
<td>Building No. 133 - Fort Knox Credit Union Branch</td>
</tr>
<tr>
<td>6245695</td>
<td>DRMO</td>
<td>511</td>
<td>Building No. 2962 – DRMO</td>
</tr>
<tr>
<td>1000002</td>
<td>Fort Knox Exchange</td>
<td>253</td>
<td>Building No. 51 - PX Maintenance Warehouse</td>
</tr>
<tr>
<td>1017999</td>
<td>Fort Knox Exchange</td>
<td>253</td>
<td>Building No. 52 - PX Warehouse Storage</td>
</tr>
<tr>
<td>1184647</td>
<td>Fort Knox Exchange</td>
<td>253</td>
<td>Building No. 2012 - PX Burger King</td>
</tr>
<tr>
<td>6678679</td>
<td>Fort Knox Exchange</td>
<td>253</td>
<td>Building No. 1608 - AAFES Car Wash</td>
</tr>
<tr>
<td>1000016</td>
<td>Gold Vault</td>
<td>515</td>
<td>Gold Vault</td>
</tr>
<tr>
<td>1000019</td>
<td>Hardin Co Water Dist #1</td>
<td>256</td>
<td>Wilson Avenue Booster</td>
</tr>
<tr>
<td>1545329</td>
<td>Hardin Co Water Dist #2</td>
<td>256</td>
<td>Carpenter Test Road</td>
</tr>
<tr>
<td>1000044</td>
<td>Hardin Co Water Dist #3</td>
<td>256</td>
<td>Prichard Pump Station</td>
</tr>
<tr>
<td>1000008</td>
<td>Knox Post Base Line Data</td>
<td>1297</td>
<td>Building No. 1377 - Armed Forces Bank – Main</td>
</tr>
<tr>
<td>1000102</td>
<td>Knox Post Base Line Data</td>
<td>1297</td>
<td>Building No. 853 - Little Meter</td>
</tr>
<tr>
<td>1000108</td>
<td>Knox Post Base Line Data</td>
<td>1297</td>
<td>Building No. 853 - Big Meter</td>
</tr>
<tr>
<td>1000267</td>
<td>Knox Post Base Line Data</td>
<td>1297</td>
<td>Building No. 1492 - Kuma Dining</td>
</tr>
<tr>
<td>7823023</td>
<td>Knox Post Base Line Data</td>
<td>1297</td>
<td>Building No. 28 - Medical Warehouse</td>
</tr>
<tr>
<td>1000061</td>
<td>Lindsey Golf Course</td>
<td>3612</td>
<td>Building No. 4024 - Golf Course Club House</td>
</tr>
<tr>
<td>4055089</td>
<td>Lindsey Golf Course</td>
<td>3612</td>
<td>Building No. 4127 - Lindsey Green</td>
</tr>
<tr>
<td>1000155</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 2724 - Small Meter</td>
</tr>
<tr>
<td>1000156</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 2724 – Big Meter</td>
</tr>
<tr>
<td>2081713</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 860</td>
</tr>
<tr>
<td>5408309</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 851 – Clinic</td>
</tr>
<tr>
<td>5586008</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 851 – Kitchen</td>
</tr>
<tr>
<td>7823053</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 5949 – Troop Medical</td>
</tr>
<tr>
<td>7824306</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 1003</td>
</tr>
<tr>
<td>7824307</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 1022 - Optical Bal.</td>
</tr>
<tr>
<td>7824308</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 6289</td>
</tr>
<tr>
<td>7824309</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 865 - Inside Meter</td>
</tr>
<tr>
<td>7824310</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 6585</td>
</tr>
<tr>
<td>7824311</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 1489</td>
</tr>
<tr>
<td>7824312</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 6586 - Reception Medical</td>
</tr>
<tr>
<td>7824313</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 1068 - Vet Facility</td>
</tr>
<tr>
<td>7824314</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 1006</td>
</tr>
<tr>
<td>7862457</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 7711 - Vet Facility</td>
</tr>
<tr>
<td>9536354</td>
<td>NAF/MWR</td>
<td>303</td>
<td>Building No. 6597 - Wickham Guest</td>
</tr>
</tbody>
</table>
JA1.6 Monthly Submittals

The Contractor shall provide the Government monthly submittals for the following:

1. **Invoice** (IAW Section G.3, *Submission and Payment of Invoices*). The Contractor shall submit payment requests electronically via the internet using the Wide Area Workflow (WAWF) system. The WAWF system is located at the following internet website: [https://wawf.eb.mil](https://wawf.eb.mil). Failure to submit invoices in WAWF may result in delay of payment. For further WAWF assistance, contact Customer Support @ 866-618-5988 (toll-free) or 801-605-7095. NOTE: Go to [http://wawftraining.com](http://wawftraining.com) for self-paced training, to learn how to electronically apply for user ID and password, and how to electronically submit and take action on documents in WAWF.

2. **Outage Report.** The Contractor’s monthly outage report will be prepared in the format proposed by the Contractor and accepted by the Contracting Officer. Outage reports shall be submitted by the 25th of each month for the previous month. Outage reports shall be submitted to:

   **Name:** TBD
   
   **Address:** Directorate of Public Works
   
   **Phone number:** 502-___-____
   
   **E-mail:**

3. **Meter Reading Report.** The monthly meter reading report shall show the current and previous month’s readings for all secondary meters. The Contractor’s monthly meter reading report will be prepared in the format proposed by the Contractor and accepted by the Contracting Officer. Meter reading reports shall be submitted by the 10th of each month for the previous month. Meter reading reports shall be submitted to:

   **Name:** TBD
   
   **Address:** Directorate of Public Works
   
   **Phone number:** 502-___-____
   
   **E-mail:**  

---

<table>
<thead>
<tr>
<th>Meter No.</th>
<th>Tenant Organization</th>
<th>Group No.</th>
<th>Building Served / Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000257</td>
<td>Navy Seals Special Boat GP</td>
<td>1196</td>
<td>Hudson Street Trailer #1</td>
</tr>
<tr>
<td>1000258</td>
<td>Navy Seals Special Boat GP</td>
<td>1196</td>
<td>Hudson Street Trailer #2</td>
</tr>
<tr>
<td>1080180</td>
<td>Nolin RECC</td>
<td>1732</td>
<td>Building No. 614 - Nolin Recreation</td>
</tr>
<tr>
<td>872139</td>
<td>Sewer Plant</td>
<td>1623</td>
<td>Building No. 7207 - Sewer Plant</td>
</tr>
<tr>
<td>9918264</td>
<td>SO Contracting</td>
<td>4260</td>
<td>Queen Street Lot 101</td>
</tr>
<tr>
<td>1000000</td>
<td>US Army Reserves</td>
<td>1520</td>
<td>Building No. 2327 - US Army Reserve</td>
</tr>
<tr>
<td>5471368</td>
<td>Youth Challenge</td>
<td>695</td>
<td>Building No. 2377 - A Enlisted Barracks - 35,760 SF</td>
</tr>
</tbody>
</table>
4. **Monthly Operating Report.** Copies of the monthly operating reports, the bacteriological analysis reports and the water main reports submitted to the State of Kentucky shall be submitted to:

   *Name:* TBD

   *Address:* Directorate of Public Works  
   Fort Knox, KY ________

   *Phone number:* 502-___-____

   *E-mail:* ___________________

5. **Monthly Water Withdrawal Permit Report.** Copies of the monthly water withdrawal permit reports submitted to the State of Kentucky shall be submitted to:

   *Name:* TBD

   *Address:* Directorate of Public Works  
   Fort Knox, KY ________

   *Phone number:* 502-___-____

   *E-mail:* ___________________

6. **Monthly Discharge Monitoring Reports.** Copies of the monthly discharge monitoring reports submitted to the State of Kentucky shall be submitted to:

   *Name:* TBD

   *Address:* Directorate of Public Works  
   Fort Knox, KY ________

   *Phone number:* 502-___-____

   *E-mail:* ___________________

**JA1.7 Energy Saving Projects**

In keeping with Section C.3.4, *Energy and Water Efficiencies and Conservation*, any projects that should be implemented or continued would be listed here.

- Although there are no projects identified at this time, any future pump motor replacements shall be in compliance with Army Energy conservation policy.

**JA1.8 Service Area**

IAW Section C.4, *Service Area*, the service area is defined as all areas within the Fort Knox boundaries.

**JA1.9 Off-Installation Sites**

Fort Knox provides water services to the following off-Installation sites:

1) City of Muldraugh
2) Hardin County Water District No. 1
JA1.10 Turning Utility Services On and Off

The Contractor will turn on and turn off water services as requested by the Government at no additional cost. Requests of this type are routine calls that include, but are not limited to, allowing maintenance on equipment beyond the point of demarcation, new or upgrading a service, and demolition of an existing service. There will be a substantial number of this type of request for turn on / turn offs over the next several years associated with intense new construction activity.

JA1.11 Special Transition Requirements

IAW Section C.13, Transition Plan, there are no known required specific transition requirements at this time.

JA1.12 Government Recognized System Deficiencies

Table 12 provides a list of Government recognized deficiencies, the Government’s approach to remedy the deficiency, and the time frame in which the deficiency should be remedied. The deficiencies listed may be physical deficiencies, functional deficiencies, or operational in nature. If the utility system is sold, the Government will not accomplish a remedy for the recognized deficiencies listed. In some cases, these requirements have not been quantified, nor are there project numbers assigned. They are provided to generally acquaint the Contractor with system needs, from the Government’s perspective, that should be addressed over the next few years. The Contractor should propose his approach (which must be IAW industry standards) to correct the recognized deficiencies, which may or may not be similar to the Government’s approach.

**TABLE 12**

Government Recognized System Deficiencies

*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>System Component</th>
<th>Recognized Deficiencies and the Government’s Approach to Remedy</th>
<th>Year to be Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Survey / Assessment and Re–Map the Utility Systems</td>
<td>Conduct a system survey / assessment and re-map the potable water distribution system with GIS coordinates. This project also includes the development of an accurate computerized model of the system.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Leak Detection Survey</td>
<td>Conduct a leak detection survey of the entire potable water system lines including the raw water lines and the potable water distribution lines within the main cantonment area and the range areas.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Hydraulic Model</td>
<td>Develop a hydraulic model of the entire potable water utility system. This model will be invaluable during the design and replacement of the existing potable water distribution system.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>System Component</td>
<td>Recognized Deficiencies and the Government’s Approach to Remedy</td>
<td>Year to be Completed</td>
</tr>
<tr>
<td>------------------</td>
<td>---------------------------------------------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>Master Flow Meters at the WTPs</td>
<td>The finished water master meter at the Muldraugh WTP pump house needs to be replaced. The meter is well beyond its design life. The finished master water meters at the Muldraugh and Central WTPs need to be calibrated.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>20-inch Valves</td>
<td>Replace the 20-inch valves on 24-inch CI Line from the West Point well fields to the Muldraugh WTP. The valves are the original valves and are not operable.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>New Raw Water from the Muldraugh WTP to 16-inch Raw Water Line Between Otter Creek PS &amp; Central WTP</td>
<td>Install a new 16-inch raw water line (roughly 15,840 LF) from the Muldraugh WTP to the raw line connecting the Otter Creek PS to the Central WTP. This line is critical since the raw water from the West Point well field is utilized when the raw water from McCracken Spring and Otter Creek is not suitable to treat at the Central WTP. Fort Knox has indicated that its lease of the three wells and the 14-inch line from HCWD No. 1 will terminate once Fort Knox’s potable water utility system is privatized.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Otter Creek PS</td>
<td>Repair the creek side of the Otter Creek PS where the bank of the creek has been severely eroded. Install new windows and doors and replace the roof.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Muldraugh HLPS</td>
<td>Install new windows and doors, paint the exterior face of the concrete block facade and replace the roof.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Central WTP</td>
<td>Replace the roof of the Central WTP.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Central WTP Clear Well</td>
<td>Replace the roof and coat the interior of the 2.0 MG clear well located at the Central WTP. The size of the clear well may be reduced to accommodate the lowering the roof below grade to protect the concrete surfaces.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Muldraugh WTP</td>
<td>This ISDC project cost estimates should include all costs, by year for Years 1-5 that the Offeror would incur to own, operate and maintain the Muldraugh WTP until an alternate potable water source is obtained. It is possible that the potable water purchase contract could be executed at any time during the initial 5 years of the contract. In this event, the Offeror’s cost estimate would be pro-rated over the actual months of operation prior to the execution of the purchase water contract. The subsequent ISDC projects associated with the operation and maintenance of the Muldraugh Plant (if any remained) would be cancelled.</td>
<td>Years 1-5 from contract start date</td>
</tr>
<tr>
<td>Fire Hydrants</td>
<td>Replace roughly 600 fire hydrants identified by the Fort Knox Fire Department.</td>
<td>Within 4 years of the contract start date</td>
</tr>
<tr>
<td>System Component</td>
<td>Recognized Deficiencies and the Government’s Approach to Remedy</td>
<td>Year to be Completed</td>
</tr>
<tr>
<td>------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>Water Storage Tank No. 5</td>
<td>Tank No. 5 requires complete renovation to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.</td>
<td>Within 1\textsuperscript{st} year of the contract start date</td>
</tr>
<tr>
<td>Automatic Transfer Switches</td>
<td>Install automatic transfer switches at the Otter Creek PS, the Central WTP facility and the Muldraugh HLPS. Tie the switches into the new SCADA system.</td>
<td>Within 2\textsuperscript{nd} year of the contract start date</td>
</tr>
<tr>
<td>Line Between Otter Creek PS &amp; Central WTP</td>
<td>Replace roughly 14,437 LF of 16-inch cast iron raw water line between the Otter Creek WTP and the Central WTP facility.</td>
<td>Within 2\textsuperscript{nd} year of the contract start date</td>
</tr>
<tr>
<td>Water Storage Tank No. 6</td>
<td>Tank No. 6 requires complete renovation to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.</td>
<td>Within 2\textsuperscript{nd} year of the contract start date</td>
</tr>
<tr>
<td>Water Storage Tank No. 8</td>
<td>Tank No. 8 requires complete renovation to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.</td>
<td>Within 2\textsuperscript{nd} year of the contract start date</td>
</tr>
<tr>
<td>Water Storage Tank No. 7</td>
<td>Tank No. 7 requires extensive renovation to include the coating of the interior of the tank, the painting of the legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.</td>
<td>Within 3\textsuperscript{rd} year of the contract start date</td>
</tr>
<tr>
<td>SCADA System</td>
<td>Install a comprehensive SCADA system to assist the UP Contractor in monitoring and controlling the utility water system components, i.e. raw water wells, pumps, etc. The UP Contractor should coordinate the design and installation of the SCADA system with the Government to ensure that the new meters can also be integrated to the extent possible with the SCADA system.</td>
<td>Within 3\textsuperscript{rd} year of the contract start date</td>
</tr>
<tr>
<td>System Component</td>
<td>Recognized Deficiencies and the Government’s Approach to Remedy</td>
<td>Year to be Completed</td>
</tr>
<tr>
<td>------------------</td>
<td>---------------------------------------------------------------</td>
<td>----------------------</td>
</tr>
</tbody>
</table>
| Distribution Pipe & Valves | Replace transite pipe in the North Dietz Housing area of the following approximate amounts:  
- 834 LF of 1-inch  
- 1,988 LF of 1.5-inch  
- 3,726 of 2-inch  
- 284 LF of 3-inch  
- 4,231 LF of 6-inch  
- 6,472 LF of 8-inch  
- 5,927 LF of 10-inch | Within 3rd year of the contract start date |
| Distribution Pipe & Valves | Replace ductile iron pipe in the Van Voorhis Housing area of the following approximate amounts:  
- 180 LF of 1-inch  
- 7,076 LF of 1.25-inch  
- 4,293 LF of 1.5-inch  
- 11,436 LF of 2-inch  
- 1,115 LF of 3-inch  
- 25,835 LF of 6-inch  
- 18,034 LF of 8-inch  
- 4,677 LF of 10-inch  
- 897 LF of 12-inch  
- 192 LF of 14-inch | Within 3rd year of the contract start date |
| Distribution Pipe & Valves | Replace roughly 4,237 LF of 8-inch pipe which surrounds the site of the new Human Resource Center | Within 3rd year of the contract start date |
| Distribution Pipe & Valves | Replace the following approximate amounts of pipe under Phase I of the distribution pipe replacement program:  
- 994 LF of 1-inch  
- 29 LF of 1.25-inch  
- 759 LF of 1.5-inch  
- 3,720 LF of 2-inch  
- 483 LF of 2.5-inch  
- 4,280 LF of 3-inch  
- 3,754 LF of 4-inch  
- 61,582 LF of 6-inch  
- 38,255 LF of 8-inch  
- 17,066 LF of 10-inch  
- 4,153 LF of 12-inch  
- 1,665 LF of 14-inch | Within 4th year of the contract start date |
Service Interruption/Contingency Plan

Hardin County Water District No.1 (HCWD1) has prepared this Subfactor in a manner that provides a comprehensive approach to continuity of service. Our approach addresses both the short-term responses to individual service disruptions that may occur and the long-term provision for service continuity.

The service interruption and contingency plan contains the following elements:

- Procedures and Provisions for Reacting to All Service Interruptions
- Resources to be Utilized in the Implementation of the Procedures Described in the Plan
- Detailed Contingency Plan
- Estimated Response Times
- Procedures for Handling Service Calls
- Re-establishment of Temporary Service
- Re-establishment of Permanent Service
- Emergency Restoration Plan
- Installation of Specific Requirements
- Possible Causes for Service Interruptions and Response Plans
- Catastrophic Loss Plan

JE2.1 Procedures and Provisions for Reacting to All Service Interruptions

It is our objective and commitment to provide dependable, continuous, and reliable water service to Fort Knox 24/7. HCWD1 will be ready to respond to emergency situations upon notification through our call center. The initial contact person to be notified is the Distribution Supervisor who will be responsible for contacting and dispatching appropriate maintenance personnel.

HCWD1 will operate the facilities to accepted Federal, State, and industry standards, including those published by the American Water Works Association (AWWA), the National Electric Code (NEC), National Electric Safety Code (NESC), American Society of Civil Engineers (ASCE), and the National Fire Protection Association (NFPA). These referenced documents will be maintained in our on-Post office and will be available to appropriate staff. Selected standards and codes we use and consider in developing upgrades are listed in Exhibit JE2-1.

Standard Operating Procedures (SOPs) will be tailored to Fort Knox and address all aspects of service interruption. These SOPs outline specific procedures for each type of interruption, as well as contingency plans for restoration of services. These SOPs will be maintained on-Post and readily available to all personnel and will be reviewed and updated on a regular basis. All staff will be trained regularly in the procedures outlined in the SOPs so that in the event of a service interruption, restoration of services will be completed in a minimal amount of time. SOPs developed for the facility will also incorporate emergency operating considerations (See Sections JE2.3 and JE2.4 for additional discussion).

EXHIBIT JE2-1
Typical Codes and Standards for Operating Utilities

<table>
<thead>
<tr>
<th>Code/Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIPRA Handbook</td>
</tr>
<tr>
<td>Water Distribution Operator’s Handbook</td>
</tr>
<tr>
<td>Water Supply Operations—Volume 3</td>
</tr>
<tr>
<td>OSHA</td>
</tr>
<tr>
<td>Kentucky OSH</td>
</tr>
<tr>
<td>Kentucky Plumbing Code</td>
</tr>
<tr>
<td>Kentucky Electric Code/Life Safety Code</td>
</tr>
<tr>
<td>Americans with Disabilities Act (ADA)</td>
</tr>
<tr>
<td>Federal Codes and Regulations including CFR 141 and 143</td>
</tr>
<tr>
<td>EM 385-1.1 USACE Safety and Health Requirements Manual</td>
</tr>
<tr>
<td>Industry Standards for Water Facilities</td>
</tr>
<tr>
<td>AWWA Recommended Practices</td>
</tr>
<tr>
<td>AWWA C502-94</td>
</tr>
<tr>
<td>AWWA C500-983</td>
</tr>
<tr>
<td>AWWA C700-95</td>
</tr>
<tr>
<td>NESC Codes</td>
</tr>
<tr>
<td>KDOW Title 401 KAR Chapter 8 Water Regulations</td>
</tr>
<tr>
<td>U.S. Public Health Service Standards</td>
</tr>
<tr>
<td>Army and Fort Knox Regulations</td>
</tr>
<tr>
<td>National Fire Protection Association Codes and Standards</td>
</tr>
<tr>
<td>Military Handbooks including Mil-HDBK-1008C</td>
</tr>
</tbody>
</table>

Examples of the SOPs to be tailored for Fort Knox and incorporated into our operations and
Exhibit JE2 - Service Interruption/Contingency Plan

Contract No. SP0600-11-C-8271

maintenance (O&M) Plan/Quality Management Plan include:

- **General Procedures.** These procedures typically include: service conditions tracking procedures; facility notification for scheduled or emergency outages; service interruption procedures; customer concern/complaint handling; and various inspection procedures.

- **Water Treatment and Distribution.** These procedures typically include: managing water failures; operation of electrical systems; alarm testing; state sampling requirements and procedures; operation of pumps, chemical feeders, etc.; procedures for line breaks; disinfection procedures; tank isolation procedures; managing failures of various systems; monitoring procedures; etc.

For this contract, HCWD1 will have a designated telephone number that will be used for incoming service requests. The appropriate project personnel will be notified of the service request and an estimated arrival time of the crew will be provided to the Government based upon the type of service call assignment.

The following procedures are in place to support any type of services provided at Fort Knox.

- **Provisions.** For all system upgrades and major construction projects, HCWD1 staff and subcontractors will provide temporary services of out-of-service components to maintain service to Fort Knox customers during these construction projects.

- **Standby Power.** Standby generation will be provided for all pump stations by either mobile or installed units in order to provide power when needed during extended service disruptions.

- **Scheduled Service Outages.** HCWD1 will coordinate with the Government and other contractors to facilitate service outages and underground utility locates when needed. HCWD1 will coordinate scheduled outages with Fort Knox’s Department of Public Works (DPW). We will provide the date and time of outage, a list of buildings affected, and the estimated duration. Additionally, we will be responsible for notifying all affected building managers of the outage. No scheduled outages will be performed without notification to affected building managers. Likewise, we will work with the Post to reschedule routine outages if they adversely impact mission operations. We will track outages until work is complete and provide the appropriate notifications that services have been restored.

- **Excavations.** HCWD1 will comply with the Fort Knox excavation permit process. In emergency situations where excavations are required for repairs, HCWD1 will immediately notify the Contracting Officer’s Technical Representative (COTR) and follow Post protocol.

Long-term plans for service continuity are addressed in the following ways:

- **Capital Upgrade and Renewal and Replacement Plans.** Subfactor 3 addresses our approach to initial system upgrade and replacement, in addition to our overall approach to long-term renewal and replacements for the water treatment and distribution systems. These plans provide for addressing the current deterioration of the systems that make the utilities susceptible to service disruptions. Our plan targets the most critical components in the systems where breakdowns typically occur first, and ensures these items are in optimal condition to reduce the potential for service disruptions. Our plan also includes the tracking of system failures and performance against our service standards. Whenever system modifications are planned, all practical efforts will be made to minimize downtime and restore service as soon as possible. Temporary services can also be installed to continue service during major modifications.

- **Maintenance Management.** Diligently performing preventive and predictive maintenance on system components significantly decreases the number of unplanned emergency failures. All preventive maintenance (PM) activities will be tracked through HCWD1’s Computerized Maintenance Management System (CMMS), as described in Subfactor 2 of this proposal. Our CMMS program includes the following policies:
- Valves and hydrants will be exercised every 2 years.
- To avoid failures, diesel generators will be tested monthly and maintained in accordance with manufacturer recommendations.
- Selected critical equipment will receive vibration monitoring.
- Periodic current checks will be performed to track and trend equipment condition and wear.

**JE2.2 Resources to be Utilized in the Implementation of the Procedures Described in the Plan**

**JE2.2.1 Management Organization**

HCWD1’s General Manager, Mr. Jim Bruce, will be the primary contact for business and ownership issues. Mr. Preston Pendley, Project Manager, will provide project oversight, coordination and planning and will serve as primary contact to the government regarding daily operations. Mr. Brett Pyles, Operations Manager, will provide support to the Project Manager and attend planning meetings and other meetings as needed. Mr. Richard Stranahan, Distribution Operations Supervisor, will be responsible for the day to day operation of the distribution system. HCWD1 proposes to employ a team of HCWD1, the Louisville Water Company (LWC), and CH2M HILL for the operations, maintenance, and engineering support for O&M of the water treatment and distribution facilities.

Our mission is to provide honorable stewardship over Fort Knox’s facilities. Exhibit JE2.1-2 describes the specialized roles of HCWD1’s team.

**Administrative and Financial Staffing**

Management and administration of the contract will be accomplished by HCWD1’s staff. As previously mentioned, General Manager Jim Bruce will be the direct contact for the Department of the Army for all business aspects of the contract. Mr. Bruce will devote as much time as needed for administration of the contract. Mr. Bruce will direct HCWD1’s staff to accomplish key administrative functions, such as the coordination and administration of subcontracts with LWC, and CH2M HILL; procurement of subcontracts for the system upgrades and capital improvements; billing and accounts receivable to the Department of the Army; cost accounting functions; and general administration of the contract for the Department of the Army.

Mr. Bruce will be directly supported by the Project Manager, Preston Pendley, who will provide support for the water distribution and water treatment systems, procurement, and contract administration tasks. Supporting Mr. Bruce and Mr. Pendley will be the HCWD1 team; this team encompasses the HCWD1 management team, including the HCWD1 team currently managing and operating the Fort Knox wastewater systems. In addition, HCWD1 has partnered with the LWC and its 450 employees, and the 25,000 engineers and scientists at CH2M HILL. HCWD1’s entire team is committed to devoting appropriate human resources to ensure prompt resolution of service interruptions.

**Exhibit JE2-2**

**Summary of the Specialized Team Members**

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Relationship</th>
<th>Role</th>
<th>Key Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCWD1</td>
<td>Owner</td>
<td>Own, finance, and manage the utility systems</td>
<td>Jim Bruce, General Manager</td>
</tr>
<tr>
<td>HCWD1</td>
<td>Dept. of Owner</td>
<td>Manage, oversee, and administer contracts for Fort Knox Water System and attend meetings with KO, COR, and other base personnel as needed</td>
<td>Preston Pendley, Project Manager</td>
</tr>
<tr>
<td>HCWD1</td>
<td>Dept. of Owner</td>
<td>Provide daily support to project manager, LWC contact, capital construction projects, and meetings with KO, COR, and other base personnel as needed</td>
<td>Brett Pyles, Operations Manager</td>
</tr>
<tr>
<td>HCWD1</td>
<td>Dept. of Owner</td>
<td>Operate and manage the utility systems (potable water distribution)</td>
<td>Richard Stranahan, Distribution Operations Supervisor</td>
</tr>
<tr>
<td>LWC</td>
<td>Subcontract to HCWD1</td>
<td>Operate and maintain the Water Treatment Plants</td>
<td>Jim Smith, Water Treatment Project Manager</td>
</tr>
<tr>
<td>CH2M HILL</td>
<td>Subcontract to HCWD1</td>
<td>Capital Improvement Plan Program Management</td>
<td>Robert Neath, Engineering Mgr</td>
</tr>
</tbody>
</table>
HCWD1 has assembled a leadership team of industry leaders to ensure that this key aspect of our partnership with Fort Knox is executed at the highest level. Each of these key personnel is dedicated to the delivery of our Service Interruption/Contingency and Catastrophic Loss Plan, outlined above. Our plan ensures service availability 24/7, and in the event of service interruption service restoration activities are carried out safely, promptly and efficiently.

**JE2.3 Detailed Contingency Plan**

A general flowchart of our response plan to service calls is presented in Exhibit JE2-3. All incoming calls from installation personnel will be made to the 24-Hour Call Center/Dispatcher. The caller should identify themselves as a Fort Knox tenant, which facility requires the service, and the nature of the call.

The Work Order is initiated and entered into the CMMS (Exhibit JE2-4).

The Distribution Supervisor is notified that a Fort Knox Work Order Request has come in, and an on-site representative will be notified immediately after the call is received to further assess the nature of the call. Normal, routine calls will be directly dispatched to the appropriate maintenance crew. Emergency calls and after hours calls are forwarded to the on-call supervisor for prioritization, assignment, and response.

All service requests will be documented, and the time of the call, time of the service response, cause of the request, and action taken (including the time and date completed) will be recorded by HCWD1. These records are maintained in the CMMS and will be made available to the Contracting Officer upon request.
Exhibit JE2-3
Service Call and Emergency Call Response Plan

Service Call and Emergency Call Response Plan

Customer Call

Call Received by Staff

Call Received by Dispatch 24/7

Respond to Call

No

Assess Situation and Make Recommendation

Yes

Is Service Disrupted?

Yes

Does This Situation Pose Immediate Health Risk?

No

O&M Review and Approve

Corrective Work Order Generated

Plan
✓ Prioritize
✓ Schedule
✓ Assign
✓ Issue
✓ Followup

Crew Completes Work

Work Order Reviewed and Closed

Resume Normal Operations

Notify Response Team

Verify Site Safety/Security

Perform Repair Actions
JE2.3.1 Procedures for Submitting Services Requests

We understand that the Government will designate the requests as ‘emergency,’ ‘urgent,’ or ‘routine’ during the service request.

The preferred method of submitting a service request would be through the 24-hour telephone number. In the event the telephone lines are down, service requests can be made via cell phone to the Distribution Supervisor. The appropriate project personnel will be notified of the service request and an estimated arrival time of the crew will be provided to the Government. Response time is based upon the type of service call assignment.

JE2.3.2 Coordination of Activities

After contract award, HCWD1 will review existing plans at Fort Knox and develop final operating procedures for water service coordination at the Post.

We recommend that these procedures be developed jointly with the departments and activities involved. For example, routine meetings with the master planners and engineers will ensure timely provision of water services to new facilities and coordination of pending and active construction/rehabilitation projects.

Person-to-person interactions between DPW and HCWD1 will be on appropriate levels. For example, the Project Manager will maintain close working relationships with COTR and DPW management to coordinate larger projects. He will be available to resolve any concern. We will maintain and encourage open communications with the DPW staff and civilian workforce.

The general customer base at Fort Knox will be informed about relevant issues, such as outages and road closures and news with special newsletters and...
notifications, posters in public areas, and through signs on Post. In addition, HCWD1 will coordinate with the DPW, the Command Group, and COTR as follows:

- **Administrative Issues:** HCWD1 will coordinate with the administrative section of DPW through the COTR on issues related to master planning and military construction that would impact utility expansion requirements. The installation master planning section initiates military construction projects several years in advance, and the planning for these projects must of necessity be included in utility planning efforts. The focal point for such construction is the administrative offices of the DPWs and through periodic meetings, planning will be proactive rather than reactive. These meetings will also serve as the forum for discussions of O&M, Capital Improvements Program, and customer satisfaction reviews.

- **Repair and replacement projects** that are recommended by HCWD1 will be discussed with the Contracting Officer (CO) or COTR. We will coordinate the upgrades and renewal and replacement plan during these meetings, as well as changes in staffing and other requirements. HCWD1 staff will ensure that major projects for repair, replacement and installation of facilities, equipment, and infrastructure are on the agenda. Meetings will cover planned engineering projects, projects under design and construction, and specific long-range water requirements. The intent of such meetings will be to resolve any potentially overlapping or interfering conditions or conflicts.

- **Operations and Maintenance Projects:** Communications with the DPW will be both formal and informal. HCWD1 will meet with the DPW staff to discuss schedules and upcoming major and minor work prior to initiation of the work. We will also provide notice to the DPW on any planned work scheduled so it can be coordinated with residents or occupants of the areas affected. The General Manager will conduct regular visits to Fort Knox to ensure that the Army is satisfied with the work being performed and that the project has all of the resources needed to meet Army expectations. It is the intent of HCWD1 to ensure all work is fully communicated and coordinated with the DPW staff at Fort Knox.

Communications will occur on a daily basis. Our project personnel will become familiar with their counterparts in the DPW to maximize coordination and expedite response situations. We will support DPW for any required exterior utility services, and coordinate whole or partial system outages with DPW, the Fire Department, and potentially affected facilities. We will also coordinate digging permits, disaster recovery efforts, meetings, and work schedules during our meetings with DPW. HCWD1 also recommends regular meetings with DPW and other utility owners to ensure thorough coordination with key players on Fort Knox involved in potentially conflicting work.

**JE2.4 Estimated Response Times**

As stated in Section C.8, *Repair Response Notification Procedures*, of the contract, we understand the Government will assign ‘emergency,’ ‘urgent,’ or ‘routine’ designations when contacting HCWD1 with a service call. Once a service call is received, on-site personnel will be notified via a work order and will be categorized as Emergency, Urgent, or Routine as identified by the Government during response notification. These personnel will be authorized to acquire the necessary equipment, material, and personnel to respond to the situation. Our response will include personnel and equipment to assess and begin repairs within the specified time. Response times for various types of service calls (whether during or after normal duty hours) are highlighted in Exhibit JE2-5.
Exhibit JE2-5  
Response Times for Each Type of Service Call Meets Requirements Specified in Attachment JA1.3.24 of the contract

<table>
<thead>
<tr>
<th>Type of Service Call</th>
<th>Response Time</th>
<th>Completion Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Service</td>
<td>Respond within 30 minutes during normal duty hours</td>
<td>Remedied or downgraded within 24 hours of receiving request*</td>
</tr>
<tr>
<td></td>
<td>Repair crews on scene within 1 hour during duty hours</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Respond within 1 hour during non-duty hours</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Repair crews on scene within 2 hours during non-duty hours</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Zussman Range, Yano Range and Basham’s Corner within 1.5 hours during normal duty hours, and 2 hours during non-duty hours</td>
<td></td>
</tr>
<tr>
<td>Urgent Service</td>
<td>Within 3-working days of request</td>
<td>Within 7 business days of receiving request*</td>
</tr>
<tr>
<td>Routine Service</td>
<td>Within 5 working days of request</td>
<td>Within 10 working days of receiving request*</td>
</tr>
</tbody>
</table>

*Unless there is a delay from the Government or HCWD1 cannot procure necessary materials.

**Routine service** interruptions or service requests are scheduled to perform routine maintenance of the distribution system or to add or delete connections, either at the request of the customer or at the initiation of the utility. The following situations would typically be declared routine and would be responded to on a timely basis:

- Requests by the customer for installation of new or redundant services
- Requests by the customer for utility service interruptions to a building so that work could be performed in the building
- Requests by the utility to shut off utility service to a building or facility so that an operation or maintenance task could be performed such as replacing system components or performing repair and replacement activities
- Utility locates within 48 hours

Routine work, such as the scheduled repair, replacement, or removal of system components that require service interruption, will be coordinated with the COTR to ensure minimal impact to the mission and operations. Notification will include date, time of outage, a list of buildings that will be affected, and the estimated time until the service will be restored. We understand that Fort Knox reserves the right to require HCWD1 to postpone work requiring service interruption if such interruption might adversely affect the Posts’ missions and operations. If an interruption is postponed, the parties will coordinate a mutually acceptable alternate time for the scheduled service interruption. Scheduled utility outages may be required after normal working hours to lessen the inconvenience to Post mission critical functions. We will be able to provide an initial response to these routine service requests within 5 calendar days of request and non-emergency work will be accomplished within 10 days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

**Urgent service** requests are made in situations that are not an emergency, but when the situation significantly hinders performance of Fort Knox activities and requires elimination of hazards that may present health and safety concerns. These services can include but are not limited to, downgraded emergency responses, special events schedule, and reduced service at mission critical facilities or housing. We will have the on-site resources and employees to respond to urgent outages within 3 working days, and the work will be completed within 7 days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials). If circumstances beyond HCWD1’s control limit the completion of work, temporary services or other temporary measures will be constructed to maintain service to the customers. The following are examples of situations that would typically be declared urgent situations:
• A water main or water service line leak that does not threaten to flood buildings or does not pose a safety risk
• Accidents caused by equipment striking buildings that house valve pit equipment or striking fire hydrants
• Code violation that poses a safety hazard

Emergency service is a situation that is detrimental to the mission of the Post, significantly impacts operational effectiveness, or presents an immediate threat to the life, health, and safety of Post personnel. Examples include a major water main break, or loss of operation of key plant equipment that causes an interruption of water treatment or pumping facility operations. These situations can be caused by:

• Acts of God, which might include things like high wind- or ice-induced power outages
• Natural disasters include events, such as earthquakes, fires, or high wind storms
• Human error, including accidental damage to distribution or pumping equipment including control panels, valves, or other system components
• Equipment failure, including failure of key distribution or equipment or components
• Employee strikes or work slowdowns, sabotage of key components of the water system, or failure to respond to requested service of customers
• Water main or service line leaks that would threaten to flood buildings or pose a safety risk
• Terrorist activity, which might include destruction of water system facilities, contamination of the water supply or denying utility worker access to critical facilities

HCWD1 will notify Fort Knox's COTR and DPW personnel of each situation/priority as soon as possible. HCWD1 will provide an Emergency Restoration Plan, maintain it on-Post, and update it on a regular basis.

When an emergency service situation occurs, the first responder and/or standby personnel will be contacted immediately by radio and/or cell phone or pager for after-hours responses. If necessary, that worker will be augmented by additional “call-ins” of the other HCWD1 team utility workers. The first on-site utility employee will secure the emergency site, assess the situation, and make an immediate call to the Project Manager for additional resources as required. At Fort Knox, the initial contact person contacted by the dispatcher will be the Distribution Supervisor who will be responsible for assembling the appropriate maintenance personnel. Constant communication between the Distribution Supervisor and the Project Manager will assure resources are available when and where needed. Response to emergencies will be within 30 minutes during duty hours (0730 – 1630, Monday – Friday) and within 1 hour during non-duty hours. Emergency response to the Zussman Range, Yano Range and the Basham’s Corner areas will be within 1.5 hours during duty hours and within 2 hours during non-duty hours. Emergency service orders will be completed by HCWD1 within 24 hours (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

JE2.5 Procedures for Handling Service Calls

An overview of our procedures for handling the various types of service calls is provided in Exhibit JE2-3. A detailed list of contact names and numbers for Fort Knox, regulatory agencies, HCWD1 support, and local vendors and subcontractors will be developed and maintained for use, if needed, during an emergency service situation. Further discussions of emergency operations are provided in Section 1.8. All HCWD1 requests for scheduled outages will be coordinated with Fort Knox's DPW and the facility manager/user at least 10 working days prior to the scheduled outages. HCWD1 will make every reasonable effort to minimize the number of facilities affected and the duration of the outage.

All service request calls will be documented, and the individual who called (to ensure they are authorized), location of the problem, time of the call, time of the service response, cause of the request, and action taken (including the time and date completed) will be recorded by HCWD1. These records are maintained...
in the CMMS for at least 2 years and will be made available to the CO/COTR upon request.

If the request affects building operations, HCWD1 will coordinate the work with the person responsible for the building or facility. All emergency service requests, or emergencies identified by HCWD1, will immediately be reported to the COTR. Upon award, HCWD1 will develop the procedure of Government notification after hours.

Any of the service requests listed above could be characterized as Emergency, Urgent, or Routine (as assigned by the designated Government representative). Exhibit JE2-5 summarizes the response times for each type of call. If it is an Emergency, we will respond within 30 minutes and be on-site with repair crews within 1 hour during normal duty hours. We will respond within 1 hour and be on site with repair crews within 2 hours during non-duty hours. Urgent requests will be responded to within 3 working days, and Urgent service orders within 7 days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

If it is a Routine call, the response will vary as described in Exhibit JE2-5, but generally, the initial response will be within 5 business days, and Routine service orders will be completed within 10 business days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

Routine service requests typically include new service connections, disconnection or reconnection of services, scheduled outages, requests for technical information, requests for location of underground lines, control of digging and digging permits, or service valve repairs.

The first responder will initially contact the customer to verify the severity of the situation. First responders will assess the required manpower and equipment required, notify additional personnel, and make the area safe by isolating or containing the outage.

The work order is issued, work will be assigned to appropriate personnel, and upon completion, the customer will be notified and the work order will be closed.

If the first responder and the customer determine that service is disrupted or immediate repairs are required, an assessment of health risks will be made. For example, if an accident occurs, Post emergency response teams will be notified to remedy this situation. Following the correction of the emergency situation, repairs can be initiated to correct the service problem.

First responder personnel will always be trained and certified, as appropriate, and will report to the site in his/her duty truck complete with required tools, maps, and equipment to isolate the situation and begin to conduct repairs. The first responder will also have full access to HCWD1 resources on-site, including emergency generators, spare parts, lighting, and rescue gear. Additional maintenance personnel and subcontractors, as needed, will be called in to assist in the work.

Upon completion of the repairs, the safety of the situation will be determined and any additional requirements identified. Safety deficiencies will be considered emergencies and resolved as such. Barring any safety issues, the customer will be notified of the completion of the work and the corrective work order will be closed.

At the start of the next business day, the Project Manager will review the daily response log for follow-up and determination of the customer’s satisfaction with our response.

All restoration of service issues will be coordinated with DPW. Service calls will be recorded for repairs, outages, and restoration of service in the CMMS. We will record the time of call, time of service restoration, cause of the outage, and service performed, as well as the time expended to address and restore the service item. Monthly information will be provided to DPW.

JE2.6 Reestablishment of Temporary Service

During an emergency service call, repair crews will be on site within 30 minutes during normal duty hours and within 1 hour during non-duty hours and will work continuously until temporary service is restored.
Depending upon the type of service disruption, HCWD1 will assess the situation and communicate the action plan and estimated time that temporary services will be restored to the affected facility manager. In all cases, temporary services will be restored within 24 hours (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

For all system upgrades and extended-time repairs, HCWD1 staff and subcontractors will provide temporary service for out-of-service components to maintain service to Fort Knox customers during these repairs and construction projects. Upon reestablishment of temporary services, the safety of the situation will be determined and any additional requirements identified. Safety issues will be considered emergencies and will be resolved immediately.

Standby generators will be provided by mobile units (if not installed) in order to provide power when needed during service disruptions.

HCWD1 will identify the critical systems required to operate through emergencies. A plan will be developed to address all essential water functions through redundant systems. Our plan, described in this factor, will be modified as needed as the contract progresses and Post information is incorporated into our plans.

JE2.7 Reestablishment of Permanent Service

Once temporary service has been restored, HCWD1 will then begin working to restore permanent services. Permanent services will be restored within 7 business days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials). An assessment of equipment and materials needed for permanent repairs will be completed. This assessment will include those materials to complete restoration as well.

For all work conducted, a pre-job hazard briefing will be held with employees before beginning the work. All safety guidelines and concerns will be discussed at this time.

A work plan will be developed and reviewed with staff as to the most effective manner to facilitate repairs and restore permanent service. If needed, the plan will outline subcontractor services required to complete the task.

If an interruption of service is anticipated, Fort Knox contacts, the facility manager, and any parties that may be affected will be contacted. HCWD1 will make every effort to minimize the number of facilities affected and the duration of the outage.

Upon completion of the reestablishment of permanent services, crews will begin restoration work. Site restoration will include any of the following that apply: cleanup of the area, removal, disposal, and replacement of any cracked pavement or sidewalks, repair of roadways, replacement of loam or topsoil, top dressing by hand, lawn bed preparation, lawn seeding, mulch, fertilizer, and shrub replacement.

JE2.8 Emergency Restoration Plan

HCWD1 has an Emergency Restoration Plan (ERP) in the event of a widespread utility outage. Upon award, HCWD1’s ERP will be supplemented to specifically address the site specific issues of Fort Knox. The plan will include response requirements for both minor and major emergencies, natural disasters, manmade hazards, and other emergencies. HCWD1’s approach will be augmented by LWC and CH2M HILL’s experience in developing and implementing similar plans for water facilities. The plan will integrate design and operational considerations specific to the Department of the Army’s facilities. The ERP will be structured to classify the emergency into a specific category, requiring specific responses, dependent upon the severity of the event, and its potential for affecting critical base operations. The Table of Contents for the ERP is provided in Exhibit JE2-6 to provide an overview of what information is presented.
**EXHIBIT JE2-6**

HCWD1’s ERP will be a constant living document that will incorporate and complement federal, state, and local community needs in the event of emergencies and/or disasters.

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<td>Organizational Chart</td>
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<td>Record of Revisions</td>
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<td>Basic Plan</td>
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<td>Introduction</td>
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<td>Emergency Support Functions (ESF)</td>
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<td>Response Action Check List</td>
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<td>Annexes</td>
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This comprehensive ERP will mitigate and incorporate reliability and communication features to minimize the occurrence of emergencies where possible, and to enhance safety, response, and communications when emergencies occur. Because it is impossible to predict the exact nature of every possible emergency, our program provides a comprehensive communication, training, and resource-based plan to manage the broadest range of possible emergencies. HCWD1 stands ready to support Fort Knox in any emergency, crisis situations, and/or related exercises that require HCWD1’s support. Upon notification, an HCWD1 designated representative will act as liaison and will respond to these events and provide the appropriate staff to the on-scene coordinator until the event is terminated.

**JE2.8.1 Critical Systems and Types of Emergencies**

During the first 120 days of the contract, HCWD1 will identify the critical systems required to operate through emergencies. A plan will be developed to address all essential water functions through emergency power supply and redundant systems. Based on state and national standards, HCWD1 will refine our ERP annex in preparing for and responding to a wide range of possible experiences, such as:

- Accidents and personnel emergencies
- Raw water quality contamination
- Chemical spills and leaks
- Equipment and process failure
- Power failure
- Fires
- Flooding, hurricanes, and severe weather
- Tornadoes
- Earthquakes
- Strikes
- Terrorist threats and civil unrest

**JE2.8.2 Emergency Response Equipment**

HCWD1 will keep a complete emergency equipment inventory, with an updated listing that includes all equipment, materials, and chemicals available. Equipment includes: confined space equipment, such as self-contained breathing apparatus, gas detectors, and ventilators; chemical leak response equipment; heavy equipment (backhoes, loaders, dump trucks, etc.); and pumps, tools, hand tools, and personal protective equipment. Using this inventory, emergency equipment and supplies will be purchased and stockpiled within HCWD1 to enable staff to be prepared for emergencies. A copy of this inventory will be kept in an appendix of the ERP.

**JE2.8.3 Emergency Response Personnel**

The ERP will contain an Emergency Response Organizational Chart showing the number of staff available and their specific disciplines of performance under emergency conditions. This list will include emergency contact numbers, as well as specific duties to be performed in the event of an emergency.

**JE2.8.4 Emergency Response Actions**

Our ERP will contain general and, where possible, specific actions from discovery to containment to be performed in the event of the various types of emergencies. The plan will contain details on reporting procedures, first responders and their
priorities, and response times and actions to protect personnel, property, and to ensure the continuation of service.

**JE2.8.5 Emergency Response Training**

Members of the HCWD1 team are already trained to address the emergencies in this area and have worked with the local Emergency Management Agency (EMA) in emergency responses. Team safety experts and a designated onsite safety coordinator provide training for the HCWD1 staff including first aid, cardiopulmonary resuscitation, vehicle safety, lifting, electrical lockout/tagout, confined space entry, excavation and trenching (competent person), and responses to emergency conditions. All HCWD1 subcontractors are responsible for meeting or exceeding OSHA compliance standards.

Vendors and public safety personnel will also provide training in areas of their specific expertise. The Safety/Security Officer will monitor safety performance. An Annual Safety Review will be conducted and corrective actions initiated when warranted. SOPs developed for the facility will also incorporate safety considerations.

**JE2.8.6 Coordination with Agencies and Adjacent Utilities**

A detailed list of agencies and contact names and numbers will be developed and maintained in the ERP. All onsite personnel will be provided a wallet-sized version for their immediate reference, and the onsite safety team will post the listing at key facility locations.

In order to ensure the most effective and prompt response to emergency situations involving the facility staff, it is important to coordinate emergency notification and response activities at the facility, in planning and in implementation, with other agencies and parties involved. Key coordinating agencies include client representatives and Fort Knox’s Public Safety (fire, military police, and emergency management services agencies). The Emergency Communications section of the ERP will be developed in concert with these parties.

Operating staff on Post will report any emergency situation, such as fire, accident, criminal act, or threatening act or condition by dialing 911 or reporting directly to the Fire Department or military police. In cases of water service emergencies, we will initiate corrective action and notify the COTR. We will record time and date, person notified, and scope of accident or repair. HCWD1 will provide the government two copies of the notification record and maintain a copy for a minimum of 2 years. We will provide keys to the DPW to allow for emergency access to all secured facilities included under this contract.

**JE2.8.7 Disaster Recovery/Service Restoration**

As part of HCWD1’s ERP, the Disaster Recovery/Service Restoration Plan will identify the priority of restoration of service on Post following emergency issues. As previously stated, all emergency calls will be addressed immediately, 24 hours per day. In-house personnel will assess and prioritize all service calls. If a call is prioritized as a major emergency that cannot be addressed with HCWD1’s crew, an outside contractor will be used. HCWD1 has an established list of available contractors who respond to emergencies immediately and work hand-in-hand with the HCWD1 crews. Crews and equipment can typically be at the gate within 30 minutes.

In any recovery efforts, HCWD1 can call upon the resources of their subcontractor, LWC, which will be a subcontractor to HCWD1 for water treatment. With staff of over 450 employees who are located in the Louisville area, LWC is able to devote the necessary resources to assist in the utility system recovery from emergency conditions. In addition, LWC maintains contingency contracts with local contractors to provide assistance, in the event of a plant or distribution emergency.

The recovery/restoration priorities for the water systems address health and safety priorities, as well as mission-critical facilities during national emergencies, deployments, and alerts and in accordance with the Force Protection Plan. They are as follows:
1. Hospitals/medical facilities
2. Critical Command Facilities
3. Major Command Headquarters
4. Family housing and barracks areas
5. Motor pools and other facilities

**JE2.9 Installation-Specific Requirements**

No additional installation-specific requirements are included in this proposal. However, HCWD1 will work closely with Fort Knox to ensure that all work is conducted in accordance with installation requirements.

**JE2.10 Possible Causes for Service Interruptions and Response Plans**

HCWD1’s approach to respond to potential service interruptions is shown in Exhibit JE2-7.

<table>
<thead>
<tr>
<th>Cause of Service Interruption (Examples)</th>
<th>How HCWD1 Will Respond</th>
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</thead>
<tbody>
<tr>
<td>Natural disasters (Earthquake, high winds, etc.)</td>
<td></td>
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<tr>
<td>- Acts of God, which might include things like high wind-induced power outages, to the wastewater collection system, heat, or water distribution equipment or a fire.</td>
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<tr>
<td>- Natural disasters include events, such as earthquakes or floods. Both of these scenarios have the potential to cause severe damage to the buried utility service lines, lift stations, buildings and delivery of electricity, etc.</td>
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<tr>
<td>- These outages will typically be caused by ice and snow loading, causing mechanical failure of overhead conductors. Wind damage to overhead conductors, or conductor &quot;slap&quot; causing fuses to blow. Lightning strikes, causing fuse, transformer, or conductor damages, can occur to either overhead or underground systems.</td>
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<tr>
<td>✓ Coordinate restoration priorities with Fort Knox.</td>
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<tr>
<td>✓ Mobilize all available local staff per the ERP.</td>
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<tr>
<td>✓ Assess damage to the facilities and associated components.</td>
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<tr>
<td>✓ Engage additional external staff and resources as deemed necessary (e.g., engineering staff to assess structural damage, potable water tanks, etc.).</td>
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<tr>
<td>✓ Notify relevant state and federal permitting agencies of the status and condition of facilities.</td>
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<tr>
<td>✓ Project Health &amp; Safety Manager mobilizes to site to conduct site safety assessment.</td>
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<tr>
<td>✓ Communicate situation overview, assessment, and recommendations for restoration of services with Fort Knox.</td>
<td></td>
</tr>
<tr>
<td>✓ Provide temporary services until final assessment and permanent service is restored.</td>
<td></td>
</tr>
<tr>
<td>✓ Begin restoration of facilities and all affected components.</td>
<td></td>
</tr>
<tr>
<td>✓ Provide other (non-utility) emergency response support to Fort Knox as requested and able.</td>
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<table>
<thead>
<tr>
<th>Human Error</th>
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<tbody>
<tr>
<td>- Inadvertently close valves that would lead to a water main freezing during winter months because the water was not allowed to circulate in a looped system</td>
</tr>
<tr>
<td>- Failure to properly maintain or service the valves, or improperly connecting bypass pumps to the power supply, or improperly operating the fire hydrant operating nuts causing damage to the valve are all possible events</td>
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<tr>
<td>- Improper switching or synchronizing generating equipment</td>
</tr>
<tr>
<td>✓ Once error identified, Project Manager notifies COTR and begins procedures to correct deficiency.</td>
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<tr>
<td>✓ Mitigate the emergency before it causes additional problems or damages throughout the water distribution system.</td>
</tr>
<tr>
<td>✓ If error results in permit violation, proper state notification will be provided.</td>
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<tr>
<td>✓ If processes are affected, immediate action will be taken to bring said process under control within operating specifications.</td>
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<tr>
<td>✓ Investigate cause and effect to evaluate employee causing error.</td>
</tr>
<tr>
<td>✓ Define if further training is needed, is employee routinely causing problems, etc.</td>
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<tr>
<td>✓ Conduct remedial training and lessons learned.</td>
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<tr>
<td>✓ Provide correspondence to COTR and State (where applicable)</td>
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<tr>
<td>✓ Overcome these events by redundancy in the system and having well trained and certified system operators.</td>
</tr>
<tr>
<td>Cause of Service Interruption (Examples)</td>
</tr>
<tr>
<td>-----------------------------------------</td>
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</tbody>
</table>
| **Equipment Failure (bearings go out, motor burns out, pump failure, etc)**  
  o No heat at valve pits or meter vaults or other key utility buildings  
  o Unavailability of fuel (pumping) from fueling stations for vehicles or equipment  
  o Frozen water lines  
  o Flooding of water pits where seals have deteriorated and result in surface water flooding the pits  
  o Fuel, condensate, or feedwater pumps failure  
  o Fans or compressor failures |  ✓ Set up work order and review history of equipment.  
  ✓ Once failure identified, go to inventory of critical spare parts and repair defective equipment.  
  ✓ If failed equipment is not in inventory, procure through national contracts and/or basic ordering agreements.  
  ✓ Repair or replace equipment as soon as possible.  
  ✓ Investigate cause of failure (environment, maintenance deficiency, age, etc.).  
  ✓ Maintain proper lubrication and inspections for all associated equipment.  
  ✓ If failure appears to be recurring, modify frequency of PM to mitigate failure occurrence.  
  ✓ Properly insulate water mains and service lines with sprayed on urethane and designed as circulating loops that use water movement to prevent freezing action.  
  ✓ Constant monitoring of distribution system water temperature, low flow areas can be enhanced by activation of fire hydrants to speed flows when water temperatures drop to unacceptably low temperatures.  
  ✓ Controlled fire hydrant flushing can markedly improve service even during the winter months and it improves water quality to the customer because it refreshes water that may have gone “stale” from not moving or circulating.  
  ✓ Have thawing equipment available to thaw mains and services.  
  ✓ Implement predictive maintenance on critical equipment. |
| **Fire** |  ✓ Mobilize all available local staff per the ERP.  
  ✓ Assess damage to the facilities and associated components.  
  ✓ Engage additional external staff and resources as deemed necessary (e.g., engineering staff to assess structural damage, potable water tanks, etc.).  
  ✓ Project Health & Safety Manager mobilizes to site to conduct site safety assessment.  
  ✓ Communicate situation overview, assessment, and recommendations for restoration of services with Fort Knox.  
  ✓ Provide temporary services until final assessment and permanent service is restored.  
  ✓ Begin restoration of facilities and all affected components. |
| **Employee Strikes**  
  o Operators fail to report for work based upon a bargaining agreement dispute  
  o Intentional sabotage of key utility components by striking employees |  ✓ During transition, additional security and supervision will ensure that no processes or equipment can be sabotaged or tampered with.  
  ✓ Project Manager will notify COTR and immediately call internal labor relations representative to begin discussions.  
  ✓ Support personnel from nearby HCWD1-affiliated companies will bring in key positions to sustain service to Fort Knox.  
  ✓ Proceed with discussions to resolve issues. |
HCWD1’s Approach to Potential Service Interruptions

<table>
<thead>
<tr>
<th>Cause of Service Interruption (Examples)</th>
<th>How HCWD1 Will Respond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terrorism</td>
<td>✓ Provide site employees with specific training in preparing for and responding to terrorist activities involving public and private utilities.</td>
</tr>
<tr>
<td></td>
<td>✓ Perform periodic utility vulnerability threat assessments.</td>
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<tr>
<td></td>
<td>✓ Notify Government official and COTR of situation.</td>
</tr>
<tr>
<td></td>
<td>✓ Mobilize all available local staff per the ERP.</td>
</tr>
<tr>
<td></td>
<td>✓ Assess damage to the facilities and associated components.</td>
</tr>
<tr>
<td></td>
<td>✓ Engage additional external staff and resources as deemed necessary (e.g., engineering staff to assess structural damage, potable water tanks, etc.)</td>
</tr>
<tr>
<td></td>
<td>✓ Notify all state and federal permitting agencies of the status and condition of treatment facilities.</td>
</tr>
<tr>
<td></td>
<td>✓ Project Health &amp; Safety Manager mobilizes to site to conduct site safety assessment.</td>
</tr>
<tr>
<td></td>
<td>✓ Communicate situation overview, assessment, and recommendations for restoration of services with Fort Knox.</td>
</tr>
<tr>
<td></td>
<td>✓ Provide temporary services until final assessment and permanent service is restored.</td>
</tr>
<tr>
<td></td>
<td>✓ Begin restoration of facilities and all affected components.</td>
</tr>
<tr>
<td></td>
<td>✓ Provide any assistance as needed by Fort Knox.</td>
</tr>
</tbody>
</table>

Details follow on how the various types of responses (emergency, urgent, and routine) will be managed to restore water service to Fort Knox in the event of a service interruption.

**Step 1: Establish a central organization/location**

- Assess the severity of the damage to the water distribution system and tailor the response to include the following steps as necessary.
- Establish an Emergency Response Center where all organization and coordination takes place. This would be an on-site, temporary emergency location at the HCWD1 operations center if the building is structurally sound. Responses to emergencies are expected to be fluid and the operators will, of necessity, be required to react to the situation rather than follow rigid guidelines. The on-site water distribution operators will be expected to request additional resources early in the emergency response time line and those resources would be secured from area businesses immediately after being requested. The Project Manager will be in constant communications with HCWD1 operators during emergency activities.

**Step 2: Work crews and manning**

- As soon as initial damage assessment and control are complete, the Project Manager will split available personnel into two shifts and send one half home with a recall time. For the duration of the emergency, each shift will work 12 hours on and 12 hours off until the emergency is over. The on-duty crew will be split into as many crews as can be fielded along with temporary workers, and will be dispatched to begin repair work at the direction of the person in charge.
- HCWD1 will supplement labor at the Post with labor from a pre-designated list of HCWD1 and LWC personnel, and subcontractors working under the direction of the Project Manager.

**Step 3: Damage assessment and priority of restoration**

- As soon as a workforce is gathered, they will take immediate steps to mitigate the damage. The utility operators will ensure actions are taken to protect key facilities and prevent additional damage to facilities or to the water distribution system, and to ensure that key facilities, such as medical, child
care, fire protection, and mission essential facilities, are being served on a priority basis. Inherent in the initial response is the utility worker’s follow-up requirements outlined below:

- Identify portions of the water distribution system where breaks have occurred. This can be done using visual inspection of water main routes, reports from customers, or from inspection of meter readings at various locations in Fort Knox’s water distribution system.

- Activate emergency power for water pumps needed to establish bypass operations when necessary using on-site standby generators or truck mounted generators. Emergency power will only be activated after the system has been assessed to ensure activation of the generator power will not cause additional damages to the infrastructure or equipment.

- Take action to enclose and heat damaged facilities, as necessary, using stockpiled emergency supplies listed earlier in this proposal. Temporary heating sources are available from local rental businesses in the Fort Knox area. There are few facilities that would require supplemental heat; therefore, it is not practical to maintain large portable heaters on hand.

Step 4: Priority for restoration of water service to Fort Knox

- Restore the water distribution system mains/piping network.
- Restore water distribution meter pits and valve buildings.

Step 5: Restoration of water service to buildings and facilities

- Restoration will be accomplished according to the Fort Knox ERP. Priority will be established by the Post commander and the COTR.
- It will be the responsibility of HCWD1 employees to determine if the utility system is sufficiently stable to restore connections to individual buildings or facilities. If the building is not structurally intact or stable enough for work to be performed, HCWD1 on-site personnel will coordinate with the Post representative and the COTR to develop an acceptable temporary service to serve the customers and the Post. In no case will the utility personnel be required to work in unsafe buildings; however, the utility representative is obligated to find an acceptable solution to providing water service to the residents of Fort Knox.

- Once all components of the water system have been restored to usable condition, the system will be thoroughly cleaned of any silt or other debris and put back into service. Water quality will be tested to ensure safety to consumers.

These steps would be slightly modified, as follows, in a smaller-scale outage.

Step 1: Notification of Emergency Service Request. Authorized Government representative will notify the Call Center of the emergency condition.

Step 2: Duty Operator/or Operations Manager will notify maintenance crews and/or first responder.

Step 3: Crews will respond within the required response times.

Step 4: Government personnel will be notified when the condition has been assessed and when estimated restoration times have been determined.

Step 5: After downgrading to Urgent or complete restoration, Government personnel will be notified.

Emergencies as the Result of Human Error

Emergencies related to human error are considered differently and the response is more rapid than deliberate acts of sabotage because the employee is immediately aware of their error. In cases where an employee clearly makes a mistake, the response is normally identified very quickly and the operator has the ability to mitigate the emergency before it causes additional problems or damages throughout the water distribution system.

The most likely accidental damage would be caused to mechanical equipment, valves, control panels, or structural equipment of the distribution system. An inexperienced operator could damage equipment or
components and cause water service disruption within the service lines or to segments of the distribution system. It would also be possible for an inexperienced operator to inadvertently close valves that would lead to a water main freezing during winter months because the water was not allowed to circulate in a looped system.

Operators may also damage key components of the water treatment/distribution system through inadvertent and unintentional acts. Most likely equipment to be damaged through a mistake is water distribution valves or control panels. Failure to properly maintain or service the valves, or improperly connecting bypass pumps to the power supply, or improperly operating the fire hydrant operating nuts causing damage to the valve are all possible events. These events can be overcome by redundancy in the water distribution system and having well-trained and state-certified water distribution system operators. It is our intent to employ only state-certificated operators to operate the water distribution system.

The likelihood of damage by an operator to the distribution system piping components is considered extremely remote. These facilities and structures are difficult to damage through inadvertent acts; thus, concern would be more appropriately placed with the more sensitive and easily damaged components.

HCWD1 employees will be trained in the O&M of the water treatment/distribution system, as well as in the health and safety issues in and around the system. The water system will be maintained in a responsible manner so that equipment failures will be kept to a minimum. All HCWD1 employees and the closely affiliated companies are subject to pre-hire and random drug and alcohol testing. We operate in a zero tolerance industry and employees are expected to maintain very high standards of conduct. We take the extraordinary steps of ensuring employees are highly skilled and that they do not participate in personally destructive behavior that would extend to the workplace.

Accidental Destruction
Immediately notify the customer and the COTR of the situation. If the destruction is isolated to one component, then the component will be replaced. If the destruction covers a wider segment of the water utility, the on-site operator will prioritize his/her efforts to complete repairs, and if additional assistance is needed, he/she will immediately contact the Project Manager for additional resources. Those resources may be from external HCWD1, LWC, or contracted businesses in the local area. The urgency of repairs and the degree of expertise required for repairs will determine the resources that are applied. In many cases, there is adequate inventory of supplies and materials to support immediate needs of HCWD1. One of the many advantages of standardizing equipment and materials within a joint venture is the immediate availability of repair parts. It will be our intent to standardize as many water treatment/distribution system components as possible.

Standardization of inventory also favors cost containment for operations. Inventory is expensive, and a reduction of just 10 percent in inventory lines is directly reflected as a cost savings under a regulated proposal.

Specific components include standardization of pipe, control panels, water meters, fire hydrants, and valves.

Emergencies as a Result of Equipment Failure
There are relatively few pieces of equipment in the water distribution system that are prone to failure. The most likely event is a failure of an isolation valve or the failure of a water meter. Proactively addressing valve maintenance to include proper lubrication, exercising valves and isolation equipment, servicing pressure reducing devices, routinely checking water meter readings, and proper maintenance of electronic controls all contribute to enhanced reliability. Our team has a long history of providing aggressive equipment maintenance to prevent equipment failures and that same philosophy will be implemented at Fort Knox.

The most likely event to occur at Fort Knox (based upon information provided in the utilities privatization documentation and the site visit) is the likelihood of treatment or pumping equipment failure. HCWD1 will
implement an aggressive predictive and preventative maintenance program. This program has proven to reduce unplanned equipment failure, reduce operating cost, and extend the lifespan of equipment. During transition, HCWD1 will review all facilities and identify “critical spares.” These are defined as system components that are necessary for safety and environmental compliance, or are required to maintain continuous service. This will serve as the catalyst for maintaining spare equipment on-site or at the HCWD1/LWC offices.

**JE2.11 Catastrophic Loss Plan**

HCWD1’s Catastrophic Loss Plan (CLP) has the following elements:

- Vulnerability/Threat Assessment
- Planning
- Emergency Restoration Plan
- Lessons Learned/Plan Updates

**JE2.11.1 Vulnerability/Threat Assessment**

Prevention of catastrophic loss is the key goal of our plan. This begins with the identification of critical operations, products, and services. Then a hazard assessment must be completed for each of the critical areas. The assessment reviews potential hazards (i.e., fire, flood, weather related, and acts of terrorism). Then each of the elements are assessed based on the likelihood of occurrence and the impact to critical service. A ranking system uses both of these review elements to prioritize response during a catastrophic event. Since an effective CLP must be “site-specific,” HCWD1 will complete this site-specific assessment during the first 120 days of the contract.

A key element of protecting a utility from catastrophic loss is the vulnerability assessment. As required under the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (Bioterrorism Act) HCWD1 assumes that the required vulnerability assessment was completed by the 30 June 2004 deadline. This plan will be reviewed and incorporated into the SOPs, as appropriate. HCWD1 will maintain the appropriate levels and types of insurance for critical facilities to ensure that prompt resources are available to mitigate the loss, and replace or renew damaged assets.

**JE2.11.2 Planning**

The CLP must then be integrated with employees and other Fort Knox agencies. Employees and others play an essential role in the prevention of loss. Employees should ensure facilities are secure at all times, security systems are active and functioning correctly, and report unusual or non-regular activities in and around critical facilities. Communicating the plan to other Fort Knox agencies allows them to assist in surveillance activities.

**JE2.11.3 Emergency Restoration Plan**

Should a catastrophic event occur, restoring service and mitigating impact are key considerations. HCWD1’s ERP is detailed in Section JE2.8. The ERP covers restoration of service from catastrophic events both man-made and naturally occurring. Should a widespread catastrophic event occur, HCWD1 will work with local, state, and federal agencies to integrate our CLP with restoration efforts of these agencies. This participation would include all aspects of disaster recovery, including application for grants and low-interest loans to restore facilities completely, should the damage exceed the insured amount, or not be a covered event.

**JE2.11.4 Lessons Learned/Plan Updates**

The CLP is a plan, and as such will be reviewed periodically to ensure it accurately reflects the hazards present during the course of the contract. Lessons learned are a key part of preventing reoccurrence of catastrophic failures. If a catastrophic event occurs, immediately after the emergency restoration is complete, a team will be convened to identify, collect, and disseminate lessons learned, both from the event, and the restoration phase. The plan will be updated to reflect the lessons learned.
JE3.1 O&M Plan

HCWD1’s philosophy is based on stewardship of assets and it is HCWD1’s goal to enhance everything entrusted to us. In some instances, this means improvement of assets, while in other cases it means maintaining value and operating efficiency. Selecting the right O&M strategies results in timely replacement of assets and maximizing efficiencies. We achieve these objectives through optimizing facilities’ processes, implementing our maintenance program, and optimizing staff utilization. HCWD1 has established and will maintain the following O&M Plan in accordance with Section C.12 of the contract.

The major components of the Plan are:

- Staffing Plan
- Operations Plan
- Maintenance Plan
- O&M Policies and Procedures

JE3.1.1 Staffing

Staffing will be used to maximize operations efficiency, ensure optimal levels of maintenance, and provide consistently reliable service to Fort Knox. Exhibit JE3-1 shows the staffing for daily O&M responsibilities. We have analyzed the organization and staffing required to best perform the requirements of the SOW and are proposing the contract site organization as presented in Exhibit JE3-1.

Exhibit JE3-2 provides further detail of utilities services staffing. The majority of services will be performed by on-site staff and employees of HCWD1. The full-time equivalents (FTEs) below represent the O&M effort for 1 year.

JE3.1.2 Operations Plan

HCWD1’s Operations Plan for Fort Knox will deliver proven, cost-effective solutions that increase performance. Our approach involves key strategies that guarantee a significant increase in the value of services provided. To achieve this, the following programs will be implemented:

- A state-of-the-art CMMS (Jobs Plus®)
- A regulatory compliance plan that will meet all federal and state requirements of the Safe Drinking and Clean Water Acts
- A comprehensive staff evaluation and training program
- A communications plan that will provide a reporting system to the appropriate management team at Fort Knox

System Description. Fort Knox’s potable water utility system includes 13 groundwater wells; 2 raw water intake structures at the dams; a low-lift pumping station; 48,700 linear feet (LF) (9.2 miles) of raw water line; 2 WTP facilities (Central and Muldraugh); 3 clear wells; 2 high lift pump stations; 1 booster pump station; 8 elevated storage tanks; the main cantonment area’s potable water distribution system, which includes roughly 810,329 LF (153.5 miles) of potable water distribution pipe; and the 3 range areas’ potable water distribution systems, which include roughly 48,397 LF (9.2 miles).

Current Operations. Based on our observations and information provided to bidders, the water quality for this system appears to meet all of the State of Kentucky standards. However, a thorough compliance analysis will be performed during the first 120 days of the contract (transition period).

Operational Changes. Exhibit JE3-3 details several operational practices currently conducted and changes proposed.

Process Description. HCWD1 is committed to supporting our Army partner in the planning and programming activities for projects that may impact the utility system(s) in accordance with the requirements outlined in contract Sections JA1.3.7, Planning and Programming, and JA1.3.8, Request for Action (RFA) Process. As such, HCWD1 will assist in the development of Requests for Action (RFAs) when necessary. HCWD1 has proposed the following process to respond to RFAs and is willing to modify any steps at the request of the KO/COR.

(Abbreviations: PM – DPW Project Manager; KO – Contracting Officer; COR - Contracting Officer’s Representative; UP – Utility Privatization Contractor.)
Step 1: The PM prepares Work Orders and provides to the COR. The COR then forwards to the KO and the KO contacts the UP contractor regarding the potential project.

Step 2: The PM develops independent government estimates (IGE) and provides to COR and KO.

Step 3: The UP Contractor identifies specific utility system requirements for the project, develops a scope of work, detailed cost estimate, sketch, period of performance, and project schedule. The UP Contractor should also identify any applicable increase/decrease to the O&M/R&R.

Step 4: The KO, COR, and PM review the UP contractor’s proposal.

Step 5: UP Contractor, KO, COR, and PM discuss and agree on price and schedule.

Step 6: The PM provides the COR with funds and work order.

Step 7: Funds are provided to the KO.

Step 8: KO issues modification.

Step 9: The PM and/or general contractor coordinates with the UP Contractor regarding schedule.

Step 10: The UP contractor completes Quality Assurance/Quality Control (QA/QC) and Inspections.

Step 11: The UP contractor invoices for the project.

Step 12: Modify the UP contract to include O&M and R&R for the added assets.

Planned Operational Strategy. The first step to developing a strategy to operate the facilities will be to further evaluate the current status of operations during the system characterization activities.

Maintenance needs will be cataloged and prioritized at all facilities according to the following requirements:

1. Maintaining required water quality
2. Maintaining service to the base
3. Cost of equipment
Operation of the water storage facilities will be in accordance with national and local fire codes and AWWA-recommended practices. Specifically, minimum levels of water will be maintained in the storage reservoirs to meet fire flow requirements, domestic emergency storage, and pressure equalization.

An annual fire hydrant flushing and testing program will be initiated to ensure the highest level water quality is delivered to our Fort Knox customers. In addition, this program will verify the system readiness for emergency operations with emphasis on adequate capacity and pressure. HCWD1 will coordinate with the Fort Knox Fire Department prior to any testing, repair, or maintenance of the fire hydrants.

HCWD1’s goal of compliance will adhere to all of the primary and secondary standards as promulgated by the Safe Drinking Water Act (SDWA) and the State of Kentucky. By applying HCWD1’s proactive approach for compliance with the recently promulgated and the proposed regulations by developing water quality goals that are more stringent than current regulations, HCWD1 is well positioned to meet current and future regulations. Drinking water regulations that impact HCWD1 can be divided into three categories:
1. Existing regulations
2. Recently promulgated regulations
3. Future regulations

For this contract, the applicable existing regulations that impact the Water System are highlighted in Exhibit JE3-4.
**EXHIBIT JE3-2**

*Utilities Services Staffing*

<table>
<thead>
<tr>
<th>Position</th>
<th>Company</th>
<th>FTE - Treatment</th>
<th>FTE - Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Manager*</td>
<td>HCWD1</td>
<td>0.05</td>
<td>0.2</td>
</tr>
<tr>
<td>Project Manager</td>
<td>HCWD1</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Operations Manager*</td>
<td>HCWD1</td>
<td>0.05</td>
<td>0.2</td>
</tr>
<tr>
<td>Water Treatment Project Manager</td>
<td>LWC</td>
<td>0.2</td>
<td>0</td>
</tr>
<tr>
<td>Water Distribution Supervisor</td>
<td>HCWD1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Plant Maintenance Manager</td>
<td>LWC</td>
<td>0.2</td>
<td>0</td>
</tr>
<tr>
<td>Water Treatment Supervisor</td>
<td>LWC</td>
<td>0.2</td>
<td>0</td>
</tr>
<tr>
<td>Operators</td>
<td>LWC/HCWD1</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Equipment Operators</td>
<td>HCWD1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Treatment Plant Mechanics/ Electrician/ I&amp;C</td>
<td>LWC</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Administrative Assistant/ Accountant</td>
<td>HCWD1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>GIS Technician</td>
<td>HCWD1</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

*See Exhibits JE3-6 and JE3-7 for a description of the qualifications and personnel proposed for each position. The General Manager and Operations Manager costs are recovered through the G&A Overhead Rate adder.*

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**EXHIBIT JE3-3**

*Operational Strategies for Water System*

<table>
<thead>
<tr>
<th>Operational Condition</th>
<th>Current Operations</th>
<th>HCWD1 Plan</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM Scheduling</td>
<td>Unknown method of scheduling of PM tasks</td>
<td>Condition-based scheduling of PM tasks</td>
<td>Lower life cycle equipment costs</td>
</tr>
<tr>
<td>Predictive Maintenance</td>
<td>Unknown</td>
<td>Use of current monitoring, vibration monitoring, and used oil analysis</td>
<td>Establish baseline equipment condition and set up proper PM</td>
</tr>
<tr>
<td>Inventory Management</td>
<td>Unknown method of ordering, receipt, and disbursement of commodities and supplies</td>
<td>Identify critical parts, and minimum/maximum stock levels. Routine verification of stock levels.</td>
<td>Lower inventory costs and increase reliability of critical systems</td>
</tr>
<tr>
<td>Water Tank Maintenance</td>
<td>Unknown maintenance level of water tanks</td>
<td>HCWD1 will subcontract maintenance of the water tanks</td>
<td>Frequent maintenance allows for higher water quality and extended life of tanks</td>
</tr>
<tr>
<td>Water Distribution System</td>
<td>No known regular frequency for water balance</td>
<td>HCWD1 will conduct an annual water balance for the water production and distribution system</td>
<td>Annually assess water loss and identify sources</td>
</tr>
</tbody>
</table>

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**EXHIBIT JE3-4**

*Regulations That Impact Water System*

**Existing Regulations**

*Kentucky Division of Water – Kentucky Administrative Regulations Title 401, Chapter 8*

**Total Coliform Rule**

The Total Coliform Rule was promulgated on June 29, 1989. Total coliforms include both fecal coliforms and *E. coli*. Compliance with the Total Coliform Rule is based on the results of sampling in the distribution system. The frequency and number of collected samples are a function of the system size (number of people served). HCWD1’s plan will maintain compliance with the Total Coliform Rule by (1) maintaining adequate distribution system disinfectant residual, and (2) frequently flushing low flow areas.

**Arsenic**

Environmental Protection Agency (EPA) has set the arsenic standard for drinking water at .010 parts per million (10 parts per billion) to protect consumers served by public water systems from the effects of long-term, chronic exposure to arsenic. Water systems had to comply with this standard by January 23, 2006, providing additional protection to an estimated 13 million Americans.
Regulations That Impact Water System

<table>
<thead>
<tr>
<th>Regulation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Long Term 2 Enhanced Surface Water Treatment Rule (LT2ESWTR or LT2 Rule)</strong></td>
<td>The purpose of the LT2 Rule is to reduce illness linked with the contaminant Cryptosporidium and other disease-causing microorganisms in drinking water. The Rule will supplement existing regulations by targeting additional Cryptosporidium treatment requirements to higher-risk systems. This Rule also contains provisions to reduce risks from uncovered finished water reservoirs and to ensure that systems maintain microbial protection when they take steps to decrease the formation of disinfection byproducts that result from chemical water treatment.</td>
</tr>
<tr>
<td><strong>Stage 2 Disinfectants and Disinfection Byproducts Rule (DBP Rule)</strong></td>
<td>The Stage 2 DBP Rule builds upon earlier rules that addressed disinfection byproducts to improve drinking water quality and provide additional public health protection from disinfection byproducts. This Rule strengthens public health protection for customers by tightening compliance monitoring requirements for two groups of DBPs, trihalomethanes (TTHM) and haloacetic acids (HAA5). The Rule targets systems with the greatest risk and will reduce potential health risks related to DBP exposure and provide more equitable public health protection.</td>
</tr>
<tr>
<td><strong>Groundwater Rule</strong></td>
<td>EPA published the Groundwater Rule in the Federal Register on November 8, 2006. The purpose of the rule is to provide for increased protection against microbial pathogens in public water systems that use ground water sources. EPA is particularly concerned about ground water systems that are susceptible to fecal contamination since disease-causing pathogens may be found in fecal contamination. The Groundwater Rule will apply to public water systems that serve ground water. The rule also applies to any system that mixes surface and ground water if the ground water is added directly to the distribution system and provided to consumers without treatment.</td>
</tr>
<tr>
<td><strong>Lead and Copper Rule</strong></td>
<td>On June 7, 1991, the EPA published Action Limits (ALs) and national primary drinking water regulations for lead and copper. Under this regulation, lead and copper levels must not exceed ALs of 0.015 milligrams per liter (mg/L) and 1.3 mg/L, respectively, in 90 percent of the samples collected. Actions required for AL exceedances include collecting source water samples, conducting public education, conducting a corrosion control study, and establishing a corrosion control program. This Rule also requires that lead and copper be monitored at consumers’ taps every 6 months. Samples at consumers’ taps must be taken at high-risk locations, which include homes with lead solder installed after 1982, lead service lines, and lead interior piping. Revisions to the Lead and Copper Rule were promulgated in April 2000. The revisions reduced the frequency of monitoring required for low lead and copper tap levels and updated the analytical methods used for analyzing lead and copper levels.</td>
</tr>
</tbody>
</table>

**JE3.1.3 Maintenance Plan**

HCWD1’s maintenance program has the following objectives:

- Maintain the facilities to the highest standard of care to preserve aesthetics and protect against deterioration.
- Maintain equipment in a manner that maximizes operational life and endeavor to prevent unexpected equipment repairs due to untimely failure.
- Provide timely and cost-effective response to both typical and emergency conditions.
- Ensure system performance through equipment reliability, uninterrupted service, and maximum uptime.

- Protect capital investments.
- Ensure the safety of personnel and equipment.
- Enforce equipment warranties.
- Control overall maintenance costs by reducing corrective and emergency/reactive maintenance costs.

HCWD1 will use a whole lifecycle approach combined with our CMMS, as discussed later in this section, to monitor the condition of the facilities and schedule routine inspections, maintenance, and repairs. The CMMS will also track performance, service history, and repair costs. The data generated will be used to evaluate the need to replace or rehabilitate the portion of the system. An equipment assessment will be conducted during the system characterization phase for this purpose. Using the equipment condition
data developed during the system characterization phase, the “criticality of failure” factor will be established for each piece of equipment. Using the criticality of failure, along with the maintenance characteristics and the availability of replacement parts, HCWD1 will develop a maintenance strategy for each piece of equipment. This strategy ensures that:

- Sources of spare parts and replacements are planned and availability is targeted to the needs of the specific facility to minimize both scheduled and unscheduled downtime
- Maintenance skill requirements are determined, skill gaps identified, and training planned and implemented

The maintenance strategy selected for each piece of equipment will be based on three levels of maintenance:

- Preventive Maintenance (PM)
- Corrective Maintenance (CM)
- Predictive Maintenance (PdM)

PM is defined as routine and/or repetitive activities required or recommended by the equipment or facility manufacturer or HCWD1 to maximize the service life and reliability of the system components. Proper PM is the all-important first line of defense against deterioration and failure.

CM encompasses activities required for operational continuity, safety, and performance. The status of CM work orders will be maintained in the CMMS, and work will be scheduled to the extent possible with groups of equipment to save time and reduce labor requirements. Based on HCWD1's maintenance evaluation, critical spare parts will be stocked on-site or held in reserve at a supplier's warehouse to ensure that downtime is minimal. Each type of maintenance will be scheduled and its completion monitored using the CMMS.

PdM virtually eliminates unexpected equipment failure because of normal wear. PdM activities will range from simple, periodic inspections to sophisticated condition measurements. The baseline condition for each critical piece of equipment will be identified and the equipment will be monitored against selected critical performance criteria.

The following outlines the basic components of HCWD1’s maintenance approach. It provides an overview of our plan for predictive, preventive, and CM corrective maintenance, as well as the implementation of the CMMS. While this is a concept for a detailed maintenance plan, which will be developed during the system characterization phase, it provides an overview.

**PM Plan.** HCWD1’s approach to minor (routine) maintenance focuses on PM. Proper PM decreases the total lifecycle cost of equipment or facilities. The lifecycle cost of equipment and facilities that have been properly maintained is a fraction of the cost of equipment and facilities that have been poorly maintained.

During HCWD1’s evaluation of the Fort Knox facilities, we identified opportunities for improvements to maintenance practices. During the evaluation, HCWD1 could not determine how PM tasks were being performed, generated, and tracked. Upon award, HCWD1 will start by creating a Master Equipment List (MEL). All equipment identified in the MEL will be assigned a unique asset number and location code. Once this is completed, the detailed nameplate data will be entered for each asset. HCWD1 will then enter PM tasks and frequencies.

Specific tasks, frequencies, and preventative maintenance procedures will be based on the manufacturer’s O&M Manual, Department of the Army standards, and standards developed by HCWD1 that are based on our experience in maintaining similar equipment at levels above industry standards.

Each PM task will be assigned an identification number that will be unique to the task being performed. This unique PM task will describe the procedure needed, tools required, materials needed, all safety requirements, and any Department of the Army issues involved. Each PM task will also be assigned a cycle for completion. For example, a generator oil change may occur once per year, whereas a vehicle oil change would occur in a quarterly cycle. If a PM task is not completed, due to
extraordinary circumstances, the PM task will appear again as a flagged, higher-priority task.

Each individual PM task will contain the date of the last revision, drawing reference numbers, O&M Manual number, and location, as well as any other documents that relate to the operation or maintenance of the equipment requiring maintenance.

**CM Plan.** CM is defined as those non-repetitive activities necessary to correct a malfunction or replace a failed component of the system for operational continuity, safety, and performance. Unplanned CM activities are generally performed because of system components failure. Planned CM is the result of proactive PM and PdM processes that identify the equipment's needs before a failure occurs. There are many reasons why planned CM is preferred to unplanned CM. For example, it provides:

- Increased process reliance due to decreased critical equipment failure
- Reduced manpower costs due to improved job planning and scheduling
- Reduced overall repair costs due to proactive repairs of minor issues before they cause more equipment damage
- Reduced capital improvement costs due to increased equipment life spans

HCWD1 will prepare standard maintenance procedures for major CM activities. The standard maintenance procedures are procedural documents with staffing requirements to accomplish the CM tasks. The procedures will include lists of tools, instruments, and materials to perform each task. The procedures will be part of the CMMS and can be printed in hard copy for the maintenance staff to carry to perform the maintenance procedure.

CM needs often generate decision points that require expert evaluation and recommendations. The CMMS will provide a valuable tool by maintaining a library of information on each piece of equipment. This information will be searchable by equipment type, location, application, manufacturer, and repair type. By using this data, HCWD1 will be able to make the best overall decisions for equipment needs. For example, HCWD1’s team will be able to predetermine repair costs and evaluate equipment histories to determine a repair/replace breakpoint. If an estimated repair cost exceeds the agreed upon cost/benefit ratio, HCWD1 will be able to make an effective decision on equipment type, size, and manufacturer to ensure optimal overall system performance.

**PdM Plan.** HCWD1 proposes to provide a level of PdM services that can considerably reduce unexpected equipment failure due to normal “wear and tear” or improper repair. The benefits of PdM include:

- Increased process reliability due to decreased equipment failure
- Improved job planning and scheduling
- Reduced overall repair costs
- Reduced capital improvement costs

HCWD1 will establish a “baseline” condition for each critical piece of equipment identified and periodically monitor the equipment for critical performance criteria. The information provided on the following pages defines these elements in detail and demonstrates how our approach will exceed Fort Knox’s expectations for PdM services.

As described, we will perform the initial evaluation to establish equipment condition and provide specific, detailed recommendations for remedial repair needed at that time. Monitoring will be performed, with additional performance criteria added, at a frequency that will be dictated by the condition of equipment as monitoring occurs. In every case, this approach will improve the predictability of equipment performance and quality service.

**Initial Equipment Condition Evaluation.** The equipment condition evaluation will establish a baseline for PdM services. It will define what actions need to be taken immediately to avoid immediate and expensive failure, as well as prescribe when monitoring levels must be adjusted to protect equipment. The results will be entered into the CMMS for tracking and modeling.

To provide a continual baseline for all pieces of equipment at the facility and throughout the system, special inspections will be conducted similar to the
initial evaluations performed. These follow-up inspections are recommended whenever a new piece of equipment is installed or when existing equipment is overhauled. This policy has the advantage of identifying equipment or installation/repair problems early in the warranty periods.

All data, measurements, remarks, and conditions for each piece of equipment will be entered into the CMMS as field data or text (as appropriate). Equipment needing repairs will automatically be assigned a work order with the appropriate priority level.

**Vibration Monitoring.** Each machine selected for monitoring will be checked at a predetermined interval, as recommended by the monitoring software. The data collected will be the complex displacement and velocity of the worst position of each accessible bearing on the machine. This data will then be entered into a computer program, and statistical analysis on the data will be performed to determine limits for the vibration.

**Current Measurement.** Each machine selected for monitoring will be checked at a predetermined interval. The data collected will be the current or amperage of each electrical phase. This data will then be entered into a computer program, and statistical analysis on the data will be performed to determine performance and equipment wear.

Electrical testing will also be conducted for voltage drop, power factor, kilovolt-ampere (Kva), kilovolt-ampere-reactance (Kvar), and kilowatt (Kw). These tests are useful in determining problems with motors and pumps. Voltage drops can help determine and define problems and reconfirm thermographic results. In fact, HCWD1 will perform thermographic monitoring at the same frequency as the electrical monitoring.

Elapsed time meters will be installed and monitored in order to generate more precise data on equipment operation between monitoring periods. Data will be collected on elapsed time and compared with readings on equipment; this information can also be useful in energy management or PM programs.

**Computerized Maintenance Management System (CMMS)**

HCWD1 proposes to use a state-of-the-art, in-place computer software system to maximize the O&M of the water utility and lift stations located at Fort Knox. The CMMS utilizes Jobs Plus® and will be referred to as Jobs Plus® or the CMMS for this proposal.

Our goals for installation and implementation of our Jobs Plus® work order program for Fort Knox include:

- Install a full-featured CMMS that is easy to use.
- Maintain the integrity of the existing equipment data for future use.

Jobs Plus® is a full-featured CMMS that uses a viewing screen similar to those of Windows-type programs. This type of interface is easy to use and familiar to today’s computer users. This simplifies use of the system for employees who may be unfamiliar with computers in general through use of intuitive icons and interactive “point-and-click” buttons.

As part of this implementation, we will gather any additional information not contained in the MEL that will be necessary to achieve maximum system benefit. As needed, HCWD1 will develop a coding system that assigns costs and historical data into groupings required for financial and administrative purposes. HCWD1 will import such data as is available from Fort Knox’s maintenance database to HCWD1’s CMMS to ensure valuable historical maintenance information is available for review. CMMS will have the capability, at a minimum, of:

- Maintaining repair records for each piece of equipment
- Scheduling and monitoring PM activities
- Issuing work orders and purchase orders
- Maintaining spare parts inventories
- Automatically issuing exception reports, equipment status reports, and an equipment repair priority report
The Jobs Plus® software is organized around several modules (depicted in Exhibit JE3-5):

- Work orders
- Maintenance tasks
- Scheduling
- Work order analysis
- Reporting
- Equipment

The Jobs Plus® program has several additional features that will benefit Fort Knox. The HCWD1 staff will be able to easily generate custom reports when requested based on predetermined and customized analysis tools. This will permit generation of summary reports rather than the basic raw data-only type of reports typically provided for monthly reporting. The CMMS will provide concise, easy-to-read equipment reports that detail specific information based on manufacturer, type, location, or operating system and subsystem. This information can include lifecycle costs, maintenance frequencies and histories, and status reports on all maintenance functions. Reports can focus on issues, such as job completion reports, work order status, and manpower utilization.

The maintenance staff will be responsible for obtaining the following data for entry into the CMMS:

- All nameplate data and other pertinent information, such as bearing sizes, total dynamic head (TDH), and flow available for each piece of equipment
- Equipment identification number, equipment description (name), and location

The database will be populated during the transition phase of the project and will continue until all elements of the MEL are incorporated once the users are trained on the program. As maintenance procedures are dynamic in nature (e.g., motors/pumps are repaired and replaced), the database will be continuously updated accordingly.

**Service Quality**

For this contract, HCWD1 will draft an initial set of benchmarks developed specifically for this project in the form of performance metrics. HCWD1 will establish goals for continuous improvement of the systems. The goal of this process will be to measure our success at delivering continuous service to Fort Knox in the most efficient manner and with the highest degree of customer satisfaction. We track all usable data for the project in the CMMS to measure performance. The CMMS allows for continual archiving and tracking of maintenance data so that reports that contain key indicators of facility maintenance performance can be generated. Administrative data, such as customer calls and complaints, are recorded, and this data is tracked over time as an indicator of performance.

There will be no compromising of quality in order to cut costs.

**Communications**

Communication is critical to the success of emergency management and day-to-day deployment and coordination of the workforce. The size of Fort Knox makes good communication essential to operations. HCWD1 will equip each work crew in the field, supervisors, and other key personnel with cellular telephones. HCWD1 will have immediate access to each of the work crews in the field and all of the supervisors. Auto dialers will be deployed as a
key part of the communications plan. Should any alarm conditions develop, for example, if a pump station goes into alarm, the SCADA system will page and/or phone the supervisor or employee responsible for that station. This is especially beneficial for unmanned facilities and during off-duty hours.

**Engineering and Renewal and Replacement Program**

HCWD1 believes that as Fort Knox’s utility partner we can leverage our resources to facilitate the Fort Knox mission, and improve the quality of life for those who live and work at Fort Knox. We will participate in meetings where utility systems may be required or impacted. Our participation will be available from project inception through delivery. This participation includes assisting in the development of DD1391s, statements of work (SOW), MILCON projects and other planning activities.

HCWD1 recognizes Fort Knox is anticipating significant growth and expansion during the contract term. We look forward to the opportunity to support our Fort Knox partner by providing solutions to meet these demands. We will be ready throughout the contract term to support our Fort Knox partner by providing in a timely manner, complete designs for such facilities, including site maps, sketches, and/or drawings. This includes prompt response to requests from the Government for new/upgraded facilities and/or demolition of existing facilities. HCWD1 will work with our Fort Knox partner, A/E, and construction contractors, in the design and construction of such facilities.

HCWD will assist our Fort Knox partner in strategic planning activities. Additionally, we will provide proposals for utility specific initiatives, necessary to support the long range plan. This includes the identification of future project requirements, and system deficiencies. In each case we will identify the specific utility requirement for each project, prepare designs and submit project cost proposals. This includes the provision of supporting information to support our Fort Knox partner in developing budget estimates for unfunded projects.

HCWD1 is wholly committed to providing our Fort Knox partner with dedicated utility professionals, to facilitate the development of solutions that will enable Fort Knox to meet future challenges.

**Safety/Security**

The safety/security of potable water supplies has come under heightened scrutiny since the events of September 11, 2001. The Department of Defense (DoD) and Fort Knox have heightened their safety/security measures since then. The Safety/Security Officer, Mr. David Simmons, will be responsible for the overall safety and security program, as well as for the emergency/disaster operations assistance. During transition, HCWD1 will conduct a preliminary assessment of the physical safety/security and vulnerability/effectiveness of the water distribution and water treatment systems. During the transition period, HCWD1 will seek to review the Vulnerability Assessment to ensure all identified security measures have been completed.

**Evaluate Current Physical Protection Effectiveness.** The current effectiveness of the physical protection system for each critical asset will be evaluated based on an expected or likely threat scenario and DoD criteria. For a physical protection system to be useful in protecting a critical asset, the following must occur:

- **Detection.** The facility/station must have proper detection of a hostile act. HCWD1 will review the current security equipment to determine if it is appropriate.
- **Delay.** Any element of the current security system that causes the threat to take more time to reach its objective is considered a delay. When used properly, delay elements, such as locks, can provide sufficient protection of critical assets. HCWD1 will review existing delay elements.
- **Response.** Fort Knox Military Police and HCWD1 will provide a coordinated response to security threats.

All three of these elements are needed to determine the Probability of Effectiveness \( (P_E) \) of the existing physical protection system. Some of the questions that will be asked to evaluate the probability of effectiveness are:
- How many persons require access to the facility/station by shifts?
- Who is responsible for key control? Are there written procedures?
- Who holds the master keys and is there a list of them?
- Are keys signed for?
- Are any keys lost at this time?
- Are there alarms on any components of the water system?
- Where do the alarms terminate (who answers alarm)?
- Is there perimeter lighting? What type?
- Are all perimeter lights on at night?
- Are lights turned on automatically or manually?
- Who is responsible for lighting maintenance?
- Is there an auxiliary power system for lights?

**JE3.1.4 O&M Policies and Procedures**

HCWD1 will operate the facilities to accepted standards published by the AWWA, the Water Environment Federation (WEF), and the State of Kentucky Division of Water. The standards include:

- Kentucky Administrative Regulations Title 401 KAR Chapter 8
- CIPRA Handbook
- Factory Mutual Global – FM Approvals
- ASCE
- National Pollutant Discharge Elimination System (NPDES) Permits
- AWWA C700-95
- AWWA C500-93
- National Fire Protection Association and Standards, NFPA-1
- Kentucky Occupational Health and Safety, General Industry Standards
- CIPRA Handbook
- 10 States Standards – Recommended Standards for Waterworks 2007 Edition
- AWWA C700-95
- AWWA C500-93
- National Fire Protection Association and Standards, NFPA-1

HCWD1 has developed an operations program for its water systems, which includes SOPs. This O&M Plan will be encapsulated in an O&M Manual for Fort Knox’s water system—a user-focused, living document that will be updated and revised by the staff.

**O&M Manuals**

Our O&M Manuals will be developed by the operations staff. Our team of systems experts and engineers review the technical content, but the manuals are written from an experienced operator’s perspective and provide immediate access to the information an operator needs to know, in a logical, practical format.

Typically, the O&M Manual is developed at two levels—the individual component level and the system-wide level. The component-level data, which is provided by manufacturers and equipment vendors, will be assembled and organized in a consistent, indexed format for easy reference. Upon reviewing this information on equipment and systems and developing a basic understanding of their operation—as well as studying the Fort Knox facility design—our operations specialists will extract pertinent data developed by the various disciplines (e.g., operating limits, warnings, notes) and integrate it into an overall O&M Manual.

The purpose of the O&M Manual is to consolidate data on the background, principles, and purpose of each piece of equipment in the system. The Manual will provide the staff with a clear understanding of the system goals and objectives, and will serve as a single reference source for locating all the information and approaches necessary to successfully operate the system. The O&M Manual will be a valuable resource for the staff, especially when faced with operating processes that are not frequently employed, or to refresh their understanding of system operating limitations. For new staff members, the Manual also will serve as a secondary training tool, because it contains all the information necessary to understand the systems.

**Standard Operating Procedures**

The facility’s O&M Manual includes SOPs that will be updated at least annually and whenever the equip-
ment is modified or changed. We will store SOPs in an online format in the CMMS to provide ready access for reference and field use and updating.

SOPs are the backbone of any water system operational strategy. Equipment SOPs detail the operation of a single piece of equipment, such as a booster station pump. The SOP is a basic guideline to be followed to ensure proper operation.

SOPs include instructive guidelines for startup, shutdown, and emergency operations. Each SOP includes safety notes, warnings, and cautions. For clarity and to facilitate comprehension, SOPs also include tables, diagrams, and drawings as appropriate. HCWD1 will refine and expand current SOPs as needed for all aspects of Fort Knox's distribution system.

SOPs provide operators with a quick reference to verify proper procedures. Typically, they are placed in key areas to be easily accessible. With these guides, operators have a quick reference source always available to them.

SOPs are useful in training new associates to operate specific pieces of equipment or perform testing procedures and in reminding associates of the specific procedures to follow before they start a task that they may not have performed recently. However, SOPs do not tell associates why they are performing a certain task or what the outcome will be both short-term and long-term.

Qualifications of Each Staff Position for the Operation of the Utility System

Key members of the project team are HCWD1 employees. Qualifications for key management staff are provided in Exhibit JE3-6. Support staff qualifications and duties are provided in Exhibit JE3-7.

Approach to Ensuring Personnel Are Current in Training and Certifications

HCWD1 management selects and assigns personnel performing work affecting quality who are competent based on applicable education, training, skills, and experience. The following are the responsibilities of HCWD1 management to ensure that personnel remain current in their training and certifications:

- Determine the necessary competence for personnel performing activities affecting quality.
- Provide training or take other actions to satisfy these needs.
- Evaluate the effectiveness of the actions taken.
- Ensure that HCWD1 employees are aware of the relevance and importance of their activities and how they contribute to the achievement of the quality objectives.
- Maintain appropriate records of education, training, skills, and experience.

Training and Certification Required for Each Staff Position

Exhibit JE3-8 provides the training and certifications required for the proposed staff positions.
### Management Staff Credentials

<table>
<thead>
<tr>
<th>General Manager – Jim Bruce</th>
<th>Project Manager – Preston Pendley</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Bruce’s experience includes 26 years in water and sewer utility management. For the last 14 years, he has been the General Manager of HCWD1 in Radcliff, Kentucky. HCWD1 currently owns four utility systems, which include a water system serving 35,000 people with 4 wholesale customers; 122 square miles of service area with a water treatment facility; and two sanitary sewer systems with two wastewater treatment plants (4 and 6 million gallons per day [mgd]), containing over 200 miles of sewer mains and 30 lift stations serving over 45,000 persons and the wastewater utility of Fort Knox.</td>
<td>Mr. Pendley’s experience includes over 6 years of private engineering consulting for water and wastewater utility clients. He earned an MS in Civil Engineering from Michigan Tech University in 2005, and is a licensed Professional Engineer in the Commonwealth of Kentucky. He recently was hired as Engineering Manager for HCWD1 in Radcliff, KY. HCWD1 currently owns four utility systems, which include a water system serving 35,000 persons with 4 wholesale customers; 122 square miles of service area with a water treatment facility; and two sanitary sewer systems with two wastewater treatment plants (4 and 6 mgd), containing over 200 miles of sewer mains and 30 lift stations serving over 45,000 persons and the wastewater utility of Fort Knox.</td>
</tr>
</tbody>
</table>

### Project Manager Position Qualifications

| BA/BS in Civil Engineering or Industrial Construction Management |
| 7-10 years work-related experience in engineering management |
| Considerable knowledge of principles and practices of civil, mechanical, and electrical engineering, public administration, municipal accounting, and budget procedures |
| Familiarity with water and wastewater plant operations, water and sewer line construction, and maintenance procedures |
| Proficient in management, supervision, and communication |
| Mastery of interpreting local, state, and federal codes, acts and policies, and grant availability concerning water and wastewater |
| Good communication skills (oral and written) |

### Operations – Brett Pyles

Mr. Pyles’ experience includes 22 years in water and sewer utility management. For the last 3 years, he has been the Operations Manager of HCWD1 in Radcliff, Kentucky. HCWD1 currently owns four utility systems, which include a water system serving 35,000 persons with 4 wholesale customers; 122 square miles of service area with a water treatment facility; and two sanitary sewer systems with two wastewater treatment plants (4 and 6 mgd), containing over 200 miles of sewer mains and 30 lift stations serving over 45,000 persons and the wastewater utility on Fort Knox.

### Operations (Alternate) Manager Project Manager Position Qualifications

- 7 – 10 years in work-related experience in water treatment and distribution operations
- Familiarity with water and wastewater plant operations, water and sewer line construction, and maintenance procedures
- Proficient in management, supervision, and communication
- Mastery of interpreting local, state, and federal codes, acts and policies, and grant availability concerning water and wastewater
- Good communication skills (oral and written)

### Engineering Manager – Robert Neath

Mr. Neath is a graduate of South Dakota State University with a MS in Environmental Engineering. He is a licensed Professional Engineer with over 17 years of experience. He is currently a Senior Project Manager with CH2M HILL and is currently supervising the engineering staff for the Army Post at Fort Campbell, Kentucky. In this role, he supervises the staff performing the studies and design projects, and serves as the client contact for engineering related topics.

### Engineering Manager Position Qualifications

- BA/BS in related occupational field of study
- 1 - 3 years in similar position or sufficient experience to perform principal duties and responsibilities
- Considerable knowledge of principles and theories of civil engineering, water and sanitary sewer materials and construction, surveying and design principles and practices, construction estimating, and backflow prevention and installation
- Proficiency in administering construction contracts; mastery of operating personal computers and using drafting and surveying instruments
- Good communication skills (oral and written)
### Position Qualifications for Key Management Staff Positions

<table>
<thead>
<tr>
<th>Management Staff Credentials</th>
<th>Position Qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water Treatment Project Manager – Jim Smith</strong>&lt;br&gt;Mr. Smith holds a masters degree in Environmental Engineering from the University of Louisville and a Bachelors degree in Biological Sciences from Indiana University. Mr. Smith’s experience includes over 25 years in water utility operations and management at the LWC. He currently serves as the Director of Infrastructure Planning and Business Development and previously held roles at LWC of Manager of Plant Operations, Manager of Water Quality and Research, Manager of Plant Engineering and Research Engineer. Mr. Smith has been active with AWWA at the national level serving on the Research Advisory Council, Coagulation and Filtration Committee, Disinfection Committee, Technical Publication Committee, and AWWARF Project Advisory Committees.</td>
<td><strong>Water Treatment Project Manager Position Qualifications</strong>&lt;br&gt;• BS in Engineering and 10 years of experience in water supply and treatment, including 7 years of management experience at a public utility or equivalent business&lt;br&gt;• Knowledge and experience in water treatment and water supply operations, including fundamental knowledge of water quality regulations and monitoring requirements&lt;br&gt;• Knowledge and experience in asset management and infrastructure renewal&lt;br&gt;• Knowledge of hydraulic principles and analysis&lt;br&gt;• Demonstrated ability in systems planning, capital budgeting, and in performing engineering feasibility studies&lt;br&gt;• Demonstrated ability in business management, including operational planning and budget preparation&lt;br&gt;• Knowledge of GIS systems, automated mapping, and facility management systems</td>
</tr>
<tr>
<td><strong>Plant Maintenance Manager – John Azzara</strong>&lt;br&gt;Mr. Azzara received an MS in Mechanical Engineering from the University of Louisville. Prior to joining LWC, he worked in private industry for 11 years in various engineering capacities. He has been with LWC for 6 years, serving as the Process Owner of Filter Plant Maintenance. Mr. Azzara manages a workforce of approximately 17 employees, responsible for providing maintenance for two filter plants, approximately 48 booster pumping stations, and 39 tank sites throughout the City of Louisville and surrounding areas.</td>
<td><strong>Plant Maintenance Manager Position Qualifications</strong>&lt;br&gt;• BS in Engineering (mechanical, electrical, chemical) or related discipline, and 5 years of experience in industrial maintenance, chemical plant maintenance or water treatment plant maintenance&lt;br&gt;• Three years of management experience&lt;br&gt;• Experience supervising employees covered by a collective bargaining agreement&lt;br&gt;• Knowledge and experience with water treatment and pumping operations, and an understanding of the O&amp;M of rotating equipment, power distribution equipment, electrical control and instrumentation system, and chemical processing equipment (including demonstrated knowledge, skills and experience in developing and maintaining predictive and preventative maintenance programs for the listed equipment)</td>
</tr>
<tr>
<td><strong>Plant Operations Manager – Kent Horrell</strong>&lt;br&gt;Mr. Horrell graduated from the University of Louisville and holds an MS in Electrical Engineering, as well as his class IV Water Treatment License. He has been with LWC for over 25 years, initially as a Maintenance Supervisor for water treatment facilities. Mr. Horrell also managed capital improvement projects for the water treatment and pumping operations of the company, before becoming the Manager of Water Treatment and Pumping Operations in 1997.</td>
<td><strong>Plant Operations Manager Position Qualifications</strong>&lt;br&gt;• BA/BS degree in a technical discipline&lt;br&gt;• 5 years in a similar position or sufficient experience to perform principal duties and responsibilities of the position&lt;br&gt;• Class IV-A Kentucky Water Treatment License, or ability to obtain within 6 months&lt;br&gt;• Possess valid drivers license&lt;br&gt;• Considerable knowledge of principles and practices of civil, mechanical, and electrical engineering, public administration, municipal accounting, and budget procedures&lt;br&gt;• Familiarity with water plant operations, water line construction, and maintenance procedures&lt;br&gt;• Proficient in management, supervision, and communication&lt;br&gt;• Mastery of interpreting local, state, and federal codes, acts and policies concerning water&lt;br&gt;• Good communication skills (oral and written)</td>
</tr>
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</table>
### Exhibit JE3-6

**Position Qualifications for Key Management Staff Positions**

<table>
<thead>
<tr>
<th>Management Staff Credentials</th>
<th>Position Qualifications</th>
</tr>
</thead>
</table>
| **Water Distribution Supervisor – Richard Stranahan**  
Mr. Stranahan’s experience includes 23 years in water, gas, and sewer utility industry. Mr. Stranahan currently holds a Class IV Distribution Certification with the State of Kentucky. For the last 3 years, he has been the Distribution Supervisor of HCWD1 in Radcliff, Kentucky. HCWD1 currently owns four utility systems, which include a water system serving 35,000 persons with 4 wholesale customers; 122 square miles of service area with a water treatment facility; and two sanitary sewer systems with two wastewater treatment plants (4 and 6 mgd), with over 200 miles of sewer mains and 30 lift stations serving over 45,000 persons and a stormwater utility on Fort Knox. | **Water Distribution Supervisor Position Qualifications**  
- Associate Degree or BS highly desirable  
- 5 years in a similar position or sufficient experience to perform principal duties and responsibilities of the position, 3 years in supervision  
- Class IV-D Kentucky Water Treatment License, or ability to obtain within 4 years of employment  
- Possess valid commercial drivers license  
- Considerable knowledge of principles and practices of civil, mechanical, and electrical engineering, public administration, municipal accounting, and budget procedures  
- Familiarity with water distribution system operations, water line construction, and maintenance procedures  
- Proficient in management, supervision, and communication  
- Mastery of interpreting local, state, and federal codes, acts, and policies concerning water distribution systems  
- Good communication skills (oral and written) |
| **Safety/Security office – David Simmons**  
Mr. Simmons received an MS in Geology from Southern Illinois University in 1988. Since that time, he has worked for Indiana’s Division of Water, Department of Natural Resources, as well as consultants and private industry. In 2002, Mr. Simmons became the Production Safety and Quality Assurance Officer for LWC. In 2007, he assumed the duties of Process Owner of Engineering and Operations Safety. In this capacity, he is responsible for developing and implementing a Health, Safety & Environmental Program designed to ensure employee safety, protect property and the environment, and achieve compliance with OSHA, EPA, and Department of Transportation (DOT) regulations. | **Safety/Security Officer Position Qualifications**  
- BA/BS degree in a work-related occupational field of study or equivalent combination of education and experience  
- 3-5 years in a similar position or sufficient experience to perform principal duties and responsibilities of the position  
- Possess valid drivers license  
- Knowledge of systems operations in a variety of areas in order to recognize hazards  
- General knowledge of systems operations in a variety of areas in order to recognize hazards  
- Knowledge of relevant federal, state, and local laws, ordinances, and policies applicable to department operations  
- Knowledge of effective training techniques  
- Good communication skills, both oral and written  
- Skill in observation, detection, investigation, and prevention of occupational health/safety hazards  
- Ability to work independently |

### Exhibit JE3-7

**Qualifications of the Support Staff**

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Qualifications and Duties</th>
</tr>
</thead>
</table>
| **Water Treatment Plant Operator**  
Must comply with all medical requirements, pass self-contained breathing apparatus (SCBA) respirator exam and capable of wearing a Level A Suit. Must have the ability to read. Must have the ability to write legibly. Must have a high school education or GED. Must have proven driving experience and a valid Kentucky Driver’s License. Attendance and safety record must be very good, as this job requires an individual who is capable of accepting responsibility. Must have a thorough knowledge of plant operations, equipment, rules, and regulations. Must pass necessary departmental test for this position. Must meet all Kentucky Division of Water requirements for Operators Certification. Must possess a Class IV-A Water Treatment Plant Operator’s License from the State of Kentucky. Duties: Plant Operator will be responsible for the operation of the plant. His/her duties will include, but are not limited to, being responsible for water; directing and handling operations; in case of an emergency, responding and notifying supervision; making rounds; flushing sludge lines; taking readings, including, when necessary, changes in chemical dosages; keeping a daily log of incoming and outgoing chemical shipments; and changing chlorine tank cars or ton cylinders. All other duties as required. |  |
| Staff Position                      | Qualifications and Duties                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
### Qualifications of the Support Staff

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Qualifications and Duties</th>
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<tbody>
<tr>
<td>GIS Technician</td>
<td>Maintain, expand, and improve GIS Mapping System using GPS Devices and record drawings; Write specifications for new GIS/GPS software and hardware; Provide training to HCWD1 staff on use of GIS Mapping System; Coordinate integrated data exchange of GIS systems with other government, utility organizations; Perform field locates of existing system assets; Review construction plans and write comments for requirements to meet Construction Standards; Develop cost estimates for Main Extension Reimbursement Agreements and Commercial Water Meter Fees; Develop Leak Detection Program and specific planning for locating large leaks using Tim Transit Flow Meter and other leak detection equipment; Develop valve exercising program; Update and revise Standard Construction Specifications; Update and improve for efficiency Meter Reading Routes; Perform field locates of existing utilities; Write specifications and Request for Proposals for Distribution related construction equipment and technical computer hardware and software; Work with professional engineers on hydraulic modeling and analysis for system expansions and improvements; Assist Manager/Supervisor with planning annual work schedule, flushing schedule and other major tasks; Meet with builders and developers for planning future system expansions; Maintain distribution inventory records and Work Order close outs; Assist Distribution Crews and employees with routine projects and duties in emergencies (List is not inclusive or complete of all duties required or assigned). Knowledge of the materials, equipment and practices used in constructing water systems. Ability to read and interpret construction drawings and contract specifications; Ability to use GIS and CADD computer systems and learn the use of hydraulic modeling programs. Must have experience with writing letters and correspondence to contractors to communicate clearly the requirements of the contract. Associates Degree in Applied Science in Industrial Construction Management or Civil Engineering highly desirable. Must possess or be able to obtain within 3 years a Class III-D Distribution System Operator License from the KY Division of Water; Must understand the design and construction methods used with potable water systems; Understand hydrology and basic water system engineering design.</td>
</tr>
</tbody>
</table>
## Exhibit JE3-B

**Staff Training and Certifications Required**

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Training and Certification Required</th>
<th>Principal Duties and Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Distribution Supervisor</strong></td>
<td>• High school diploma, GED, trade school, or equivalent level of education&lt;br&gt;• 5+ years similar experience&lt;br&gt;• Valid state operator’s/driver’s license&lt;br&gt;• Kentucky IV-D Certification in Water Distribution System Operator or Wastewater Collection System Operator</td>
<td>• Supervises and coordinates water and/or distribution services crews&lt;br&gt;• Installs, repairs, and maintains water mains and lines&lt;br&gt;• Makes water taps, lays pipe, and clears water rights-of-ways&lt;br&gt;• Reads and interprets blueprints&lt;br&gt;• Locates water lines and leaks, turns off water mains&lt;br&gt;• Oversees water tank operations&lt;br&gt;• Trains designated personnel&lt;br&gt;• Hydrant flushing and maintenance&lt;br&gt;• Answers service and emergency calls and responds to customer complaints</td>
</tr>
<tr>
<td><strong>Water Treatment Supervisor</strong></td>
<td>• BA/BS degree in technical discipline&lt;br&gt;• Kentucky Class IV-A Water Treatment Plant Operator License&lt;br&gt;• HAZMAT Technician Certification&lt;br&gt;• 5+ years similar experience&lt;br&gt;• Valid state operator’s/driver’s license</td>
<td>• Directs water treatment, pumping, and storage operations to ensure system and water suppliers meet regulatory and customer requirements&lt;br&gt;• Supervises Water Treatment Operator staff&lt;br&gt;• Analyzes treatment plant performance and operational production and water quality data&lt;br&gt;• Prepares monthly operating reports per KDOW requirements&lt;br&gt;• Determines chemical dosages and feed rates&lt;br&gt;• Assures operator staff is fully trained and qualified per KDOW and OSHA requirements&lt;br&gt;• Answers service and emergency calls and responds to customer complaints</td>
</tr>
<tr>
<td><strong>Water Treatment Plant Maintenance Manager</strong></td>
<td>• BS degree in Engineering or related discipline&lt;br&gt;• Kentucky Class IV-A Water Treatment Plant Operator License&lt;br&gt;• HAZMAT Technician Certification&lt;br&gt;• 5+ years similar experience&lt;br&gt;• 3 years management experience&lt;br&gt;• Valid state operator’s/driver’s license</td>
<td>• Assures water treatment, pumping, and storage equipment operates per production needs and is maintained for optimal life cycle performance and cost&lt;br&gt;• Supervises Water Treatment Maintenance Mechanic staff&lt;br&gt;• Analyzes equipment performance, develops preventative and predictive maintenance plans, and schedules, maintains equipment, and maintenance records&lt;br&gt;• Develops and maintains equipment and spare part inventory&lt;br&gt;• Assures maintenance trained and qualified per KDOW and OSHA requirements&lt;br&gt;• Answers service and emergency calls and responds to customer complaints</td>
</tr>
</tbody>
</table>
**Exhibit JE3-8**  
*Staff Training and Certifications Required*

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Training and Certification Required</th>
<th>Principal Duties and Responsibilities</th>
</tr>
</thead>
</table>
| **Heavy Equipment Operator** | • High school diploma, GED, trade school, or equivalent level of education  
• 1-2 years similar experience  
• Valid state operator’s/driver’s license  
• Kentucky Class IV Distribution Certification                                      | • Operates and maintains heavy equipment  
• Repairs and/or replaces defective mechanical equipment and controls  
• Maintains pumping stations and storm water diversion structures  
• Maintains equipment records and reports  
• Loads trucks                                                                             |
| **Water Treatment Plant Operator** | • Must possess a Class IV-A Water Treatment Plant Operator’s license for the state of Kentucky  
• Must have thorough knowledge of plant operations, equipment, KYDOW rules and regulations  
• Must comply with all medical requirements, pass SCBA respirator exam and be capable of working in a Level A protective suit  
• Must have a high school education or a GED and be able to read and write legibly          | • Responsible for conducting water treatment, pumping and storage operations to ensure system and water supplies meet regulatory requirements  
• Maintains accurate water production/quality information  
• Answers telephones, takes service calls  
• Performs laboratory analysis and maintains water quality records  
• Measures records of water treatment and amounts of chemicals used  
• State and KDOW reporting/recordkeeping  
• Makes changes in production rates and chemical feed systems based on water quality and system demand |
| **Engineering Manager**       | • BA/BS in related occupational field of study  
• 3-5 years similar engineering experience  
• PE licensing in State of Kentucky  
• Valid state operator’s/driver’s license  
• HAZMAT Technician certification                                                     | • Administers the CIP Program  
• Administers construction standards  
• Evaluates water and sanitary sewer project needs  
• Maintains current status reports and files; coordinates projects with other agencies  
• Prepares bid packages                                                               |
| **GIS Technician**            | • AS degree in applied science in Industrial Construction Management or Civil Engineering  
• 3 years of experience  
• Valid state operator’s/driver’s license                                               | • Performs data entry and conversion  
• Coordinates with Engineering Manager for integration of GIS with CMMS  
• Maintains accurate information                                                       |
JE3.2 Quality Management Plan

HCWD1 has established and will maintain this Quality Management Plan in accordance with Section C.12 of the contract. This Quality Management Plan includes the following sections:

- Operating and Maintaining the Utility Systems That will Satisfy Requirements
- Obtaining Customer Feedback and Process Improvements
- System Inspections and Quality Assessment Procedures and Techniques
- Recordkeeping Processes
- Environmental Compliance Plan (Water Treatment System)
- How Performance Standards and/or Specifications Will be Met
- Other Standards and Specifications
- Process for Implementation of Government Requested Facility Expansions
- Compliance with Applicable Environmental, Safety, and OSHA Laws and Regulations
- Safety and OSHA Compliance
- Opportunities for Efficiencies in Utility Operations
- Managing and Accessing Technical Information
- Specialty Skills Training
- Quality Awards and Certifications and Current Operating Standards and Procedures Required by the Kentucky Public Service Commission and the Kentucky Division of Water

JE3.2.1 Operating and Maintaining the Utility Systems That Will Satisfy Requirements

The quality management system proposed is composed of programs and processes that together ensure the elements that are central to customer satisfaction. These include:

- Management Responsibility
- Resource Management
- Product and Service Controls
- Measurement, Analysis, and Improvement

The components of each of these elements are described below.

Management Responsibility

- Establishing vision, mission, and organization. Management demonstrating its commitment to the development and improvement of the quality system.
- Conducting reviews of the system’s performance and providing direction for improvement. Management reviewing the quality management system at planned intervals to ensure its continuing suitability, adequacy, and effectiveness.
- Quality Planning. Ensuring that change is conducted in a controlled manner and that the integrity of the quality management system is maintained during change.
- Document Control. Ensuring that the correct versions of reviewed and approved procedures are available for use by project staff, including SOPs for repetitive activities.
- Control of Records. Ensuring that records required for the quality management system are controlled and are maintained to provide evidence of conformance to requirements and of effective operation of the system.

Resource Management

- Assignment of resources necessary for project accomplishment. Needed to implement and improve the processes of the quality management system and to address customer satisfaction.
- Establish training. Identify competency needs for personnel performing activities affecting quality and provide training to satisfy these needs.
- Providing facilities and an adequate work environment. Identify, provide, and maintain or manage the facilities and the human or physical factors of the work environment needed to achieve conformity of the product.

Product and Service Controls

- Planning to Ensure the Completion of the Project. Identifying and performing the sequence of processes and sub-processes required to achieve the product.
- Identifying Customer Requirements. Determining product requirements specified by the
customer, as well as those not specified but necessary for the intended or specified use and obligations related to product, including regulatory and legal requirements.

- **Control of Engineering Designs.** Includes determining responsibilities and authorities for design and/or development activities and the review, verification, and validation activities appropriate to each design and/or development stage.

- **Purchasing.** Control of purchasing processes to ensure purchased product conforms to requirements. Evaluate and select suppliers based on their ability to supply products in accordance with our requirements. Ensure supply economy by monitoring purchases and prevention of unnecessary transactions.

- **Operations Control.** Control of production and service operations through the availability of information that specifies the characteristics of the product, where needed, the availability of work instructions, use and maintenance of suitable equipment, monitoring activities, and the implementation of defined processes for release, delivery, and applicable Post delivery activities.

- **Laboratory Certification and Quality Audits.** Identifying, where appropriate, the product by suitable means throughout production and service operations.

### Measurement, Analysis, and Improvement

- **Internal Audits.** Audits are performed to determine if the quality management system is implemented and effective. Audits are planned and scheduled based on importance and risk of processes. Auditors are trained and audits are conducted and reported.

- **Inspection Program.** Inspection of product and services will be conducted in accordance with written procedures. Contract requirements will be used as the basis for establishing inspection criteria. Non-conformances will be documented and defect percentages determined. Corrective action will be taken and effectiveness evaluated.

In Section JE3.2.1, we described in detail the procedures that HCWD1 proposes to implement in the O&M of the utility systems in accordance with all applicable federal, state, and local laws/regulations and the most current version of any specific requirements defined in Attachment JA1. The following provides a narrative description of how HCWD1 plans to operate and maintain the utility systems in a manner that will satisfy the contract requirements.

All activities of the Fort Knox water utility will be governed by the professional standards of performance listed in the M series references of the AWWA. These references are available at HCWD1 offices and are used routinely by the operations and engineering staff. Water quality standards will be maintained in accordance with EPA- and KDOW-established standards for drinking water. Testing of the treated water will be performed by the on-site utility operator, and required compliance testing will be performed by a KDOW certified testing lab. Particular attention will be given to testing for total coliform, bacterial contamination, and chlorine residuals. Other tests will be performed at varied times, as required by the KDOW schedule. Results of the testing will be available by HCWD1 at the project office. Testing results will be reported to the KDOW. Water quality testing and reporting will be added as a separate component to the existing programs.

Water treatment at Fort Knox will be governed by the professional standards imposed by the AWWA and the EPA, as well as the requirements of the KDOW. Treatment plant operators will be certified by the State of Kentucky for their particular duties. Operators will be required to monitor operations of all aspects of the water treatment and distribution system.

It is our intention that water service will not be interrupted, except when necessary maintenance is required or new services are added to the utility. In those instances where an emergency situation arises that disrupts water operations, the on-site utility operator will identify the problem and restore water service as early as practical.

### JE3.2.2 Obtaining Customer Feedback and Process Improvements

An overview of the HCWD1 customer feedback and process improvement is presented in Exhibit JE3-9.
Monthly meetings with the CO/COTR and other identified stakeholders will be held to review customer satisfaction and metric performance. HCWD1 will submit a suggested agenda to the COTR, at least 1 week prior to each meeting. Minutes will be maintained for the meetings and will be reviewed for status at the ensuing meeting. These meetings and the feedback generated are crucial elements in our goal of Continuous Improvement.

Annually, EPA requires the preparation and mailing of a Consumer Confidence Report (CCR) to all customers of a public water system. HCWD1 has prepared the CCR each year since the requirement was established for their current customers. This single report provides a snapshot of the previous year regarding water quality, results of testing during the year, and any other items of interest to the customers. The CCR has also been used as a method to communicate with our customers about important upcoming events that will affect their utility. Included in the CCR are not only results of water quality tests, but also a section regarding information on the parameters used in the testing, a section informing customers who to call in the event of a problem, and
Customer Feedback and Process Improvement is Built into Our Quality Assurance Process

water conservation tips. HCWD1 will prepare and distribute CCRs in accordance with the KDOW regulations and requirements.

**JE3.2.3 System Inspections and Quality Assessment Procedures and Techniques**

Inspection schedules and surveillance checklists will be developed for each utility system maintenance and operations element described in the O&M Plan and for each major CIP. An appropriate level of surveillance will be set for the performance requirements based on the number of items to inspect, how critical the Statement of Work is (based on an assessment of the risk associated with failure), and the characteristics of the item to be inspected.

Inspections schedules and checklist criteria will be reviewed and approved by the General Manager prior
to implementation. The completion of scheduled inspections will be conducted by an assigned inspector and tracked by the responsible supervisor. Inspections not completed within the timeframe indicated will be reassigned and the reason for not being completed researched and resolved.

Inspectors will be trained and qualified to perform the inspections they are assigned. Qualifications include having the knowledge and experience regarding the equipment or operation they are inspecting, being familiar with the inspection procedure, and having the maturity to perform their tasks in a professional manner. They will review inspection and surveillance schedules and perform assigned inspections accordingly, reporting any discrepancies or nonconformance to the responsible supervisor who will review findings and initiate corrective action as required. O&M inspectors have the authority to stop activities if they feel they violate the health and safety of plant personnel or the efficiency of operations.

Periodic audits and assessments of the utility operations and administrative functions to evaluate the level of effectiveness and implementation of procedures and processes will be established to satisfy requirements. This includes project procedures and plans developed and approved in accordance with contract requirements. Inspectors that serve as auditors will be trained in the audit process and reports of their activities and findings will be provided to the General Manager. Corrective action will be taken on any findings of nonconformance. Inspectors also have the authority to stop any activity that they feel may threaten the health and safety of plant personnel or the efficiency of operations.

Major CIPs’ inspection plans will be reviewed and approved by the General Manager with input from the COTR as to the surveillance level and inspection criteria sought prior to being implemented.

For each definable feature of work established by the General Manager, the following events could be included in the inspection/quality assessment:

1. Confirm that the appropriate technical specifications are incorporated into the project delivery plan and review said specifications with the working foreman.

2. Confirm that the appropriate contract drawings are incorporated into the project plan and review said drawings with the working foreman.

3. Verify with the working foreman that all shop drawings and submittals have been approved by the proper approving authority (including factory test results, when required).

4. Confirm with the working foreman that the testing plan coincides with the delivery plan and that adequate testing is called for to assure quality delivery.

5. Confirm definition of preliminary work required at the work site and examine the work area with the working foreman to confirm required preliminary work has been properly completed.

6. Confirm availability of required materials and equipment. Examine same with the working foreman to confirm compliance with approved submittals. Examine mock-ups and any sample work product to confirm compliance with approved submittals.

7. Review the site safety plan and activity hazard analysis with the working foreman to ensure that safety concerns are adequately addressed and applicable safety requirements have been incorporated into the plan. Confirm that the appropriate Material Safety Data Sheets (MSDSs) have been identified and properly submitted.

8. Discuss with the working foreman construction methods to be employed during the remedial action. Identify checkpoints and areas of evaluation that will allow determination that the appropriate quality of construction is being achieved.

The General Manager will monitor performance of all utility systems under his purview through a review of reports, operating parameters of equipment, work order status and accomplishment of Repair and Replacement projects.

**JE3.2.4 Recordkeeping Processes**

HCWD1, Fort Knox, regulators, and other parties need timely access to specific utility information. We will implement effective tools and processes to
manage information in a variety of formats and media to ensure that accurate, complete, and accessible records are maintained. Exhibit JE3-10 shows the types and formats of information retained. The types of information will evolve and grow from contract award as capital improvement and renewal and replacement projects are designed, constructed, and operated.

**Exhibit JE3-10**

*Types and Formats of Information*

<table>
<thead>
<tr>
<th>Type Information</th>
<th>Typical Format of Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility system maps</td>
<td>Electronic</td>
</tr>
<tr>
<td>GIS data</td>
<td>Electronic</td>
</tr>
<tr>
<td>Construction drawings</td>
<td>Electronic</td>
</tr>
<tr>
<td>As-built drawings</td>
<td>Hardcopy</td>
</tr>
<tr>
<td>Construction specifications</td>
<td>Electronic</td>
</tr>
<tr>
<td>Shop drawings</td>
<td>Hardcopy</td>
</tr>
<tr>
<td>Maintenance schedule</td>
<td>Electronic</td>
</tr>
<tr>
<td>Utility system reports and studies</td>
<td>Electronic</td>
</tr>
<tr>
<td>Hydraulic and flow models</td>
<td>Electronic</td>
</tr>
<tr>
<td>Cost records and reports</td>
<td>Electronic</td>
</tr>
<tr>
<td>Invoices</td>
<td>Electronic, Hardcopy</td>
</tr>
<tr>
<td>Purchase orders</td>
<td>Electronic, Hardcopy</td>
</tr>
<tr>
<td>Correspondence with regulators</td>
<td>Hardcopy</td>
</tr>
<tr>
<td>Monthly Operations Reports</td>
<td>Electronic</td>
</tr>
<tr>
<td>Customer surveys and feedback</td>
<td>Electronic</td>
</tr>
<tr>
<td>Contract documents, modifications</td>
<td>Electronic, Hardcopy</td>
</tr>
<tr>
<td>Correspondence</td>
<td>Electronic, Hardcopy</td>
</tr>
<tr>
<td>Inspection/Assessment Reports</td>
<td>Electronic, Hardcopy</td>
</tr>
</tbody>
</table>

As a general rule, data will be archived electronically and kept indefinitely. We will maintain backup tapes, compact disks, DVDs, or other similar media at a secure offsite location. Records will be kept in accordance with state and federal requirements, and a minimum of 2 years on-site, and then archived at an offsite storage area. As system upgrades and expansion activities take place, the system inventory and asset valuation will be updated and kept current with renewal or depreciation of the assets. HCWD1 will maintain this database electronically so that the asset value can be tracked on an annual basis, or more often if required.

It is anticipated that our continued maintenance and service of the utility systems will provide additional information on the location of utilities. This information will be put into the GIS, and the resultant maps will be updated periodically so our maintenance crews will have up-to-date information in the field and ensure that the documented system configuration is as accurate as possible. HCWD1 will provide installation updates to utility maps within 30 days after completion of significant changes, and updated utility maps annually with the Capital Plan or upon reasonable request of the Government. As indicated in Section C.5.1.5 of the contract, HCWD1 will maintain record drawings for all existing and new facilities installed by HCWD1 within the service area. Upon reasonable request and with reasonable notice, the Government will be allowed to use and copy such drawings. HCWD1 will provide available drawings to the Government in the form of CAD-CAM disks using the latest release software compatible with Government systems. We will provide all updates and changes to utility system maps in both hard copy (full size) and electronic media formats to insure delineation of all contractor facilities within one year of contract award and annually thereafter as necessary.

**JE3.2.5 Environmental Compliance Plan**

According to the contract, an Environmental Compliance Plan is required for wastewater treatment systems. The transfer of assets for this proposal does not include a wastewater treatment system. Our approach for the environmental compliance for the water utility system is shown in Section JE3.2.9.

**JE3.2.6 How Performance Standards and/or Specifications Will be Met**

It is our standard procedure to implement verifiable performance measures in providing utility services to our customers. Performance standards and/or specifications for the provision of the proposed utility service are highlighted in Exhibit JE3-11 and include our proposed performance standards based upon the requirements in Section C.3.2 of the contract. Upon award, HCWD1 will develop benchmark standards for those metrics and submit them to the CO/COTR for review and discussion.
<table>
<thead>
<tr>
<th>MEASURE</th>
<th>PERFORMANCE INDICATOR</th>
<th>PROPOSED STANDARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>System will remain in compliance with the State of Kentucky permit requirements.</td>
<td>Compliance goal, in compliance 100% of the time.</td>
</tr>
<tr>
<td>Reliability</td>
<td>Provide water distribution services to all customers 24/7.</td>
<td>Restore temporary water service within 24 hours (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).</td>
</tr>
<tr>
<td>Recurring and Preventive Maintenance</td>
<td>Percentage of preventive maintenance work orders completed versus scheduled.</td>
<td>Spend more time on PM work to decrease CM work. &gt;90% completed as scheduled.</td>
</tr>
<tr>
<td>Sampling/Analysis</td>
<td>QA/QC compliance; Performance evaluation testing utilizing blind samples.</td>
<td>100% pass rate with all sample results within the specified recovery percentile.</td>
</tr>
<tr>
<td>Maintaining System Pressure</td>
<td>Deliver water at the systems normal operating pressure and according to Kentucky Public Service Commission (KPSC).</td>
<td>Continuous pressure monitoring at the water treatment plant. Within KPSC standards.</td>
</tr>
<tr>
<td>Demand and Distribution Capacity</td>
<td>Water hydrant flushing, establish annual valve exercise program, establish PM program for pumps.</td>
<td>Hydrants and valves will be tested at least once every 2 years. Annually perform vibration testing, performance analysis, and lubricate within manufacturer’s recommended standards.</td>
</tr>
<tr>
<td>Water Storage Requirements</td>
<td>Storage tank water elevation report.</td>
<td>Storage tank water elevation consistently maintained above fire storage level.</td>
</tr>
<tr>
<td>Fire Flow Capacity/Duration</td>
<td>Provide at the system’s normal operating pressure and KPSC standards.</td>
<td>Consistent water pressure to meet fire demands.</td>
</tr>
<tr>
<td>Corrosion Control (To Include Cathodic Protection)</td>
<td>Corrosion control system kept in working order (if applicable) Metal loss on coupons placed at strategic locations in system.</td>
<td>Check anode test stations as needed.</td>
</tr>
<tr>
<td>Minimization of Leaks and Losses</td>
<td>Leak and/or burst length of line; number per 10 miles.</td>
<td>10% unaccounted for water with annual reductions as pipe is replaced.</td>
</tr>
<tr>
<td>Minimization of Water Use</td>
<td>Accuracy of meter readings.</td>
<td>&lt;5% rereads per month.</td>
</tr>
<tr>
<td>Service Connection Standards and Specifications</td>
<td>Service connections installed in accordance with standards.</td>
<td>Compliance with Army, Fort Knox, AWWA, WEF, State of Kentucky standards.</td>
</tr>
<tr>
<td>Water and Sewer Line Separation</td>
<td>Water and Sewer line separation in accordance with State of Kentucky (KDOW) requirements.</td>
<td>Compliance with State of Kentucky requirements 100% of the time.</td>
</tr>
<tr>
<td>New Construction Standards</td>
<td>Standards drafted and adopted.</td>
<td>Compliance with Army, Fort Knox, AWWA, WEF, State of Kentucky standards.</td>
</tr>
<tr>
<td>Commissioning Standards</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Color Identification and Markings</td>
<td>Color coding or marking of plant piping according to Industry standards.</td>
<td>Meet industry standards 100% of time.</td>
</tr>
<tr>
<td>System Inspections</td>
<td>Standards drafted and adopted.</td>
<td>System inspected annually.</td>
</tr>
</tbody>
</table>
### Exhibit JE3-11

**Proposed Performance Standards for Water System**

<table>
<thead>
<tr>
<th>MEASURE</th>
<th>PERFORMANCE INDICATOR</th>
<th>PROPOSED STANDARD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Meter and Equipment</strong></td>
<td>Calibration</td>
<td>Meters and equipment operational within KPSC specs.</td>
</tr>
<tr>
<td><strong>Calibration</strong></td>
<td>Calibrations</td>
<td>Calibration of major meters and equipment within manufacturer's specification.</td>
</tr>
<tr>
<td></td>
<td>Require annual service and calibration</td>
<td>Require annual service and calibration performed by certified technician.</td>
</tr>
<tr>
<td><strong>Service Interruption</strong></td>
<td>Frequency</td>
<td>Provide water distribution services to all customers 24/7.</td>
</tr>
<tr>
<td><strong>Frequency</strong></td>
<td>Provide water distribution services to all</td>
<td>Provide water distribution services to all customers 24/7.</td>
</tr>
<tr>
<td><strong>Operating Permits</strong></td>
<td>Operated under appropriate permits.</td>
<td>Operated under appropriate permits.</td>
</tr>
<tr>
<td></td>
<td>Zeros violations</td>
<td>Zeros violations.</td>
</tr>
<tr>
<td><strong>Employee Certifications</strong></td>
<td>Training and certifications.</td>
<td>Meet Qualifications and Certifications required by the State of Kentucky 100% of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>the time.</td>
</tr>
<tr>
<td><strong>Disaster Recovery</strong></td>
<td>Priority restoration of service.</td>
<td>Meet response requirements. Work continues until service restored.</td>
</tr>
</tbody>
</table>

#### JE3.2.7 Other Standards and Specifications

The following standards and specifications (not established in the RFP) are applicable to the utility services that HCWD1 will apply in providing utility services to Fort Knox:

- Kentucky State Plumbing Law, Regulations & Code
- Kentucky Building Code

#### JE3.2.8 Process for Implementation of Government-Requested Facility Expansions

HCWD1 will provide water service to any facility as requested by the Army at Fort Knox. The process flow chart that describes how HCWD1 will implement expansions to the utility systems is shown in Exhibit JE3-12.

The primary drivers for facility expansion are upgrades to the system to serve new Army-requested facilities. HCWD1 staff will meet regularly with Fort Knox planning and engineering staff to coordinate and account for new facilities that are planned for construction and any new service connections or disconnections required. When Fort Knox adds a new project to the 5-Year Master Plan for the Post, HCWD1 will categorize each project to determine whether it can be managed by the on-site operations staff or whether the size of the project warrants initiating a full-scale capital upgrade project team. The two size categories include the following:

1. **Single Unit Project.** Requests for new connections will be handled by our engineering and operations staff. HCWD1 staff will review each application and provide approval once a checklist is completed that provides information on where the new service will attach to; when construction will take place so a HCWD1 inspector can be on-site to inspect the work by the contractor; and what proposed materials of construction, backfill, and restoration plans are needed for existing sidewalks, curbs, gutters, and paving sections. The operations staff will be responsible for interacting with the contractor and making the service connection to the existing system. Depending upon if the tenant is Fort Knox or a private contractor, time spent by operations staff on new connections projects will be tracked for compensation.

2. **Multi-unit or “Development” Project.** When Fort Knox undertakes a major development, such as a new barracks complex or a set of office buildings, HCWD1 will engage a capital upgrade project team to facilitate expansion of the utility systems. New construction projects will be accounted for by periodic reviews of the Fort Knox Master Plan for both short- and long-term planning horizons. HCWD1 staff will meet regularly with Army planning and engineering staff at the base to receive the latest information on
the construction schedules for new facilities. HCWD1 will design the new utility facilities and manage the construction with an on-site supervisor. HCWD1 will coordinate with the Master Planning department and the general contractor for the multi-unit project to obtain drawings, develop cost estimates, and share information. This process includes three phases of project development, including defining scope, design, and finalizing cost.

We understand that the Government will provide us with an annual update to the 5-Year Master Plan for the Post. Such improvements will require a separate contract modification. Changes in the use of facilities or new facilities at Fort Knox will drive the need for expanded utility system capacity. In addition to design and construction of new utility facilities, HCWD1 will estimate water demands to size any new service infrastructure based on projected construction data provided by Fort Knox. The Plan then will include these projects to accommodate the future uses due to the expansion, alteration, and upgrade of the facilities at Fort Knox. New demands and new sources will be added to the water hydraulic models, respectively, to determine the effect of multi-unit projects.

HCWD1 will make the provision of utility service to Fort Knox as invisible as possible. We understand that Fort Knox will periodically identify a new requirement, such as a service connection, that we have not priced into our proposal. In these cases, we will use our partnering relationship with Fort Knox to continue meeting its mission requirements—working to define requirements, designing, financing, and constructing such connections through our annual planning process. HCWD1 will seek cost-effective ways to provide system enhancements, while ensuring the availability and reliability of high-quality services.

New service connections and special requirements will be provided and directly billed to the Army or the new user as requested. New connection charges will include actual costs for the installation of any service.

**JE3.2.9 Compliance with Applicable Environmental, Safety, and OSHA Laws and Regulations**

HCWD1 will oversee the environmental and safety component with qualified and trained personnel to ensure compliant day-to-day operations. The key objectives of our environmental and safety program include compliance, environmental stewardship, and sustainability. HCWD1 will provide policies and procedures to support these environmental objectives.

**Environmental Compliance**

Upon award of the contract, we will develop a comprehensive regulatory strategy plan that will identify all state and local regulatory and policy issues that may impact the utility privatization, along with the specific approaches to effectively address and manage these issues.

The operator certification for both the water treatment and water distribution systems will be in accordance with the KDOW operator certification program for the state of Kentucky. The system rating will determine the level of certification the operators must possess. It is our policy that all operators working on the water treatment or distribution system will attain and maintain their required certifications as a condition of employment. Periodic continuing education credits are required and those training sessions are reported and approved by the KDOW.

Drinking water standards will be maintained in accordance with EPA and KDOW guidance on drinking water. Routine testing of water quality will be performed by the assigned treatment plant operators, as well as testing by a state-accredited lab. Water quality will be monitored by HCWD1 and that information will be provided to the Government representatives at Fort Knox. An annual water quality report (CCR) will be prepared and distributed to all water consumers at Fort Knox, as required by the EPA.
Other Environmental Conditions
Our approach to other environmental conditions includes asbestos containing materials (ACM) and lead-based paint (LBP), and accidental spills and releases are described below:

Asbestos Containing Materials and Lead-Based Paints. Any ACM or LBP contained in the privatized buildings, structures, equipment, or appurtenances designated for transfer under this contract will be addressed in accordance with personnel health and safety requirements. The ACM and LBP abatement activities and the management of wastes generated during the abatement activities will be conducted in accordance with the applicable regulations.

Accidental Spills and Releases. We will take precautions to prevent oil and hazardous material spills or releases due to our activities associated with the O&M of the utilities. We will also conduct any response action and reporting in accordance with the Post Spill Prevention Control and Countermeasures (SPCC) Plan, and applicable regulations. We will comply with all Emergency Planning and Community Right-to-Know Act (EPCRA) and will submit all requested information to Fort Knox’s compliance office.

JE3.2.10 Safety and OSHA Compliance
HCWD1 brings a strong commitment to safety. The physical and procedural safety standards and systems currently employed at Fort Knox were not seen during our site visit. During transition, we will conduct a review of current procedures. At this time, we are recommending to adopt Fort Knox’s safety systems. Our safety procedures comply with the most stringent regulations.

The safety strategy recommended in this section consists of several distinct activities:

- Implement a comprehensive safety management program.
- Develop a site-specific Health and Safety Plan, with safety procedures and systems to support HCWD1’s safety program
- Train employees at all levels in regards to OSHA requirements (29 CFR 1910 General Industry and 29 CFR 1926 Construction).
- Promote individual responsibility for Health and Safety standards in every task.

Safety Management
HCWD1 is committed to sound safety management principles that promote a zero accident philosophy inherent in all phases of work. The objective of safety management is to integrate health, safety, and environmental protection into all work practices at all levels of the job task. The approach to a sound safety management program must include integrating safety into all aspects of the work. HCWD1 will accomplish this objective by:

1. Ensuring that employees take complete ownership of the Health and Safety Program
2. Involving employees in the work planning process, development of the Health and Safety Program, and development and updating of procedures.

The Health and Safety Program will be tailored to site-specific activities and is essential to the success of this project. The program is used as a resource to help us accomplish our mission while integrating it into all levels of management and work practices to ensure the protection of workers, the public, and the environment.

Safety leadership starts with the total commitment to safety. With this commitment, HCWD1 will achieve excellence in all health and safety areas. It is imperative that employees take ownership of the Health and Safety Program in order to obtain zero accidents and zero environmental incidents. Each member of our team is accountable for protecting the environment and the health and safety of every worker at the site. The health and safety of workers and the public are protected by identifying, analyzing, and mitigating hazards and implementing effective work practices. We will not compromise safety for the sake of any other objective.
HCWD1 has the following responsibilities to its employees:

(1) The first responsibility is to involve all employees in the task or job, including planning, hazard identification, pre-job hazard briefing, and all aspects of the task or job performance.

(2) The responsibility of management is to ensure that all employees (labor, planners, supervisors, QA, and Health and Safety) are involved in all aspects of the job or task at hand. Management ensures that all work is performed within the controls that have been identified and continually reviews the job for any new hazards. Management will assign only qualified and appropriately trained personnel to perform the job or task.

(3) The responsibilities of Health and Safety personnel are to review implementation of the safety program, to provide guidance on the selection and use of safe work practices, and to help identify, analyze, and mitigate hazards. Health and safety personnel will be vigilant in providing oversight of work activities and will provide technical support and professional knowledge to the personnel performing the job.

There are several avenues that HCWD1 will use in order to accomplish improvements in our safety program:

- Initial walk down of work site to understand what issues are present.
- The generation of a site-specific Health and Safety Plan that is tailored to the needs of the Fort Knox work site and the implementation of revisions to the Health and Safety Plan that may be needed to address new or unrecognized work activities.
- The training of employees on the requirements and information included in the Health and Safety Plan, as well as other mandated training.
- Regularly scheduled site/work area inspections that can lead to quick hazard identification and therefore control of these hazards.
- The hazard abatement Job Hazard Analysis/Pre-Job Hazard Briefing (JHA/PJHB) process, which will need the input of all persons involved in the work being planned.
- Gathering and utilizing employee feedback to continually improve our processes.
- Employee empowerment. Employees have stop work authority if safety or gross violations of work requirements occur.

By using the above-mentioned procedures, HCWD1 strives to continuously improve working conditions for employees, lower operating costs for employers, and maintain a workplace that is socially responsible.

Health and Safety Plan

We will develop a complete site-specific Health and Safety Plan during transition, before transfer of full O&M responsibility from the Government. The Health and Safety Plan will establish the work practices necessary to ensure the safety of all personnel throughout the contract and will include provisions for accident prevention strategies consistent with Army (applicable sections of USACE Health and Safety Requirements Manual No. 385-1-1), OSHA, and Kentucky OSHA Program requirements. Risk issues will be identified and included in our preliminary safety action plan and will be further developed during operations. This safety action plan will identify deficiencies, assign responsibilities, and mandate timelines for completion. We will maintain our Health and Safety Plan current throughout the contract and submit updates annually as they occur to the CO.

All project operations will be performed in accordance with applicable sections of OSHA Standards, 29 CFR 1910 and 29 CFR 1926, DOD, United States Army Regulations, and all other applicable policies and procedures incorporated into the contract for this work activity. All personnel, subcontractors, and visitors will be required to comply with the requirements of the Health and Safety Plan.

At a minimum, the Health and Safety Plan will include a discussion of:

- Safety Requirements and Systems
- Hazard Assessment and Control
Safety Requirements and Systems

The General Manager will select a Project Safety Team Lead from the onsite staff. This individual will have sufficient experience and desire to train and enforce HCWD1’s safety program. This position will be a part-time responsibility encompassing approximately 10 to 20 percent of one position. Typically, a senior O&M person on staff will fill the Project Safety Team Lead role. Duties of the Project Safety Team Lead include leading a safety team composed of representatives from the O&M staff, preparing safety tailgate briefings, conducting monthly safety audits of the water facilities, assisting with job hazard analyses, following up on any unsafe conditions cited, investigating safety-related incidents, and coordinating with the Health and Safety Manager for project oversight and accountability of the project safety program. The Project Safety Team Lead is required to stop any activity conducted by the HCWD1 staff that does not conform to our safety standards. Additionally, the Project Safety Team Lead has the authority to recommend disciplinary actions to the General Manager for staff who do not comply with our safety standards.

The project safety team will consist of the Project Safety Team Lead and at least two or three volunteer members that represent a cross-section of the project team. They will determine trends, review and investigate incidents/accidents, schedule training, review unsafe acts and conditions, and conduct monthly project walkthrough inspections.

The Fort Knox utility systems will be required to comply with all regulatory health and safety laws and any other local administration agency rules. We will develop specific safety requirements in each of the following areas, at a minimum:

- Personal Protective Equipment
- Personnel Medical Surveillance
- Project Appearance and Housekeeping
- Hazard communications
- Inspections of safety and emergency equipment
- Personal protective equipment
- Walking and working surfaces
- Electrical Safety
- Security monitoring at booster and lift stations
- Housekeeping
- Bloodborne pathogens
- Control of hazardous energy
- Excavation safety
- Welding, burning, and hotwork
- Hazardous material safety
- Fall protection
- Fire protection
- Material handling and storage
- Hand and powered portable tools
- Compressed gases

Prior to start of work, the supervisor will complete a pre-job hazard briefing with all employees who are involved in the work activities. This briefing will be used to discuss the work to be performed, to identify the hazards, and to discuss the controls (e.g., procedures, permits, PPE) involved with the safe performance of work. This briefing will also serve as a forum for which employees can provide additional input on safe work performance by discussing lessons learned from prior experiences.

Because hazards contribute to accidents, injuries, and occupational illnesses, it is important to identify all hazards. Examples of hazards commonly associated with jobs are the following:

- The worker can be struck by, or strike against, or otherwise make harmful contact with an object.
- The worker can be caught in, by, or between objects.
- The worker can slip or fall.
- The worker can strain a muscle or joint by pushing, pulling, lifting, bending, or twisting.
- The worker can be exposed to toxic gases, vapors, fumes, or particulates.

It is the responsibility of every HCWD1 employee to identify and aid in the correction of all work area physical and behavioral hazards. Because each employee brings a unique set of skills and
experiences to the work area, various employees can identify different potential hazards. Only through working together and combining all areas of expertise can we truly eliminate hazardous environments and behaviors. It is beneficial to look beyond the obvious hazards—at the entire environment—to discover every conceivable hazard that might exist. Note the importance of examining health hazards as well, even though the harmful effects may not be immediate (e.g., the harmful effect of inhaling a solvent or chemical dust over a long period of time).

Personal Protective Equipment
During new employee orientation, our employees will be provided initial PPE along with introductory training on the required PPE and how to use and maintain it in a sanitary and reliable condition. The General Manager and Project Safety Team Lead will ensure that each individual has the proper PPE and is trained in its use. HCWD1 requires that annual refresher training be conducted on the proper wear and care of the PPE. In accordance with OSHA’s published proposed rule (64 [FR] 15402), we provide all required PPE, including footwear.

Typical PPE used by our staff for utility operations includes the following: hard hats, eye protection, face protection, steel-toed shoes and rubber boots, level ‘B’ chlorine protective suits, ear protection, uniforms (long sleeve), rain suits, rubber gloves, electrical gloves, and rubber aprons.

We assume that no safety-related equipment will be provided by the Government. Therefore, we intend to purchase the following equipment, as a minimum, for the Fort Knox facility:

- Excavation/trench safety,
- PPE as mentioned above,
- Fall protection,
- Traffic control equipment (cones, barricades),
- Site-specific training tools (videos, training courses)

Project Appearance and Housekeeping
One of the key issues in ensuring a safe and orderly work place is to maintain the facilities in a manner that always promotes safety. A work place that lacks proper housekeeping invites accidents and poor performance to standards. In HCWD1, proper housekeeping is required so that facilities are free of debris and equipment is properly maintained to minimize the potential for on-site accidents. Because even office environments are the sites of frequent safety incidents, our program emphasizes proper housekeeping there, as well.

At a minimum, HCWD1 will implement the following training programs at Fort Knox:

- Confined space training
- Machine guarding
- Hazard communications
- Inspections of safety and emergency equipment
- Personal protective equipment
- Walking and working surfaces
- Electrical safety
- Housekeeping
- Bloodborne pathogens
- Control of hazardous energy
- Excavation safety
- Hazardous material safety
- Fall protection
- Fire protection
- Material handling and storage
- Hand and powered portable tools
- Compressed gases
- Health and safety plan
- First aid/CPR training
Health and Safety Training

Prior to commencement of site activities, the Health and Safety Manager will ensure that all new employees are informed of the nature and degree of exposure to hazards that are likely to result from performance of work activities. HCWD1 will accomplish this by ensuring that prior to performing any work activities, all personnel entering the site have received the applicable OSHA and project-specific training required.\(^1\)

As an integral part of the overall training program for the utility systems, general and site-specific safety training courses will be introduced. Specialized courses such as CPR/first aid, hazardous materials handling, confined space entry, and others will be held to ensure that a safe, accident-free work environment exists. The emphasis will be on results, not training for training’s sake. At least quarterly, drills will be held regarding the use of SCBA, and gas detection equipment. “Mock disasters” will be held periodically to test each employee’s role in responding to specific types of emergencies, such as floods, earthquakes, fires, explosions, or chemical leaks. These drills will be coordinated with Post Emergency Response organization.

Because safety must be a continuous part of every employee’s daily activities, it is integrated into every part of the training program. In addition to the specialized courses and drills already described, safety tips, warnings, and recommendations will be common elements of our SOPs. Special maintenance training will be held as assurance that proper tools and techniques are used at all times to avoid accident and injury.

Responsibility for Health and Safety

Each employee is directly responsible for ensuring their own safety, as well as the safety of other team members. Employees will be dedicated to establishing a safe environment in which work is performed without injury or illness to employees, visitors, or the public by complying with all Army, federal, state, and local safety requirements, legislation, and regulations. However, the formal Health and Safety team begins with the Project Safety Team Lead who provides input into implementing HCWD1’s safety program, including procedures, policies, QA/QC, and planning and measurement systems.

A key aspect of our safety program is the oversight of the project by our Health and Safety Manager. The Health and Safety Manager is responsible for periodic safety assessments of the facility and follow-up reviews to ensure that all issues have been identified and addressed. He has the authority to enforce safety requirements for HCWD1 staff and facilities. During the transition to privatization, a detailed safety review will be conducted, and the necessary safety equipment and facility improvements will be identified and acquired. The Health and Safety Manager will be directly involved in the startup of the project, development of the Health and Safety Plan, and training of the employees.

As part of our standard practice, we will conduct annual safety reviews of the facility. This review will cover training records, site-specific safety plans, work environment, and work practices. A corrective action plan matrix will be finalized for a systematic approach to mitigate safety concerns in order to meet all Army, OSHA, federal, state, and local requirements for the project.

JE3.2.11 Opportunities for Efficiencies in Utility Operations

To ensure efficient operation of the utility systems and compliance with regulatory requirements, HCWD1 will establish process optimization goals for Fort Knox’s utility systems. During preparation of this proposal, HCWD1 identified a substantial cost savings associated with replacing the capacity of the Central WTP with a commodity water supply from LWC.

\(^1\) For purposes of startup at Fort Knox, we will initially assume that incumbent personnel have received this training until we discover otherwise.
JE3.2.12 Managing and Accessing Technical Information

Technical information management will be critical in providing timely access to specific utility information. Proper record-keeping and reporting are vital to enable all parties to make knowledgeable decisions regarding capital replacement or other matters that could impact rates. Our MIS is designed to keep current and past records secure yet accessible. The types of information stored in the MIS will evolve and grow from contract award as capital improvement and renewal and replacement projects are designed, constructed, and operated.

During the transition period, we will review our approach to managing technical information with the Post to ensure it supports the mission and the Post’s technical requirements. HCWD1 has established proven record and data management systems that we will provide for Fort Knox.

HCWD1 will minimize hardcopy information that must be maintained on-site. Existing information that we receive from Fort Knox will be scanned and stored electronically to the maximum extent possible. As a general rule, data will be archived electronically and kept indefinitely. Hardcopy records will be kept in accordance with state and federal requirements, and then archived at an offsite storage area for at least the remainder of the contract period. Record drawings will be maintained for all existing and new facilities. As system upgrades and expansion activities take place, the system inventory and asset valuation will be updated and kept current with renewal or depreciation of the assets. HCWD1 will maintain this database electronically so that the asset value can be tracked on an annual basis, or more often if required.

It is anticipated that our continued work on the utility systems will provide additional information on the location of utilities. This additional information will be put into the GIS, and the resultant maps will be updated periodically so our maintenance crews will have up-to-date information in the field. Maps will be maintained and provided to the Post.

JE3.2.13 Specialty Skills Training

As part of our quality management approach, all employees are expected to attain the highest level of certification possible on the system they operate and maintain that level of certification through continuing educational credits. Periodic training for all operators will be scheduled. In addition to seasonal construction topics, classes in such matters as confined space training, competent man training, first aid/ CPR, PPE, and hazardous communication training will be offered to Fort Knox operators.

In general, the Fort Knox Utilities employees will be certified and/or qualified operators and/or craftsmen under the KDOW operator certification. The operators will be required to not only maintain their certifications and/or qualifications as a condition of employment, but also attain the periodic continuing education credits necessary to retain their certificates or qualifications. The cost of training will be greatly reduced due to the larger pool of operators that may take advantage of the classes.

Because of the types of duties the utility workers perform, they will each be required to obtain and maintain First Aid and CPR certificates. The training will be provided by the Red Cross or other certified agency and retraining will be scheduled to prevent certificates from lapsing.

HCWD1 selects and assigns personnel who are competent based on applicable education, training, skills, and experience. The following are the General Manager’s responsibilities to ensure that personnel remain current in their training and certifications:

- Determine the necessary competence for personnel performing activities affecting quality.
- Provide training or take other actions to satisfy these needs.
- Evaluate the effectiveness of the actions taken.
- Ensure that employees are aware of the relevance and importance of their activities and
how they contribute to the achievement of the quality objectives.

- Maintain appropriate records of education, training, skills, and experience.

HCWD1 will ensure that training and certification are part of the employee’s job description, annual performance review, and personal development goals.

LWC will have full responsibility to operate the Fort Knox water treatment system. All water treatment operators will be licensed through certification by the KDOH. LWC also has a well-trained resource of highly experienced employees that will serve as mentors and technical resources for LWC personnel working at Fort Knox. The availability of a large pool of highly skilled operators provides a synergistic impact to the skills of the on-site operators at Fort Knox.

**JE3.2.14 Quality Awards and Certifications and Current Operating Standards and Procedures Required by the State Utility Regulatory Commission**

Industry leadership is evidenced by an organization that achieves results. Results are best verified and validated by a group of peers. HCWD1 has been recognized as an industry leader by several state and national peer organizations. The following is a brief summary of these recognitions:

- 2008 Award of Excellence by AWWA Kentucky/Tennessee Chapter
- 2007 Finalist for Wooden Bucket Award, U.S. Department of Agriculture
- 2007 Recognized as having a "Totally Optimized Water Plant" by KDOH
- 2005 Selection as one of the Top 3 "Best Tasting Water" in Kentucky by the Kentucky Rural Water Association
- 2004 Nominee for Public Water System Excellence Award by EPA Region 4
- 2003 Award of Excellence for Safety by the AWWA Kentucky/Tennessee Chapter
- 2002 First Place Award for Internal Relations by AWWA Kentucky/Tennessee Chapter
- 2001 Second Place Award for Marketing and Customer Relations, AWWA Kentucky/Tennessee Chapter
- 2001 Recognition for Excellent Customer Service by the Kentucky Senate
- 2000 First Place Award for Marketing and Customer Relations, AWWA Kentucky/Tennessee Chapter
- 2000 Design Honor Award for Fort Knox Interconnect Pump Station, American Council of Engineering Companies/Kentucky Council of Engineering Companies
- 2001 Second Place Award for Marketing and Customer Relations, AWWA Kentucky/Tennessee Chapter
- 2001 Recognition for Excellent Customer Service by the Kentucky Senate
- 2000 First Place Award for Marketing and Customer Relations, AWWA Kentucky/Tennessee Chapter
- 2000 Design Honor Award for Fort Knox Interconnect Pump Station, American Council of Engineering Companies/Kentucky Council of Engineering Companies
Operational Transition Plan

The transition of the Fort Knox Water Systems from the Department of the Army to HCWD1 will take place over a 120-day period defined as the transition period. To achieve a smooth transition from Fort Knox’s operations to HCWD1’s, without risk of degrading the quality or reliability of the utility service, both parties must plan for the transition. This plan recommends the implementation of tasks prior to and during the transition period.

HCWD1 proposes a transition period beginning at contract award and not to exceed 120 days. The transition period will be phased to be as effective as possible. HCWD1 will relieve the Department of the Army from as many O&M responsibilities as early in the transition period as possible, while we conduct our remaining transition activities. At the end of the 120-day transition period, we will assume full ownership responsibility for the utility systems.

During the transition period, we will update our knowledge of the system and develop a foundation of utility system documents from current records. Effectively completing this activity is not only vital to the overall success of the privatization of the Water Utility Systems at Fort Knox, but ultimately to the effective and efficient O&M of the system by HCWD1. The tasks accomplished during the transition period will include:

- On-site Familiarization
- Human Resource Transition
- Administrative Transition
- Safety and Security Transition
- System Operations Transition
- System Maintenance Transition
- Ownership Transfer
- Perform Purchasing Requirements
- Prepare Work Plans for Initial Capital Upgrade Projects

By selecting the HCWD1 team, the Government gets an experienced, local supplier of water utility services with a working knowledge of Fort Knox and the issues related to startup and transition of government utility systems.

Immediately upon taking over operation and maintenance responsibilities, HCWD1 will assume all emergency calls 24/7. Inventories and transfers of equipment, tools, materials, and records are proposed to take place in the 120-day transition period. All personnel will be in place and trained prior to the end of the transition and transfer of O&M responsibilities. After that time, we will ensure the utility systems remain in continuous operation. Our proposed transition and startup schedule is shown on Exhibit JE5-1.

JE5.1 On-site Familiarization

On-site familiarization would occur during the transition period. During this time, HCWD1 will update the knowledge base for long-term O&M of the water systems and develop a foundation of utility system planning documents based on that information. Effectively completing this activity is not only vital to the overall success of the privatization of the water systems at Fort Knox, but ultimately to the effective and efficient O&M of the systems by the Government or by HCWD1. HCWD1’s objectives for on-site familiarization are to gather the information needed to develop a better understanding of the water utility systems at Fort Knox. The HCWD1 General Manager, Mr. Jim Bruce, will be assisted in mobilization efforts by a Startup Support Team consisting of the Operations Manager (Brett Pyles),...
Insert Exhibit JE5-1 Transition Schedule (11x17)
O&M specialists, human resources, safety, computer systems, and communications professionals. The on-site familiarization will address the following issues:

- Contract Start Date
- Implementing New Connections
- Implementing New Meter Requirements
- Approach and Time Schedule for obtaining any required operating permits
- Inventory and Transfer of Utility Assets (Fixed and Non-Fixed) Manuals and Records
- Initial Meter Readings
- Authorized Personnel and Points of Contact

This section provides a description of each element of the on-site familiarization.

**JE5.1.1 Contract Start Date**

The transition period will begin at contract award and will end not more than 120 days later. All HCWD1 actions will be in compliance with the contract.

After contract award, HCWD1 will plan weekly meetings during the transition period with the CO or designated representative. Weekly meetings will serve as an opportunity to discuss the implementation of the transition plan. This will also serve to coordinate with Fort Knox functions, to communicate with the Department of the Army entities, and to discuss other issues that may affect the transition process.

HCWD1 plans to assume all O&M responsibilities 120 days after award of the contract. Immediately upon taking over O&M responsibilities, we will assume all emergency response tasks 24/7. Inventories and transfers of equipment, tools, materials, and records will take place within the first 4 to 5 weeks of transition. All HCWD1 personnel will be in place and trained prior to the 120-day transfer of O&M responsibility.

HCWD1’s mobilization process establishes the systems and procedures for smooth operations over the life of the contract. Responsibility for O&M of the water utility systems is scheduled to transfer not later than 120 days after contract award. This will allow time for HCWD1 to:

- Mobilize

**JE5.1.2 Implementing New Connections**

Attachment JA1 of the contract indicates that there are no service connections or disconnections required upon system transfer.

**JE5.1.3 Implementing New Meter Requirements**

HCWD1 proposes to replace the existing water meters with 50 new radio read meters. Assuming preventive maintenance is completed on schedule, the meters are estimated to last for 20 years when they will be replaced as part of the renewals and replacement schedule (See Attachment I-5 for Meter Renewal and Replacement Scope of Work.).

**JE5.1.4 Approach and Time Schedule for Obtaining Any Required Operating Permits**

HCWD1 will work with the KDOW to change over the water use permit from the Government to HCWD1. Within 12-days of start-up, HCWD1 will formally request a meeting with regulators to initiate necessary processes and procedures for the timely transfer of the applicable permits. Immediately after meeting with regulators, HCWD1 will provide our Army partner with a brief of the meetings, and projected schedule, to the degree feasible based on the meeting with regulators. After this meeting and initial brief, HCWD1 will provide monthly updates to the government of the milestones and overall progress towards the transfer of permits, and will update schedules accordingly.

- Hire staff
- Acquire equipment and materials
- Perform any operations testing or environmental testing
- Become familiar with the systems
- Conduct inventories with the Government and initiate preliminary repairs or improvements required for operation of the systems

This will also provide the opportunity for Fort Knox to terminate or complete any existing contracts related to the water utilities.
JE5.1.5 Inventory and Transfer of Utility Assets (Fixed and Non-fixed), Manuals, and Records

To facilitate transfer of all facilities, fixed and non-fixed equipment, and specialized tools, a comprehensive joint inventory will be conducted. The joint inventory will be used to update the maps of the water facilities and to support the easement document that will support the bill of sale for the transfer of assets.

JE5.1.5.1 Inventory and Transfer of Facilities and Fixed Equipment

A joint inventory and transfer of all fixed equipment for the water systems will be completed. The inventory and transfer will include all facilities and installed equipment as identified in Attachment JA1.

JE5.1.5.2 Inventory and Transfer of Non-Fixed Equipment and Specialized Tools

If any property, such as tools, equipment, or spare parts, is transferred with the utility systems, a joint inventory will occur with Fort Knox and HCWD1 transition staff. Any material or equipment not wanted by HCWD1 will be disposed of in accordance with Army policy.

JE5.1.5.3 Transfer of Manuals and Records

HCWD1 needs to acquire all operating manuals, as-built drawings, plans and specifications, maintenance records, and other such documents for the water utility systems. This inventory and transfer should occur as early within the transition period as possible to enhance the transition of O&M. Ownership of the water systems will be transferred to HCWD1 as soon as the Bill of Sale and appropriate contract documents are completed and executed. HCWD1 and the Government will negotiate a date for ownership transfer. It is proposed that ownership transfer occur as shown on the transition schedule.

JE5.1.5.4 Joint Inventory

HCWD1 will perform a joint inventory during the transition phase. System inventory will be used to update the inventory database and assess the value of the existing facilities. The inventory will be used in the initial system studies to locate system deficiencies related to capacity, compliance, and current and projected reliability. The equipment inventory will define the exact pieces of equipment and tools to be transferred with the utility systems. Each inventory item will be listed down to the major component level (e.g., pump, motor, valve, and age). The inventory will also be used to prepare updated current utility maps for the water system. The updated inventory and maps will support the easement document that will be used to facilitate transfer of the water utility systems. The end result will be an itemized listing of assets to be attached to the Bill of Sale. This listing will include all assets that HCWD1 will own and assume responsibility for. The inventory of system equipment will be entered into the CMMS for tracking and monitoring. The types of inventory data that will be collected during the on-site familiarization phase are highlighted in Exhibit JE5-2.

<table>
<thead>
<tr>
<th>Exhibit JE5-2</th>
<th>Types of Inventory of Data to be Collected during On-Site Familiarization</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pipes (Water)</strong></td>
<td><strong>Mainline Valves</strong></td>
</tr>
<tr>
<td>Research record drawings and maps</td>
<td>Research record drawings and maps</td>
</tr>
<tr>
<td>ID #</td>
<td>ID #</td>
</tr>
<tr>
<td>Upstream node #</td>
<td>X</td>
</tr>
<tr>
<td>Downstream node #</td>
<td>Y</td>
</tr>
<tr>
<td>Diameter</td>
<td>Size</td>
</tr>
<tr>
<td>Length</td>
<td>Valve Box Diameter</td>
</tr>
<tr>
<td>Material</td>
<td>Number of Turns</td>
</tr>
<tr>
<td>Building or facility served</td>
<td>Location (pavement/grass)</td>
</tr>
<tr>
<td>Closest Building</td>
<td>Closest Building</td>
</tr>
</tbody>
</table>
JE5.1.6 Initial Meter Readings
HCWD1 will assign one technician to go with the Fort Knox Meter Reader to read and locate the meters. HCWD1 will have a map prepared showing which buildings and facilities are metered and will then collect a GPS location reading on each meter. The initial meter reading will be completed within 9 weeks of contract award.

JE5.1.7 Authorized Personnel and Points of Contact
Exhibit JE5-3 shows the individuals that hold authority to sign for the final transfer of operations and property as indicated.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Authority</th>
<th>Limit of Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Bruce</td>
<td>General Manager, HCWD1</td>
<td>Transfer of Operations and Property</td>
<td>As directed by Board</td>
</tr>
</tbody>
</table>

JE5.2 Human Resources Transition
HCWD1 recognizes the value of the existing Fort Knox staff’s experience, knowledge, and “institutional memory” concerning water systems on the installation, and we will include them as key members of our transition team. It is our anticipation that, prior to system ownership transfer, HCWD1 will be collecting and reviewing data on staffing of the various functions (planning, engineering, O&M, budgeting and accounting, personnel, and contracting) and preparing a staffing plan for service to Fort Knox.

JE5.2.1 Employee Transition
The existing employees will be offered positions with either HCWD1 or LWC, depending on their qualifications and future work assignments. HCWD1 and LWC routinely hire qualified personnel. Our team offers excellent benefit packages and competitive wages. We also offer opportunities for advancement and assignment to other HCWD1 and LWC facilities, if desired. HCWD1 and LWC anticipate the need to fill the positions identified in Exhibit JE5-4 for this project.

Exhibit JE5-4
Anticipated Positions Needed to be Filled

<table>
<thead>
<tr>
<th>Position Title</th>
<th>Number of Personnel Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution Operators</td>
<td>3 (HCWD1)</td>
</tr>
<tr>
<td>Plant Mechanics/ Electrician/ I&amp;C</td>
<td>3 (LWC)</td>
</tr>
<tr>
<td>GIS Technician</td>
<td>1 (HCWD1)</td>
</tr>
<tr>
<td>Heavy Equipment Operator</td>
<td>1 (HCWD1)</td>
</tr>
<tr>
<td>Water Operators</td>
<td>8 (LWC)</td>
</tr>
</tbody>
</table>

JE5.2.2 Evaluation of Existing Employees for Employment
FAR 52.207-3 (November 1991), Right of First Refusal of Employment, will be part of our contract with the Government. This clause requires that we offer positions created as a result of this new contract to qualified Government employees who are adversely affected, prior to offering those positions to other applicants. This procedure does not guarantee employment for displaced Government employees, but it does give them priority consideration over other applicants. The key factor is qualifications.

We anticipate that development of the staffing plan will be complete by the beginning of the transition period, with job offers made and accepted prior to system transfer. Analyses of employee training needs will be completed by the third month after system transfer. HCWD1 will apply a proven process to transition the affected workforce, as follows:

- **Step 1, Host introduction workshops.** HCWD1 will work with Fort Knox to prepare public announcements. This announcement package will communicate important information about the project and the transition process, as well as important information about HCWD1 and LWC. Along with this, each employee will receive a schedule for informational workshops. These workshops, for employees and spouses, will provide an orientation to HCWD1’s and LWC’s culture and to compensation and benefits programs.
- **Step 2, Interview and assess potential associates.** HCWD1 will send out a processing
schedule to every potential new associate. The first item on this schedule will be employee interviews. In these interviews, we will discuss each employee’s personal history, job experience, and specific ideas to improve the performance of the project. This is our first opportunity to show incoming employees that we listen to their concerns. This interactive process will allow individuals to ask any specific questions that they may have regarding HCWD1 and LWC, their jobs, and compensation potential. Our goal is to eliminate employees' uncertainty about their futures and establish a positive foundation for their careers with HCWD1 and LWC.

- **Step 3, Make offers of employment.** Each qualifying candidate selected will receive a specific job offer clearly detailing the appropriate job title, pay rate, exempt or nonexempt status, and a complete position description. HCWD1’s and LWC’s human resources and benefits specialists will provide benefits enrollment packages and assist associates in completing the enrollment.

- **Step 4, Implement contract startup and orientation.** During the startup period of the contract, new associates will work closely with their supervisors and the Transition Team members. They will be oriented to HCWD1 operating procedures and new expectations of the positions. Capitalizing on their experience and knowledge, we will develop a team to review procedures and help revise, rewrite, and implement best-of-practice site-specific standard operating procedure formats to be used in their work areas.

- **Step 5, Initiate project training program.** HCWD1 and LWC recognize and build upon the value of continuous learning and development. The project training plan will be developed and implemented, with an initial target for every new associate to receive approximately 32 hours of training within the first year and every year thereafter.

- **Step 6, Implement ongoing training and development.** HCWD1 training includes leadership skills, health and safety, operations / technical and administrative procedures, quality management, certification, and other courses designed to improve associate skills on an ongoing basis.

**JE5.2.3 Integration of Employees**

HCWD1 employees will integrate into the procedures and operating environment of Fort Knox as expeditiously as possible. In conjunction with the hiring process, HCWD1 will obtain all necessary security passes and identification required by Fort Knox. HCWD1 will develop a roster of personnel and emergency contact numbers, and provide this to the COTR and the Fort Knox DPW emergency desk.

**JE5.3 Administrative Transition**

To complete the transition of administrative functions, HCWD1 will set up and install the project accounting and financial system, set up the monthly billing, and establish the monthly reporting systems required by the contract. HCWD1 will meet with the COR and other stakeholders as deemed appropriate by the Government, to deploy the communication procedures for client service. Procedures for requesting service (work orders), excavation permitting, and HCWD1 contact information will be disseminated. Written outlines of each of these procedures will be made available to the stakeholders.

**JE5.4 Purchasing**

The necessary tools, equipment, and vehicles will be obtained, or HCWD1’s existing equipment will be utilized during the transition period. HCWD1 will establish and use purchasing agreements with local vendors. HCWD1 also will use existing contracts to maximize quantity discounts when possible.

**JE5.5 Safety and Security**

Integrating the Army facilities into existing HCWD1 safety and security practices and procedures will be a critical element of transition. The site visits conducted in August 2008 enabled the HCWD1 to formulate initial recommendations on safety and security upgrades for the Army facilities. Ground-truthing of these observations and development of safety plans still must take place during the transition period. Security must also be addressed during the transition period. Activities in the transition process related to safety and security include:
• **Conduct safety inspection/evaluation and develop priority list of changes.** In conjunction with on-site familiarization activities, HCWD1 staff will tour the acquired facilities and note specific safety issues to be corrected or addressed through operating procedures. HCWD1 will prepare a prioritized list of recommended safety changes and upgrades and review the list with the Army. For any capital upgrades needed to respond to safety issues that were not identified during the initial site visits, a determination will be made as to whether to add these projects to the Capital Upgrades Plan.

• **Review safety procedures and hold training sessions.** Safety procedures specific to the Army facilities will be developed as needed and integrated into existing HCWD1 safety plans. Staff will be trained on these procedures in sessions held at each installation.

All required safety and emergency response plans and procedures will be developed upon contract award. HCWD1 will ensure all personnel have appropriate safety and health training upon employment. A survey of all utility system facilities will be conducted early in the transition phase to identify any deficiencies.

**JE5.6 Transfer of System Operations**

A period of joint operation with Fort Knox personnel is desired for the water system during the transition period. HCWD1 will assume full responsibility for training employees and this is built in to the transition schedule. As part of the operational transition, HCWD1 will develop or update SOPs specific to the Fort Knox water systems. These SOPs will be a major component of the employee training program. HCWD1 will review and validate all existing data, and develop laboratory procedures and schedules. During transition, HCWD1 will develop a comprehensive Process Control Strategy and a Water Sampling and Analysis Plan. All employees will be trained to become familiar with these plans. Process control meetings will be held with employees initially on a bi-monthly basis and monthly afterward. These meetings will allow for the open discussion of current process control strategies, and allow for a high level of communication between all employees. This communication strategy will be a key element in the provision of the highest quality water and service to our Fort Knox customers.

**JE5.7 Transfer of System Maintenance**

Transfer of system maintenance activities will coincide with the startup of the CMMS. Job plans for maintenance activities will be developed and added to the CMMS, and work orders will be used to document maintenance activities. PM activities will be developed, and equipment repair and replacement requirements will be documented. Inventory controls will be developed and used to track spare parts and critical equipment replacement parts for high-risk water system utility components.

**JE5.8 Transfer of Ownership**

Transfer of ownership will occur at the end of the transition period, which is 120 days after contract award. During the transition period, HCWD1 will work closely with the COR, the Fort Knox Contracting Office, and other associated Government entities to facilitate the development, review, and execution of the necessary instruments to ensure a smooth and timely transfer of ownership at the end of the transition period.

**JE5.9 Prepare Work Plans for Initial Capital Upgrade Projects**

Work plans will be developed for the initial capital upgrade projects, including the system survey assessment project, the leak detection survey, and the hydraulic modeling project. Since many of the initial capital upgrade projects need to be completed in the first year of performance, the work plans will be used to secure the necessary resources to begin the capital upgrade projects immediately after the transition period.
JE5.10 Tasks to be Completed by the Government Prior to Transition

In order to make this transition as smooth and effective as possible, we have assumed that Fort Knox will perform the following tasks prior to the transition period:

- Complete actions required related to adversely affected staff (RIF notices).
- Review Program Objectives Manual to determine availability of funds for transition process, contract management costs, and the new utility contract costs.
- Assign COTR at Fort Knox as HCWD1’s primary contact during transition.
- Initiate modification or cancellation of existing permits and ensure transfer of existing permits.
- Modify any host-tenant agreements.
- Review real estate documents and identify explosive-safety quantity zones, airfield clearance zones, or other restrictions affecting utility operations.
- Collect relevant drawings, documents, and manuals for transfer.
- Inventory and identify Government items to be transferred.
- Identify Government equipment to be removed.
- Identify Fort Knox personnel for points of contact.
- Ensure all existing contracts for the utility systems are terminated upon start of performance.
- Ensure all recurring service contracts for the utility systems terminate upon start of performance.
- Identify whether temporary transition office space will be available for HCWD1 personnel.
### Fort Knox Transition Schedule

#### On-Site Familiarization
- **Activity ID**: 2
- **Activity Name**: First Meeting with Army
- **Original Duration**: 1 month
- **Actual Work**: 1 month
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

- **Activity ID**: 3
- **Activity Name**: Legal Due Diligence
- **Original Duration**: 1 month
- **Actual Work**: 1 month
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

- **Activity ID**: 5
- **Activity Name**: Joint Inventory of facilities & fixed equipment
- **Original Duration**: 2 months
- **Actual Work**: 2 months
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

- **Activity ID**: 6
- **Activity Name**: Joint Inventory of non-fixed
- **Original Duration**: 3 months
- **Actual Work**: 3 months
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

- **Activity ID**: 7
- **Activity Name**: Inventory of manuals and records
- **Original Duration**: 2 months
- **Actual Work**: 2 months
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

- **Activity ID**: 8
- **Activity Name**: Initial joint meter reading
- **Original Duration**: 2 months
- **Actual Work**: 2 months
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

#### HR Transition
- **Activity ID**: 10
- **Activity Name**: Clearances, special access, badges
- **Original Duration**: 1 month
- **Actual Work**: 1 month
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

- **Activity ID**: 11
- **Activity Name**: Evaluate Existing Employees for Employment
- **Original Duration**: 2 months
- **Actual Work**: 2 months
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

- **Activity ID**: 12
- **Activity Name**: Initial meetings with all interested employees
- **Original Duration**: 1 month
- **Actual Work**: 1 month
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

- **Activity ID**: 14
- **Activity Name**: Conduct New Employee Training & Orientation
- **Original Duration**: 2 months
- **Actual Work**: 2 months
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

#### Administrative Transition
- **Activity ID**: 16
- **Activity Name**: Install and startup accounting/financial system
- **Original Duration**: 2 months
- **Actual Work**: 2 months
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

- **Activity ID**: 17
- **Activity Name**: Set up monthly billing
- **Original Duration**: 1 month
- **Actual Work**: 1 month
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

- **Activity ID**: 18
- **Activity Name**: Set up monthly reporting (Service interruptions, meter reading, etc.)
- **Original Duration**: 1 month
- **Actual Work**: 1 month
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

#### Purchasing
- **Activity ID**: 20
- **Activity Name**: Purchase Required Equipment and Material
- **Original Duration**: 6 months
- **Actual Work**: 6 months
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

#### Safety and Security
- **Activity ID**: 22
- **Activity Name**: Safety Procedures and Briefing with Employees
- **Original Duration**: 1 month
- **Actual Work**: 1 month
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

### Transition of System Operations

- **Activity ID**: 24
- **Activity Name**: Revise/Create SOPs
- **Original Duration**: 4 months
- **Actual Work**: 4 months
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

- **Activity ID**: 25
- **Activity Name**: Arrange for Transfer of All Files, Logs, Records
- **Original Duration**: 3 months
- **Actual Work**: 3 months
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

- **Activity ID**: 26
- **Activity Name**: Final joint meter reading
- **Original Duration**: 5 months
- **Actual Work**: 5 months
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

### Transition of System Maintenance

- **Activity ID**: 28
- **Activity Name**: Implement Maintenance Management System
- **Original Duration**: 26 months
- **Actual Work**: 26 months
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

- **Activity ID**: 29
- **Activity Name**: Develop Preventive Maintenance Tasks and Activities
- **Original Duration**: 12 months
- **Actual Work**: 12 months
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

- **Activity ID**: 30
- **Activity Name**: Identify Equipment Repair and Replacement Requirements
- **Original Duration**: 12 months
- **Actual Work**: 12 months
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

- **Activity ID**: 31
- **Activity Name**: Establish Inventory Control System
- **Original Duration**: 1 month
- **Actual Work**: 1 month
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

- **Activity ID**: 32
- **Activity Name**: Assume Maintenance Responsibility
- **Original Duration**: 2 months
- **Actual Work**: 2 months
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

### Transfer Ownership

- **Activity ID**: 34
- **Activity Name**: Water
- **Original Duration**: 1 month
- **Actual Work**: 1 month
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

### Prepare Workplans for Initial Capital Upgrade Projects

- **Activity ID**: 36
- **Activity Name**: Prepare Workplans for Studies
- **Original Duration**: 89 months
- **Actual Work**: 89 months
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

- **Activity ID**: 37
- **Activity Name**: Prepare Workplans for Initial Capital Upgrades
- **Original Duration**: 54 months
- **Actual Work**: 54 months
- **Remaining Work**: 0 month
- **Critical Remaining Work**: 0 month

---

© Primavera Systems, Inc.
**SMALL BUSINESS SUBCONTRACTING PLAN**

**Offeror name and address:**

Hardin County Water District No. 1  
1400 Rogersville Rd.  
Radcliff, KY 40160

**Date:** 10/01/08; revised 06/01/11

**Type of plan (check one):**  
- Individual  
- Commercial

**Exhibit JE6 - Subcontracting Plan**

The following, along with any attachments, is hereby submitted as a Subcontracting Plan to satisfy the applicable requirements of Public Law 95-507, Public Law 99-661, and paragraph (d) of FAR Clause 52.219-9, Small Business Subcontracting Plan.

**TERMS AND DEFINITIONS**

The following terms and acronyms are used throughout this form:

- **Commercial Plan** – a subcontracting plan (including goals) that covers the offeror’s fiscal year and that applies to the entire production of commercial items sold by either the company or a portion thereof (e.g., division, plant, or production line).
- **Individual Plan** – a subcontracting plan that covers the entire contract period.
- **SB** – Small Business concern
- **VOSB** – Veteran Owned Small Business concern
- **SD-VOSB** – Service-Disabled Veteran Owned Small Business concern
- **HUBZone** – Historically Underutilized Business Zone
- **SDB** – Small Disadvantaged Business concern
- **WOSB** – Women-Owned Small Business concern
- **Direct and Indirect Cost** – Overhead activities may be used to supplement direct charge activities. Contractors are encouraged to use indirect costs to meet goals when direct costs subcontracting opportunities are restrictive toward meeting established goals.

**PART 1 – SUBCONTRACTING GOALS**

A. **Total dollars planned to be subcontracted:** $90,000,000

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<thead>
<tr>
<th>Type</th>
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<th>Percentage</th>
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<tr>
<td>LB</td>
<td>$67,500,000</td>
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<tr>
<td>SB</td>
<td>$22,500,000</td>
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<tr>
<td>VOSB</td>
<td>$6,300,000</td>
<td>7%</td>
</tr>
<tr>
<td>SD-VOSB</td>
<td>$2,700,000</td>
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<tr>
<td>HUBZone</td>
<td>$4,500,000</td>
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</tr>
<tr>
<td>SDB</td>
<td>$4,500,000</td>
<td>5%</td>
</tr>
<tr>
<td>WOSB</td>
<td>$4,500,000</td>
<td>5%</td>
</tr>
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</table>

B. **Dollars and percentages planned to be subcontracted to large business concerns.**

C. **Dollars and percentages planned to be subcontracted to SB concerns.** Percentages should be expressed as a percentage of the total dollars planned to be subcontracted. The offeror shall include all subcontracts that contribute to contract performance.

D. **Description of principal types of supplies and services to be subcontracted to each of the SB concerns:**

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>SB</td>
<td>General contracting, engineering, geotechnical, GIS/surveying, maintenance</td>
</tr>
<tr>
<td>VOSB</td>
<td>General contracting, engineering, geotechnical, GIS/surveying, electrical, plumbing, office supplies</td>
</tr>
<tr>
<td>SD-VOSB</td>
<td>General contracting, GIS/surveying</td>
</tr>
<tr>
<td>HUBZone</td>
<td>General contracting, engineering, electrical, plumbing, janitorial</td>
</tr>
<tr>
<td>SDB</td>
<td>General contracting, engineering, GIS/surveying, electrical, plumbing</td>
</tr>
<tr>
<td>WOSB</td>
<td>General contracting, engineering, office supplies, general supplies/equipment, laboratory, trucking, janitorial, electrical, plumbing, janitorial</td>
</tr>
</tbody>
</table>
SMALL BUSINESS SUBCONTRACTING PLAN

E. Describe method used to develop these goals (e.g. based on procurement history, available resources, etc.):

HCWD1 currently has a Small Business Subcontracting Plan for the privatization of Ft. Knox Wastewater and Stormwater Systems. This plan was submitted in July 2005 and meets the requirements and regulations of the Ft. Knox Army Contracting Agency and FAR Subpart 19.7. This plan was updated on Sept. 30, 2008 to include:

- Evaluation of resources needed and appropriate areas for SB subcontracting
- Utilize database of existing vendors
- Attend/host networking events
- Prepare targeted mailings to SBs
- Use SBA’s CCR database of SBs in local area

These methods were part of the SB subcontracting pool for this proposal.

F. Were indirect costs included in establishing these goals? [ ] Yes [ ] No

If yes, describe the method used to determine proportionate share of indirect costs to be incurred with each of the SB concerns:

| SB      | VOSB | SD-VOSB | HUBZone | SDB | WOSB |

PART 2 – SUBCONTRACTING PROCEDURES

A. Individual who will administer the offeror’s subcontracting program

(Reference FAR Part 52.219-9, Small Business Subcontracting Plan, (Para 9-11) for specific duties as they relate to the firm’s subcontracting program and include additional duties the company has designated).

Name: Patty Vanvooren
Title: HDR/Quest Administrative Manager
E-Mail: patty.vanvooren@hdrinc.com Phone: 859-223-3755

Description of Duties:

Prepare and ensure conformance with small business subcontracting plans for Fort Knox utility privatization contracts.

B. Indicate methods used to identify potential sources for solicitation purposes:

☒ Existing company source lists
☒ Central Contractor Registration (CCR) Dynamic Small Business Search
☒ National Minority Purchasing Council Vendor Information Service
☒ Trade Associations
☒ Federal government development centers such as DoD’s Procurement Technical Assistance Center (PTAC), SBA’s Small Business Development Center (SBDC) and Department of Commerce’s Minority Business Development Center (MBDC)

☐ Other: ____________________________________________
SMALL BUSINESS SUBCONTRACTING PLAN

C: Describe methods used to assure that SB, VOSB, SD-VOSB, HUBZone, SDB and WOSB concerns are provided an equitable opportunity to compete for subcontracts.

- Attain SB goals in all categories
- Recruit SB contractors
- Account for SB utilization with SF294/295 reporting
- Create opportunities for outreach to SBs and organizations and Associations that support SBs
- Structure bid packages to permit SB participation
- Include SBs on all solicitations for services they are capable of providing
- Utilize existing vendor/subcontracting database
- Monitor records to support award data and solicitations
- Provide technical assistance to SBs

PART 3 – SUBCONTRACTING PLAN MANAGEMENT

The offeror certifies, by signature on this plan, that the following procedures regarding management of this subcontracting plan will be enacted and maintained. The contractor agrees to provide the following:

1. Assist small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation by such concerns. Where the Contractor’s lists of potential small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business subcontractors are excessively long, reasonable effort shall be made to give all such small business concerns an opportunity to compete over a period of time.

2. Provide adequate and timely consideration of the potentialities of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns in all “make-or-buy” decisions.

3. Counsel and discuss subcontracting opportunities with representatives of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business firms.

4. Provide notice to subcontractors concerning penalties and remedies for misrepresentations of business status as small, veteran-owned small business, HUBZone small business, small disadvantaged or women-owned small business for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in the Contractor’s subcontracting plan.

5. Assurances that the offeror will include the clause of this contract entitled “Utilization of Small Business Concerns” in all subcontracts that offer further subcontracting opportunities, and that the offeror will require all subcontractors (except small business concerns) that receive subcontracts in excess of $550,000 ($1,000,000 for construction of any public facility with further subcontracting possibilities) to adopt a plan similar to the plan that complies with the requirements of this clause.

6. Assurances that the offeror will --
   (i) Cooperate in any studies or surveys as may be required;
   (ii) Submit periodic reports so that the Government can determine the extent of compliance by the offeror with the subcontracting plan;
## SMALL BUSINESS SUBCONTRACTING PLAN

(iii) Submit the Individual Subcontracting Report (ISR) and/or the Summary Subcontract Report (SSR), in accordance with the paragraph (I) of this clause using the Electronic Subcontracting Reporting System (eSRS) at [http://esrs.gov](http://esrs.gov). The reports shall provide information on subcontract awards to small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, women-owned small business concerns, and Historically Black Colleges and Universities and Minority Institutions. Reporting shall be in accordance with this clause, or as provided in agency regulations;

(iv) Ensure that its subcontractors with subcontracting plans agree to submit the ISR and/or the SSR using eSRS;

(B) A description of the types of records that will be maintained concerning procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of the offeror’s efforts to locate small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns and award subcontracts to them. The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):

(i) Source lists (e.g., CCR), guides, and other data that identify small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns.

(ii) Organizations contacted in an attempt to locate sources that are small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, or women-owned small business concerns.

(iii) Records on each subcontract solicitation resulting in an award of more than $100,000, indicating

(A) Whether small business concerns were solicited and if not, why not;

(B) Whether veteran-owned small business concerns were solicited and if not, why not;

(C) Whether service-disabled veteran-owned small business concerns were solicited and, if not, why not;

(D) Whether HUBZone small business concerns were solicited and if not, why not;

(E) Whether small disadvantaged business concerns were solicited and if not, why not;

(F) Whether women-owned small business concerns were solicited and if not, why not; and

(G) If applicable, the reason award was not made to a small business concern.

(iv) Records of any outreach efforts to contact --

(A) Trade associations;

(B) Business development organizations;

(C) Conferences and trade fairs to locate small, HUBZone small, small disadvantaged, and women-owned small business sources; and

(D) Veterans service organizations.
(v) Records of internal guidance and encouragement provided to buyers through --

(A) Workshops, seminars, training, etc., and

(B) Monitoring performance to evaluate compliance with the program's requirements.

(vi) On a contract-by-contract basis, records to support award data submitted by the offeror to the Government, including the name, address, and business size of each subcontractor. Contractors having commercial plans need not comply with this requirement.

---

**PART 4 – AGREEMENT AND APPROVAL SIGNATURES**

**A. Offeror's agreement**

<table>
<thead>
<tr>
<th>Offeror's signature</th>
<th>James Bruce, General Manager, HCWD1</th>
<th>01-JUN-2011</th>
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<tbody>
<tr>
<td></td>
<td>Typed name and title</td>
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**B. Reviewed By:**

<table>
<thead>
<tr>
<th>Contract Specialist's signature</th>
<th>Tania M. Rivera, Contract Specialist</th>
<th>27-June-2011</th>
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<tr>
<td></td>
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**C. Contracting Officer's determination of acceptance**

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<th>Brian J. Kessel, Contracting Officer</th>
<th>6/29/11</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Typed name and title</td>
<td>Date</td>
</tr>
</tbody>
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**D. Division Chief's approval**

Is SDB goal less than 5%?  
[ ] Yes  [ ] No
If yes, a Division Chief's signature, one level above Contracting Officer is required:

<table>
<thead>
<tr>
<th>Deputy's/Director's signature</th>
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**E. Small Business Office**

<table>
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<th>Concur Non-concur</th>
<th>6/29/11</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Small Business Specialist</td>
<td>Date</td>
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</table>

Small Business Specialist's Rationale:

> Please have the CO sign Block F and return a copy to the Small Business office. Only needs to send a copy of this page.

---

**F. Contracting Officer's approval**

<table>
<thead>
<tr>
<th>Contracting Officer's signature</th>
<th>Brian Kessel, Contracting Officer</th>
<th>7/8/11</th>
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<tbody>
<tr>
<td></td>
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<td>Date</td>
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**DESC 19.3 - June 2010 (supersedes DESC 19.3 did August 2005)**
CLASSIFICATION OF SERVICE:

RATES, SURCHARGES AND MONTHLY CHARGES

Rate Schedule FKW—Water Service within Fort Knox, Kentucky

Terms and conditions for water utility service to Fort Knox are as provided in the service agreement between the U.S. Army and Hardin County Water HCWD1 No. 1.

The following rates are hereby prescribed for water supply and distribution services provided within Fort Knox, Kentucky military reservation:

- Monthly Service Charge: $246,172 per month
- Initial System Deficiency Correction Surcharge: $473,831 per month for 60 months*
- Transition Surcharge: $592,518 per month, for one month only*
- Purchase Price Recovery Surcharge: $85,968 per month for 120 Months
- Credit as Payment of Purchase Price (reduces net charge): $85,968 per month for 120 Months

* From the effective date of this tariff

DATE OF ISSUE: Draft—Under Review

DATE EFFECTIVE: Draft—Under Review

ISSUED BY: /s/ Jim Bruce

TITLE: General Manager
Ms. Mattox:

The Hardin County Water District No. 1 (HCWD1) is pleased to submit this proposal for assuming the ownership and operation of the Fort Knox potable water system. HCWD1 is the agency designated to provide utility services in the northern part of Hardin County, around Fort Knox. As a regulated utility by the Kentucky Public Service Commission, HCWD1 serves 10,000 residential and commercial customers and acts as a regional water supplier to two other water systems. The transfer of the utilities at Fort Knox is an unprecedented opportunity for Hardin County and one that would follow the trend of Fort Knox and the local government working together toward well planned and managed water and sewer utilities.

HCWD1 has been involved in a number of endeavors with Fort Knox over the past few years, including ownership and operation of the Fort Knox wastewater and stormwater systems. HCWD1 has also participated with Fort Knox and other water suppliers in Hardin County to carry out long-range water supply planning. This proposal is a natural extension to those efforts to better coordinate water and sewer utilities by placing control of those facilities with Hardin County.

Under our proposal, HCWD1 will be the owner and manager of the potable water system serving Fort Knox. Although many of HCWD1’s staff have water experience, we have formed a team of professionals to handle the ownership transition, immediate system improvements, and operation of the water distribution system. Joining with HCWD1 in this project will be Louisville Water Company (LWC) and CH2M HILL, Inc.

HCWD1 believes that our management expertise and local knowledge, combined with national experts, can provide the best option for Fort Knox to privatize its potable water system. We have conducted an extensive due diligence and field reconnaissance of the water utility and have developed a plan that offers long-term economic benefit and reduction in costs, which are specific goals identified in the Solicitation. Our proposal is presented in four volumes, plus two alternate proposals in two other volumes. This document is Volume IV, Price Proposal - BASE.
This Proposal remains a valid offer for 300 days from the date of submittal, and we are prepared to work with you to extend this period should it be required. I will remain your primary point of contact for HCWD1 and our Team during the Proposal and bid period, and can be contacted as follows:

   Mr. Jim Bruce, General Manager
   Hardin County Water District No. 1
   1400 Rogersville Road, Radcliff, Kentucky 40160
   Telephone: 270.351.3222
   Mobile: 270.268.4069
   Fax: 270.352.3055
   Mail: Jbruce@HCWD.com

We look forward to your review of our Proposal, and I invite you to contact me should you have any questions or need any additional information.

Sincerely,

Jim Bruce
General Manager
Hardin County Water District No. 1
Volume IV. Price Proposal - BASE

Prepared by:

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

Hardin County Water District No. 1 agrees with all terms, conditions, and provisions included in the solicitation except as highlighted in Volume III, Contract Documentation and agrees to furnish any or all items upon which prices are offered by Hardin County Water District No. 1 in this proposal at the price set opposite each item.

This proposal includes data that shall not be disclosed outside the Government.

**Person(s) Authorized to Negotiate:** Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

**Person(s) Authorized to Sign Proposal:** Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government’s right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are clearly marked with the proprietary legend in the side margin of the page.
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<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>AACE</td>
<td>Association for the Advancement of Cost Engineering</td>
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<tr>
<td>CAS</td>
<td>Cost Accounting Standards</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>General and Administrative</td>
</tr>
<tr>
<td>HCWDI</td>
<td>Hardin County Water District No. 1</td>
</tr>
<tr>
<td>ISDC</td>
<td>Initial System Deficiency Correction</td>
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<tr>
<td>NARUC</td>
<td>National Association of Regulatory Commissioners</td>
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<tr>
<td>O&amp;M</td>
<td>Operations and Maintenance</td>
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<td>PSC</td>
<td>Public Service Commission</td>
</tr>
<tr>
<td>R&amp;R</td>
<td>Renewals and Replacement</td>
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### Cross Reference Matrix for Section L

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<tr>
<td>General Estimating Methodology</td>
<td>Section 3</td>
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<tr>
<td>Cost Risk Assessment</td>
<td>Section 4</td>
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Section 1 – Price Schedule B-1

Hardin County Water District No. 1 (HCWD1) proposes to provide water utility service to Fort Knox under a tariff regulated by the Kentucky Public Service Commission (PSC). As a water and wastewater utility within the Commonwealth of Kentucky, all of HCWD1’s operations are regulated by the Kentucky PSC. In this role, the Kentucky PSC also regulates all tariffs charged for utility service by HCWD1. Accordingly, HCWD1 proposes to provide water utility service to Fort Knox, as outlined in DESC RFP SP0600-08-R-0803, under the regulated tariff option provided in the RFP. Consistent with the RFP requirements, HCWD1 is therefore submitting its proposed pricing through Price Schedule B-1.

As allowed by the RFP, the tariff is being offered subject Kentucky PSC approval. That approval is expected within 90 days of contract award.

In addition to this proposal, HCWD1 is also submitting a separate Alternate Proposal that offers water quality improvements and significant cost savings to the Government for water utility service to Fort Knox. The Alternate Proposal varies from the basic RFP requirement in that it includes a provision to replace the Central WTP with water supply from off-Post.

Schedule B-1

Schedule B-1 for this proposal is provided on the following page. The schedule includes 4 CLINs. Each is discussed below.
## SCHEDULE B-1 REGULATED TARIFF\(^a\)
### Payment by the Government for Utility Service

**Fort Knox, Kentucky**

<table>
<thead>
<tr>
<th>CLINs</th>
<th>Supplies/Services</th>
<th>Tariff/Schedule/Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Applicable Tariff(s)(^a) (see B.5.1)</td>
<td>$__ Rate FKW__</td>
</tr>
<tr>
<td></td>
<td>Monthly Credit as Payment for Purchase Price (see B.5.2)</td>
<td>$__ 1.00</td>
</tr>
<tr>
<td></td>
<td>$__ 1.00 Monthly Credit</td>
<td>$__ 1.00</td>
</tr>
<tr>
<td></td>
<td>__<strong><strong>1</strong></strong> # months</td>
<td>___<em><strong>0%</strong></em> Interest Rate</td>
</tr>
<tr>
<td></td>
<td>TOTAL FOR CLIN 0001</td>
<td>$__ see Rate FKW _</td>
</tr>
<tr>
<td>0002</td>
<td>Initial System Deficiency Corrections/Connection Charges(^b) (see B.5.3 and B.7.4 (Schedule 3). This amount should not be included in the price offered for CLIN 0001).</td>
<td>$ see Rate FKW _ See Schedule 3</td>
</tr>
<tr>
<td>0003</td>
<td>Recoverable Portion of Purchase Price(^b) (see B.5.4 and B.7.5 (Schedule 4). This amount should not be included in the price offered for CLIN 0001).</td>
<td>$ 0.00 See Schedule 4</td>
</tr>
<tr>
<td>0004</td>
<td>Transition Period</td>
<td>$ see Rate FKW _ See Schedule 3</td>
</tr>
</tbody>
</table>

\(^a\)Utility system to be filled in by the Offeror. A B-1 must be completed for each utility system offered. Utility systems are shown in Schedule A paragraph B.3, *System to be Privatized*. Offerors shall provide a comprehensive description of proposed tariffs in their Price Proposals. See B.5.1.

\(^b\)CLINs 0002 and 0003 are required only if the tariff provides for separate identification of initial system deficiency corrections, connection charges and the recoverable portion of the purchase price. If separate identification is not provided, it will be assumed tariff rate includes these costs.

**NOTE:**

The Purchase Price, Recoverable Portion of the Purchase Price, interest rate and amortization period are proposed by the Offeror.

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Note: Schedule B-1 was taken directly from the RFP and completed for HCWD1’s regulated price proposal. Actual tariff prices are shown in HCWD1’s Rate Schedule FKW on the next page. While RFP Schedules 1 through 4 are not required in support of Schedule B-1, tables providing essentially the same information as RFP Schedules 1 through 3 are provided in Tables IV-1, IV-2, and IV-5, respectively. Since there is no recoverable portion of the purchase price, a table similar to RFP Schedule 4 is not included in this proposal.
### CLASSIFICATION OF SERVICE:
### RATES, SURCHARGES AND MONTHLY CHARGES

**Rate Schedule FKW—Water Service within Fort Knox, Kentucky**

Terms and conditions for water utility service to Fort Knox are as provided in the service agreement between the U.S. Army and Hardin County Water HCWD1 No. 1.

The following rates are hereby prescribed for water supply and distribution services provided within Fort Knox, Kentucky military reservation:

<table>
<thead>
<tr>
<th>Service Charge</th>
<th>Monthly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Service Charge</td>
<td>$459,216 per month</td>
</tr>
<tr>
<td>Initial System Deficiency Correction Surcharge</td>
<td>$510,026 per month for 60 months*</td>
</tr>
<tr>
<td>Transition Surcharge</td>
<td>$534,757 per month, for one month only*</td>
</tr>
</tbody>
</table>

* From the effective date of this tariff

---

**DATE OF ISSUE:** August 31, 2008  **DATE EFFECTIVE:** December 31, 2009

**ISSUED BY:** /s/ David L. Armstrong  **TITLE:** Chairman

---

1 The executed contract from the Government to HCWD1 would also become part of HCWD1’s Tariff applicable to Fort Knox water.
CLIN 0001 — Applicable Tariff

CLIN 0001 includes a provision for a Utility Service Charge and a Monthly Credit as Payment for Purchase Price. Each of these provisions is discussed below.

Utility Service Charges

The Kentucky PSC requires that charges for the service it regulates be established through a public process and that charges approved by the Kentucky PSC be published in a tariff sheet. HCWD1’s proposed tariff sheet for water service to Fort Knox is provided on the page following Schedule B-1. That tariff sheet contains HCWD1’s Rate Schedule FKW—Fort Knox Water. This is the “applicable tariff” that would apply to water utility service within Fort Knox.

The FKW rate schedule includes a Monthly Service Charge, an Initial System Deficiency Correction (ISDC) Surcharge and a Transition Surcharge. Together, these constitute the utility service charges specified in Schedule B-1. The charges are guaranteed not to change for 2 years and are expected to decrease over the long term.

The Monthly Service charge covers all normal operations and maintenance (O&M) expenses, as well as the cost of normal renewals and replacements (R&R) of plant and equipment for the Fort Knox water utility system. As shown in the FKW rate schedule, the charge will be $459,216 per month for the first 2 years of the contract. While these rates may increase to compensate for the effect of general price inflation on costs, they are projected to decrease in the long term, as described in Section 2. The methods used to estimate O&M costs and capital costs, including costs for R&R and ISDCs, are described in Section 3.

The ISDC Surcharge will recover all ISDC costs based on a uniform monthly charge during the 5-year period when the ISDC projects are to be completed. This surcharge will be in effect for 60 months and then be removed from the rate tariff. During the first 2 years, the surcharge will be $510,026 per month ($6,120,318 per year). The bases for the ISDC Surcharge are discussed in Section 2.

The Transition Surcharge will last 1 month and then no longer be charged. In effect, this will simply be a single payment of $534,757 for the costs HCWD1 will incur during the transition period and those costs required to be able to begin operations on the initial day of operations.

Each of these rates is based on the direct cost of service for providing water utility service to Fort Knox, plus a 3.8 percent markup to cover an apportionment of HCWD1 overhead costs. As such, the rates are no less favorable to Fort Knox than any other HCWD1 rate is to any other HCWD1 customer. Details regarding this tariff are provided in Section 2 of this price proposal.

Credit as Payment for Purchase Price

HCWD1 will have to recover 100 percent of the purchase price paid for the Fort Knox water system through a separate charge to the Post through CLIN 0003. Since this charge would be equal to the monthly credit as payment for the purchase price, the charge and the credit would equally offset, resulting in a zero net transfer of funds. Accordingly, as was done when Fort Knox and HCWD1 contracted to privatize the Post’s wastewater system in 2004, HCWD1 is proposing to transfer ownership of the Post’s water system to HCWD1 for $1.00. This will simplify the transaction and eliminate the needless accounting for equally offsetting charges and credits. Since, as a public agency, HCWD1 does not pay any Federal income taxes, it would therefore not be subject to potential CIAC taxes from the $1.00 transaction.

CLIN 0002—Initial System Deficiency Corrections/Connection Charges

As mentioned above, Rate Schedule FKW includes a surcharge that is designed to recover the cost of ISDCs over a 60-month period. The basis for this surcharge is described in Section 2.
**CLIN 0003 — Recoverable Portion of Purchase Price**

Because HCWD1 proposes to pay only $1.00 to transfer ownership of the water system, there is in effect no purchase price to recover. Accordingly, the price included in Schedule B-1 for this CLIN is $0.00.

**CLIN 0004 — Transition Period**

As mentioned above, Rate Schedule FKW also includes a 1-month surcharge for HCWD1 costs incurred during the transition period and those costs required to be able to begin operations on the initial day of operations.

Our team members are recognized as industry leaders in asset management, which will ensure that the Government will receive that maximum lives from its assets. Based on our preliminary evaluation of the Fort Knox Water System, we believe that it is possible for many of the deficiencies noted in the ISDC to be deferred into the future. Our proposal includes the cost for these improvements to be responsive to the RFP. We would welcome the opportunity to discuss additional cost saving measures associated with deferring some of the ISDC projects during the negotiation process.
Section 2—Price Proposal, Introduction, and Pricing Assumptions

This section provides a description and documentation of the cost basis for HCWD1’s price proposal, presents a projection of the total costs over the course of the 50-year contract, and outlines key pricing assumptions. Other long-term costs and benefits are also discussed in the context of commodity supply relationships with third parties that are able to deliver water supplies to Fort Knox.

Bases for Proposed Prices

The cost bases for HCWD1’s price proposal provided in Schedule B-1 and Rate Schedule FKW are provided below. For each Rate Schedule FKW charge, costs were estimated in terms of 2008 prices using methodologies described in Section 3. Costs for each charge were then escalated to 2009 price levels for input to RFP Schedule 5 (Table IV-8 of this proposal) and to 2010-11 price levels for inclusion in the original version of Rate Schedule FKW, which has guaranteed rates for 2010 and 2011. Costs were escalated conservatively, based on an assumed inflation rate of 2.5 percent.

Specific cost bases for the Monthly Service Charge, the ISDC Surcharge, and the Transition Surcharge are provided below.

Monthly Service Charge

The Monthly Service Charge covers HCWD1’s cost of providing O&M and R&R for the Fort Knox water utility system. It is applicable in each of the 600 months of the contract term. The Monthly Service Charge shown in Rate Schedule FKW is based on the summation of the following O&M and R&R costs (2010-2011 dollars):

<table>
<thead>
<tr>
<th>Cost Component</th>
<th>Annual</th>
<th>Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td>O&amp;M Costs</td>
<td>$2,601,131</td>
<td>$216,761</td>
</tr>
<tr>
<td>R&amp;R Costs</td>
<td>2,909,463</td>
<td>242,455</td>
</tr>
<tr>
<td>Total</td>
<td>$5,510,594</td>
<td>$459,216</td>
</tr>
</tbody>
</table>

The O&M and R&R cost components are discussed below.

O&M Costs

HCWD1 has estimated the annual cost to operate and maintain the Fort Knox water system given the different requirement for four different phases of operation:

- Transition period
- Year 1 (2010)
- Years 2-5 (2011-2014)
- Years 6-50 (2015-2059)

The estimated O&M cost in each of these periods is shown in Table IV-1. The transition period is projected to last 4 months at the end of 2009. Operations in 2010 are projected to include slightly more operating expenses than in Years 2011-2014, reflecting some continuing startup requirements. When the Muldraugh Water Treatment Plant (WTP) is closed at the end of 2014, costs associated with the plant will end. Given that the Government will replace Muldraugh water with supplies from an off-Post source, HCWD1 costs, and therefore the FKW rate to the Government, will decrease by savings associated with the Muldraugh closure. (These variations in annual costs are reflected in the 50-year projections of water utility charges provided in HCWD1’s completion of RFP Schedule 5. See Table IV-8.)

The cost estimates for the four phases of operation are provided in Table IV-1 in terms of 2008, 2009, and 2010-2011 dollars. The differences reflect the general inflation rate of 2.5 percent per year. Details to the summary labor costs and other direct expenses shown in this table in 2008 dollars are provided in Attachment IV-1. HCWD1’s general and administrative (G&A) expenses are equal to 3.8 percent of all O&M and capital costs. Accordingly, the direct O&M costs shown in Table IV-1 were marked up to provide a 3.8 percent G&A allowance.

The cost basis for the O&M component of the Monthly Service Charge shown in Rate Schedule FKW is the average of 2010 and 2011 costs.
Table IV-1, 1 page
Table IV-2 - 6 pages,

page 2 of 6
Table IV-2 - 6 pages,

page 3 of 6
Table IV-2 - 6 pages,

page 4 of 6
Table IV-2 - 6 pages,

page 6 of 6
Use of this sheet is subject to the restriction on the title page of this proposal.

[$2,610,867 + $2,591,395)/2 = $2,601,131]. This annual cost was divided by 12 to determine the O&M component of the Monthly Service Charge.

R&R Costs

Section B.7.1 of the RFP requires that the Offeror:
1. “Establish a 50-year schedule for renewals and replacements of major system components.”
2. Show the 50-year schedule “in current dollars.”
3. “Clearly establish a direct correlation between the applicable J-section inventory, the 50-year schedule for renewals and replacements and the renewals and replacements component of the Utility Service Charge.”

In order to comply with these requirements, HCWD1 created an R&R plan for each Fort Knox water utility inventory component included in RFP Section J1 Table 5. That plan is summarized in Table IV-2. Among other details, Table IV-2 shows the expected replacement date(s) for each system component, the items that will be used for each R&R, the planned life for each R&R, and the cost (in 2008 dollars) of each R&R.

R&R costs shown in Table IV-2 are directly transferred to the R&R cash flow presented in Table IV-3. This table also shows the “residual value”, or undepreciated value, of each R&R project at the end of the 50-year contract term. The total annual cash flow for all R&Rs is shown at the bottom of Table IV-3 with the addition of a 3.8 percent G&A allowance. That annual cash flow is transferred to Column 2 (Project Costs 2008$) of Table IV-4. In Column 4 of Table IV-4, the R&R project costs are translated into current year dollars using an assumed inflation rate of 2.5 percent per year.

The purpose of Table IV-4 is to establish a uniform R&R charge component to the Monthly Service Charge that recovers exactly all R&R costs over the 50-year contract period. The R&R charge component is shown in the Column 3 of the table as “R&R Revenues”. These charges are assumed to increase at the same rate as general inflation after 2011. No inflation is applied to 2011 since the initial rate is guaranteed for 2 years (2010 and 2011).

Net revenues (R&R revenues less R&R costs) are shown in Column 5. Columns 6 through 10 show the calculation of the cumulative balance of net revenues over the 50-year contract period. It is assumed that HCWD1 can earn 3.5 percent in interest on investments of surplus balances and pay 6.2 percent interest on deficit balances. Beginning fund balances for each year are shown in Column 6 and ending balances are shown in Column 10.

As shown at the bottom of Column 10, with the R&R revenues and costs included in the annual cash flows, the ending balance of the R&R fund in Year 50 (2059) is $0. The R&R revenues shown for 2010 and 2011 are the annual amounts that constitute the R&R component of the Monthly Service Charge calculated above. The monthly component was determined by simply dividing the annual amount of $2,909,463 by 12.

Table IV-3 also provides a calculation of the residual value for each inventory item. This was calculated in 2008 dollars by reducing the RCN value of each component by the amount of depreciation on the component between the time it was last installed and the end of the fiftieth year of the contract. Specifically, the RCN value was multiplied by $1-$L, where A equaled the age of the item at the end of Year 50 and L equaled the service life of the item.

ISDC Surcharge

The ISDC Surcharge covers the cost of completing the ISDCs identified in Table 12 of RFP Section J1. HCWD1 is proposing to recover all costs over the same 5 years (2010-2014) that the ISDCs will be completed. Therefore the surcharge will last 60 months and then be removed from Rate Schedule FKW.

2 This table follows the general format of RFP Schedule 2. Exact compliance with Schedule 2 is not required for Offerors proposing a regulated tariff under RFP Schedule B-1.
Table IV-3 – 20 pages
Page 2 of 20
Table IV-3 – 20 pages

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Table IV-3 – 20 pages
Page 11 of 20
Table IV-3 – 20 pages
Page 15 of 20
Table IV-4, 1 page
ISDC project costs and completion schedule are shown in Table IV-5 and conform to completion dates specified in Table 12 of RFP Section J1. Similar to the R&R project analysis, data in Table IV-5 is translated into an overall cash flow schedule in Table IV-6. Residual value of ISDC projects at the end of Year 50 (2059) is also calculated in Table IV-6. The annual uniform charge for ISDC projects is calculated in Table IV-7 using the same technique as described above for the R&R component of the Monthly Service Charge.

**Transition Surcharge**

The Transition Surcharge simply recovers HCWD1’s cost of transition activities in the first month the Rate Schedule FKW is applied. After that surcharge is applied, it will be removed from the rate schedule. The charge is equal to the O&M cost total shown in 2009 dollars for the transition period in Table IV-1.

**Total Contract Costs**

Total costs to the Government over the 50-year contract term are shown in Table IV-8. This table contains Schedule 5 from the RFP. As required for that schedule, all costs are provided in 2009 dollars. Data are shown as costs to the Government from HCWD1 charges for water utility service. While there would only be 3 charges to the Government, cost bases for these charges are provided in the table.

The RFP also requires that “all values shown on Schedule 5 should be documented in the Offeror’s Proposal and the derivation of same should be provided in the Offeror’s Pricing Proposal and supporting documentation.” A description and documentation of the derivation of values shown in Schedule 5 is provided below.

The purchase price credit shown in Column 2 of Table IV-8 is $1.00 for reasons described in the discussion of CLIN 0001 in Section 1. As shown in Column 3, there is no purchase price recovery in the proposed charges.

Column 4 shows the general and administrative costs implicitly included in Rate Schedule FKW. Specifically, it includes the G&A costs in the O&M and R&R components of the Monthly Service Charge, and it includes the G&A costs included in the ISDC surcharge. Details of these calculations are shown in Attachment IV-2.

Column 5 shows O&M costs, excluding G&A costs. It is taken directly from Table IV-1 (see Total Direct Costs in constant 2009 dollars in the middle of the table).

R&R costs, shown in Column 6, were directly taken from Column 11 of Table IV-4. Similarly, ISDC costs, shown in Column 7, were taken from the last column of Table IV-7. For calculations of R&R and ISDC costs excluding their G&A components, see Attachment IV-2.

Transition costs, shown in Column 8, were directly taken from Table IV-1 (see constant 2009 dollar costs for the Transition Period shown in Table IV-1). No other costs were included in HCWD1’s price proposal.

There will be substantial residual value of HCWD1 investments in the Fort Knox water system at the end of the Year 50. In 2008 dollars, the value is equal to $66.6 million (the sum of the residual value of R&Rs, shown in the last column of Table IV-3, and of ISDCs, shown in the last column of Table IV-6). HCWD1 is mindful of the fact that the Government will have paid for all of those investments through HCWD1’s Rate Schedule FKW charges with no “unamortized” investments at the end of the 50-year contract period. The District is also mindful of and respects the fact that, as stated in Section H.7 of the RFP, “the Government may, at its sole option, repurchase the privatized system at the end of the contract term” at the system’s unamortized value.

Therefore, the Government has an exclusive right to take back the system with its residual value at no cost. The Government may choose to exercise that
Table IV-5
1 page
Table IV-6
1 page
Table IV-7
1 page
Table IV-8

1 page
option or it may wish to extend the water utility service contract with HCWD1. HCWD1 proposes to commit to not charge Fort Knox for any investment made during the initial 50-year contract in any follow-on contract. In either case (taking back the utility system or extending the contract with no charges for previously paid investments), the Government would be the sole beneficiary of the residual value in the utility system. Accordingly, the residual value of HCWD1’s investment in the Fort Knox water system is included as a Year 50 credit in Column 9, “Other Costs & Credit, net”, of Table IV-8. The value of this credit is $68.2 million in 2009 dollars.

The total of all costs are shown in Column 12. As documented in this proposal, HCWD1 proposes to charge Fort Knox a regulated rate that recovers only its direct costs invested in owning and operating the Fort Knox water utility system, plus a small proration of G&A costs. No profit or other operating margin is built into the Rate Schedule.

**Key Pricing Assumptions**

Key pricing assumptions are as follow:

- Water requirements for Fort Knox are 1.08 billion gallons per year
- Future general price inflation will average 2.5 percent per year
- HCWD1 will be able to borrow construction funds at an “all-in total interest cost” of 6.2 percent per year.
- HCWD1 will be able to invest reserve funds at an annual yield of 3.5 percent per year.
- Construction will be done on a competitive-bid basis and the construction contractor will have a reasonable amount of time to complete the work.
- All construction contracts will be delivered according to a reasonable project schedule with no mandatory overtime, constructed under a single contract, and with no liquidated damages clauses or penalties
- Fabricated equipment will be shipped from the mainland United States.
- Pipe trench select fill will be for pipe bed only.
- Water main piping will have fill cover of 3 feet over top of pipe.
- #12 tracer wire will be installed with all new PVC piping.
- Restrainer glands will be on all MJ fittings (valves and hydrants included).
- All fittings will be bagged (polyethylene encasement) prior to thrust block pour.
- Dewatering for trenching will be minimal.
- Pipe installation will be adjacent to roadways; site restoration will be limited to back filling and compacting. There will be no need for asphalt or concrete cover and there will be no landscaping requirements.

In addition, a number of assumptions were made relative to the system components. These included the following:

- Comparable size presumptions were made for equipment components where complete information was not available.
- The cost for the water facilities were based on a parametric type of estimate with assemblies and systems grouping including multiple trades and disciplines of work into a single unit based on the production rate of the system.

The schedule for renewing and replacing assets was developed based on average age information provided by the Government and useful life information presented in Table IV-9.
<table>
<thead>
<tr>
<th>Asset Component</th>
<th>Typical Design Lifea (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Water Wells – Structures</td>
<td>75</td>
</tr>
<tr>
<td>Raw Water Wells – Pumps/Control Systems</td>
<td>50</td>
</tr>
<tr>
<td>WTP Structures and Improvements</td>
<td>75</td>
</tr>
<tr>
<td>WTP – Pumps/Control Systems</td>
<td>30</td>
</tr>
<tr>
<td>Pipes and Services</td>
<td>75</td>
</tr>
<tr>
<td>Meters</td>
<td>30</td>
</tr>
<tr>
<td>Main Valves</td>
<td>50</td>
</tr>
<tr>
<td>Hydrants</td>
<td>40</td>
</tr>
<tr>
<td>Back Flow Preventors</td>
<td>50</td>
</tr>
<tr>
<td>Water Storage Tanks</td>
<td>75</td>
</tr>
<tr>
<td>Pump Station – Structure</td>
<td>75</td>
</tr>
<tr>
<td>Pump Station – Pumps/Control Systems</td>
<td>30</td>
</tr>
<tr>
<td>SCADA Systems</td>
<td>20</td>
</tr>
<tr>
<td>Intake or Mechanical Screen</td>
<td>50</td>
</tr>
<tr>
<td>Emergency Generator</td>
<td>35</td>
</tr>
<tr>
<td>Chemical Feed System</td>
<td>25</td>
</tr>
<tr>
<td>Filters</td>
<td>75</td>
</tr>
<tr>
<td>Sludge Lagoons</td>
<td>60</td>
</tr>
<tr>
<td>Pressure Reducing Station</td>
<td>50</td>
</tr>
</tbody>
</table>

aThe design life was estimated by developing a typical useful life for different types of equipment based on HCWD1, LWC, and CH2M HILL experience working with potable water systems in the Kentucky area. The typical design life of specific items may be adjusted due to condition data, knowledge of local conditions, or other engineering judgment. Design life of multiple component assemblies (e.g., pump stations) recognizes differentials in design life and was based on the longest component life. Replacement years are assigned based on when the estimated design life expires.

Other Long-Term Benefits and Costs

The Hardin County team is uniquely capable of providing efficient operation of the Fort Knox Water System due to the availability of its local resources. The Government will realize a direct savings due to our team’s ability to provide the optimal level of staffing to meet the daily operating requirements of the system, yet have a depth of resources readily available when required. Additionally, LWC is able to transfer staff from the Fort Knox Water System to its other operating facilities when the Muldraugh WTP is decommissioned, thus reducing any transition costs to the Government.
Section 3 — Standard Estimating Methodology

This section provides a description of HCWD1’s accounting system and CAS exemption, the regulatory process for future price changes, and HCWD1’s cost estimating approaches that underpin its price proposal.

HCWD1 Accounting System

HCWD1 proposes to incorporate accounting for Fort Knox water utility service into its existing accounting system. That system is described below, followed by a statement of HCWD1’s exemption from Federal Cost Accounting Standards (CAS).

Existing System

HCWD1’s accounting system complies with standards established by the National Association of Regulatory Utility Commissioners (NARUC) and the American Water Works Association. HCWD1’s chart of accounts conforms to the Uniform System of Accounts prescribed by NARUC. A comprehensive accounting and financial audit is completed annually by a Certified Public Accountant, with results presented to HCWD1’s Board of Commissioners and the Kentucky PSC. All year end account balances are classified and reported to the Kentucky PSC in prescribed account numbers, using the Kentucky PSC annual financial report templates. Record retention also complies with NARUC record retention schedules.

The accounting system maintains three separate funds: Water, Radcliff Sewer, and Fort Knox Sewer. A fourth fund will be added for the Fort Knox water system. Accounts are also maintained for 11 separate functional cost centers for ratemaking purposes. These systems allow HCWD1 to separate costs among different customer classes and design rates that better reflect cost of service characteristics.

CAS Exemption

According to 48 CFR 9903.210-1(b), Federal contracts “in which the price is set by law or regulation” are “exempt from all CAS requirements,” where “CAS” refers to Federal Cost Accounting Standards. As a public utility with its prices regulated under the laws of the Commonwealth of Kentucky by the Kentucky PSC, HCWD1 is exempt from CAS. It is therefore also exempt from submitting a CAS Disclosure Statement.

Regulatory Process for Future Price Changes

The Kentucky PSC process for changing rates is similar to those for most state utility commissions in the United States. HCWD1 must file any requested rate change with the Kentucky PSC and is committed to give the Government at least 30 days’ notice of any such filing. In support of its filing with the Kentucky PSC, HCWD1 must submit pre-filed testimony and exhibits justifying the proposed change. The Kentucky PSC staff is obligated to review HCWD1’s filing and testimony, seek additional information through interrogatories, present its own testimony commenting on HCWD1’s proposed rate changes, and make recommendations for the Kentucky PSC to consider in weighing the evidence and rendering a decision that approves, adjusts, or rejects HCWD1’s rate proposal. The Government has the right to intervene in the case, with the same rights as the Kentucky PSC staff. In addition to pricing issues, the Government may intervene on service-related issues.

It should be noted that HCWD1 intends to file for rate decreases when its costs go down due to closure of an existing WTP in the future. While HCWD1 has such plans, the Kentucky PSC staff and the Government each have the right to appeal independently to the Kentucky PSC to open a docket to investigate the need for a rate reduction based on a reduced cost to provide water utility service to Fort Knox.
Other details pertaining to this process include the following:

- The Kentucky PSC will not approve any rate change unless it is documented and proven to be based on the actual cost of providing the service by HCWD1.
- The Kentucky PSC is required to limit rates to those that are fair, reasonable, and nondiscriminatory. HCWD1 intends to ensure that rates meet this requirement by keeping separate accounts for water utility service to Fort Knox, as mentioned above.
- HCWD1’s accounting data and records are subject to inspection by the Government under provision of the Kentucky Open Records Act.
- In addition to the formal regulatory process described above, the Kentucky PSC has informal procedures in place for resolving any other issues the Government may want to address with the help of a third party.

Cost Estimating Methods

Methods employed to estimate costs that underpin prices included in this price proposal are described below. This includes O&M cost estimating procedures and capital cost estimating procedures used to estimate R&R and ISDC costs.

O&M Costs

The O&M cost estimates were prepared based on standard operational practices at similar facilities within the water utility industry, along with reference material from O&M manuals for equipment similar to that at Fort Knox. The estimates also consider facility condition assessment data and the facility replacement schedule prepared by the Government. Additionally, information provided by the Army and obtained during the site visit was used to determine normal operating conditions, such as staffing levels, hours of operations, pump run time, operations tasks, sampling and analytical requirements, and maintenance tasks.

The operating costs were developed separately for the water treatment and distribution systems. Costs for the water treatment system cover the actual production of water from the source water supply through the first reservoir storage point in the system. Costs for the distribution system cover other storage reservoirs and the distribution pipelines.

Costs were estimated for individual direct cost categories, including labor and benefits, equipment and repairs, travel and administration, materials and supplies, insurance, and other direct costs. These cost estimates cover all the tasks described in the O&M Plan.

The transition-phase costs cover several essential tasks, such as coordinating meetings with Fort Knox stakeholders, hiring necessary employees, establishing on-site administrative facilities, conducting inventories, procuring O&M materials and stock, transferring manuals and records, reading meters, implementing standard operating procedures, and training new employees.

For water treatment operations, costs were estimated with reliance on information provided by the Government, such as chemical dosages needed to meet regulatory requirements and staffing levels and schedules. Since Fort Knox distribution system operational data were limited, costs were estimated based on operating experience at similar water distribution facilities and HCWD1’s process knowledge as the current wastewater privatization contractor at Fort Knox.

The estimating methods used for each cost category are described in the following paragraphs. In some cases, it was necessary to estimate the combined cost of production and distribution operations and then prorate the costs between the two functions.

Labor and Benefits

Labor time and costs were identified for each task required for operations, routine inspection, travel to remote facilities, and estimated maintenance (preventive, predictive, and corrective) for similar facilities with similar equipment. HCWD1’s standard labor rates were used, including benefits and overhead cost. Because no historical information
was provided on past corrective or preventive maintenance, the maintenance labor requirements were estimated based in part on assessment of the current equipment condition during the site visit. Actual manpower utilization was estimated at 75 percent to account for vacation, holidays, and training. This is an industry standard.

**Electricity**
No costs were included in the proposal for energy. It is assumed that the Government will provide electricity for water utility operations without charge.

**Equipment and Repairs**
Maintenance costs were determined based on the Government Recognized Deficiencies outlined in Section J1 of the RFP and on experience with similar equipment at existing facilities. Costs were developed for predictive, preventive, and corrective maintenance based on HCWD1’s standard maintenance practices, as described in the Maintenance Plan.

**Travel and Administration**
These costs were estimated from standard HCWD1 costs for meetings and administration associated with the O&M personnel at equivalent-sized facilities.

**Materials and Supplies**
Materials and supplies include safety materials and equipment to perform each required task; laboratory supplies for sample collection, preservation, and analysis; employee uniforms; equipment manuals and reference materials; repair and maintenance materials; and materials for record keeping. These costs were estimated based on requirements for the O&M of equivalent-sized facilities.

**Insurance**
HCWD1 asked an independent insurance broker to study the RFP and applicable Federal Acquisition Regulations (FARs) and to provide an estimate of the cost of insurance required by the RFP. Insurance cost estimates were provided for the following types of coverage:

- Commercial/General Liability—$1,000,000 per occurrence and $2,000,000 aggregate for all premises and operations.
- Automobile Liability—$1,000,000 combined single limit per occurrence. This includes owned and leased vehicles.
- Workers’ Compensation and Employers’ Liability—$500,000
- Property—$28,000,000
- Umbrella/Excess Liability Coverage—$1,000,000 per occurrence and $1,000,000 in aggregate. This is in excess of general, automobile, and employers’ liability coverage types shown above.

The broker qualified the estimates provided, noting that more definition was needed about the exact property values of transferred assets before a binding price quote could be provided.

**Other Direct Costs**
Operational supplies, training, and support activities were based on standard costs for the number of personnel required for equivalent-sized facilities.

**R&R and ISDC Costs**
The methodology used for estimating R&R and ISDC capital costs was based on information learned through years of work in the Kentucky area, performing services specifically applicable to those contained in the RFP. As such, we have been able to standardize the assumptions used in our pricing, and we believe that these assumptions are applicable and reasonable for the environment and conditions under which we live and work everyday.

All capital costs were estimated in 2008 dollars. These cost estimates were escalated to 2009 dollars and 2010-2011 dollars as needed for input to Table IV-8 and HCWD1’s FKW tariff, respectively.

Pricing includes fully loaded contractor costs for labor, materials and systems to be in place and ready for use and has been adjusted to reflect local area conditions. Construction cost estimates were prepared using the following resources and general methods:
• Data available on the system inventory identified in the RFP (Attachment J1)
• Comparison with bid tabulations from recent similar projects in the Kentucky area available in HCWD1, LWC, and CH2M HILL databases

The estimating process was simplified to an approach that assumed all facilities have much in common, and the approach took into account only limited site-specific features. These estimates are generally Class 5 estimates with a level of accuracy in accordance with the Association for the Advancement of Cost Engineering (AACE) guidelines. Following contract award and increasing levels of project definition, the cost estimates can be further refined.

Unit costs were developed for system inventory in which replacement-in-kind upgrades are anticipated. In cases where existing materials are no longer available or are not permitted to be installed, the unit costs were developed based on materials that would be used to replace the existing materials when necessary. For example, Transite pipe upgrades are programmed to be replaced with PVC pipe. Unit costs were then multiplied by the number of units and assigned allowance costs to account for costs associated with the installment of the inventory components. These allowance percentages are considered a typical industry standard approach.

Allowances

Our estimates include typical allowance costs for planning, engineering, permitting, construction management, construction contingency, and state sales tax.

This price proposal includes the following compounding allowances within the cost estimate:

• Engineering, design, and SDC estimated at 15% of total cost
• Contractor overhead, profit, and permitting estimated at 24.2% of total cost
• Market adjustment factor estimated at 13% of total cost

The market adjustment factor was applied to the cost estimates to account for recent changes in market conditions that have drastically increased construction costs throughout the country. Our applied factor is based upon recent bids and comparisons with Engineer’s Estimates. A frequent detailed analysis of local market conditions will be made throughout the period of this contract to confirm cost estimates are aligned with actual conditions. This market adjustment factor is above and beyond the typical contractor markups, normal estimating contingency and current, but normal, escalation factors. Specifically, the market adjustment factor takes into account:

• Number of qualified contractors
• Current workload of contractors
• Contractors selectively bidding projects
• Premium wage requirements to retain skilled workers and management staff
• Availability of crafts/trades
• Abnormal fuel impacts and uncertainty (Oil > $100 barrel, Diesel > $4.00/gal)
• Abnormal material impacts of the last 2 years
• Impact of recent natural disasters

Water Facilities

Water facility construction capital costs were developed for raw water supplies, treatment facilities, and pumping stations by use of the following general approaches. New facility cost estimates represent the construction cost to construct on a near-virgin site, which is free from utility obstruction and interferences. The new facilities would be located in close proximity to the existing facilities to minimize additional site/civil improvements and to maintain continued operation of existing facilities during construction. Only necessary selective demolition is included. Building costs are based on square footage of the floor area. Materials of construction would be equal to or better than existing.
Pipelines

Pipeline construction capital costs were developed based on typical unit prices for pipe installation in Kentucky. Pipeline lengths and diameters were based on the asset inventory provided by the Government in the J1 Attachment. Materials of construction for pipeline replacement are based on current HCWD1’s design standard in which PVC pipe is used for pipes that are 10 inches or smaller in diameter, and ductile iron pipe is used for pipes that are 12 inches or larger in diameter. The estimate also assumes that the number of existing hydrants and mainline valves are appropriate for fire protection and line isolation, and that pipe installation will predominantly occur in soil adjacent to roadways.
Section 4—Price Risk Assessment

The RFP requests that Offerors submit a risk analysis that identifies “price risk areas” and management approaches HCWD1 will take to mitigate and control the impact of those risks. The risk analysis is submitted in Table IV-9, which is consistent with the format requested in the RFP.
### Table IV-10

**Cost Risk Assessment**

<table>
<thead>
<tr>
<th>Cost Risk Area</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Increased Cost of Capital.</strong> With changes in capital market conditions or the creditworthiness of the water utility service provider, the cost of capital for projects could increase. These increased costs could be passed on to the Army as part of a price rate increase.</td>
<td>Cost of capital risk will be mitigated by several strong indicators in financial position. The investment market reflects strong confidence in HCWD1 as reflected in the strong financial ratings disclosed in the Financial Strength section of Volume I. HCWD1 expects continued good financial ratings based on strong liquidity, significant retained earnings trends, and reasonable rate history.</td>
</tr>
</tbody>
</table>

| **Losses from Lack of Emergency Response Readiness.** If personnel are not immediately available or responsive to water utility emergency conditions, the Army could suffer losses. | The risk will be substantially mitigated by HCWD1’s and its subcontractor, LWC’s, close proximity to Fort Knox. HCWD1 and LWC have emergency personnel that are on call 24 hours per day, 7 days per week. In addition, HCWD1 and LWC have full and diverse staffs comprised of experienced emergency repair personnel and have warehouse locations to keep all necessary materials on hand to respond immediately. The call center that will be available for Fort Knox is staffed 24/7. |

| **Increased Cost from Operation in a Location that is Removed from an Offeror’s Other Operations.** An operation in a location that is remote from a business’s main operation can be expensive. | The risk of excess cost from remote location will be mitigated by the consolidation of Fort Knox’s water and wastewater operation with HCWD1’s existing operation. HCWD1’s water and wastewater systems are immediately adjacent to Fort Knox and can easily be integrated with HCWD1’s existing water system and its wastewater system on base. Ft. Knox will benefit from economies of scale related to these already existing services. These benefits are a significant advantage over a standalone provider. |

| **Financial Instability.** Financial instability by the utility service provider can lead to reductions in quality of service or failure to perform. Either of these creates the risk of consequential damages to the Army. | The risk of financial instability will be mitigated by HCWD1’s focus on service, rather than profit, for private owners and by its commitment to keeping a strong financial position. |

| **Costly Operational Errors from Loss of Institutional Knowledge.** Existing system operators understand the water utility systems at Fort Knox. Turning the system over to operators who are otherwise unfamiliar with the system could lead to erroneous decisions. The cost of these errors could be passed on to the Army. | This risk will be mitigated from the experience and qualifications of existing HCWD1’s staff, combined with its knowledge of Fort Knox. HCWD1’s operating staff has an in-depth understanding of water issues and appropriate approaches to operating utility systems in the Hardin County/Fort Knox area. With HCWD1’s privatization of the Fort Knox wastewater system in 2005, its knowledge of Fort Knox’s policies, procedures, and preferences was taken to a higher level. |

| **Focus on Profits, Impudent Investments, or Mismanagement Could Result in Higher Prices for the Government.** | With its focus on the Hardin County/Fort Knox community and its position as a regulated utility, this risk is substantially mitigated. With its mission being service to the community, HCWD1 is not motivated to maximize returns. Further, there will always be an impartial third party to evaluate the level and prudence of costs incurred by HCWD1 and the manner in which costs are translated into prices to the Government. |

| **Replacing Utility Plant and Equipment before It Is Necessary Increases Costs and Therefore Prices.** | HCWD1 and its subcontractors, LWC and CH2M HILL, have developed asset management programs that focus on prioritizing replacements based on actual asset condition, rather than simply age or replacement schedules. Careful marshalling of capital funds as part of an asset management program reduces the cost of system investments to be paid by the customer while allowing HCWD1 to maintain quality service. HCWD1’s quality performance is demonstrated by the numerous awards it has won, as described in the Financial Strength section in Volume I. |
October 9, 2008

Defense Energy Support Center
Ms. Angela Mattox
8725 John J. Kingman Road, Suite 4950
Fort Belvoir, Virginia 22060-6222
ATTN: DESC-EA

Subject: Solicitation No.: SP0600-08-R-0803
Privatization of the Potable Water Utility System at Fort Knox Army Installation, Kentucky
Volume III – Contract Documentation

Ms. Mattox:

The Hardin County Water District No. 1 (HCWD1) is pleased to submit this proposal for assuming the ownership and operation of the Fort Knox potable water system. HCWD1 is the agency designated to provide utility services in the northern part of Hardin County, around Fort Knox. As a regulated utility, by the Kentucky Public Service Commission, HCWD1 serves 10,000 residential and commercial customers and acts as a regional water supplier to two other water systems. The transfer of the utilities at Fort Knox is an unprecedented opportunity for Hardin County and one that would follow the trend of Fort Knox and the local government working together toward well planned and managed water and sewer utilities.

HCWD1 has been involved in a number of endeavors with Fort Knox over the past few years, including ownership and operation of the Fort Knox wastewater and stormwater systems. HCWD1 has also participated with Fort Knox and other water suppliers in Hardin County to carry out long-range water supply planning. This proposal is a natural extension to those efforts to better coordinate water and sewer utilities by placing control of those facilities with Hardin County.

Under our proposal, HCWD1 will be the owner and manager of the potable water system serving Fort Knox. Although many of HCWD1’s staff have water experience, we have formed a team of professionals to handle the ownership transition, immediate system improvements, and operation of the water distribution system. Joining with HCWD1 in this project will be Louisville Water Company (LWC) and CH2M HILL, Inc.

HCWD1 believes that our management expertise and local knowledge, combined with national experts, can provide the best option for Fort Knox to privatize its potable water system. We have conducted an extensive due diligence and field reconnaissance of the water utility and have developed a plan that offers long-term economic benefit and reduction in costs, which are specific goals identified in the Solicitation. Our proposal is presented in four volumes, plus two alternate proposals in two other volumes. This document is Volume III, Contract Documentation.
This Proposal remains a valid offer for 300 days from the date of submittal, and we are prepared to work with you to extend this period should it be required. I will remain your primary point of contact for HCWD1 and our Team during the Proposal and bid period, and can be contacted as follows:

Mr. Jim Bruce, General Manager
Hardin County Water District No. 1
1400 Rogersville Road, Radcliff, Kentucky 40160
Telephone: 270.351.3222
Mobile: 270.268.4069
Fax: 270.352.3055
Mail: Jbruce@HCWD.com

We look forward to your review of our Proposal, and I invite you to contact me should you have any questions or need any additional information.

Sincerely,

Jim Bruce
General Manager
Hardin County Water District No. 1
Hardin County Water District No. 1 agrees with all terms, conditions, and provisions included in
the solicitation except as highlighted in Volume III, Contract Documentation and agrees to
furnish any or all items upon which prices are offered by Hardin County Water District No. 1 in
this proposal at the price set opposite each item.

This proposal includes data that shall not be disclosed outside the Government.

Person(s) Authorized to Negotiate:  Jim Bruce, General Manager, 270-351-3222,
jbruce@hcwd.com

Person(s) Authorized to Sign Proposal:  Jim Bruce, General Manager, 270-351-3222,
jbruce@hcwd.com

This proposal includes data that shall not be disclosed outside the Government and shall not be
duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this proposal.
If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of
this data, the Government shall have the right to duplicate, use, or disclose the data to the extent
provided in the resulting contract. This restriction does not limit the Government’s right to use information
contained in this data if it is obtained from another source without restriction. The data subject to this
restriction are clearly marked with the proprietary legend in the side margin of the page.
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Attachment 1: Copy of SF 33 (original SF33 submitted in separate envelope), SF30, and Representations and Certifications
Attachment 2: Small Business Subcontracting Plan
**List of Exhibits**

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<td>III-10</td>
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</table>
**List of Acronyms**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>CAS</td>
<td>Cost Accounting Standards</td>
</tr>
<tr>
<td>DCMC</td>
<td>Defense Contract Management Command</td>
</tr>
<tr>
<td>EPA</td>
<td>U.S. Environmental Protection Agency</td>
</tr>
<tr>
<td>FAR</td>
<td>Federal Acquisition Regulations</td>
</tr>
<tr>
<td>GAAP</td>
<td>Generally Accepted Accounting Principles</td>
</tr>
<tr>
<td>GIS</td>
<td>Geographic information system</td>
</tr>
<tr>
<td>HBCUs/MI</td>
<td>Historically Black College or University/Minority Institution</td>
</tr>
<tr>
<td>HCWDI</td>
<td>Hardin County Water District No. 1</td>
</tr>
<tr>
<td>HUBZone</td>
<td>Historically Underutilized Business</td>
</tr>
<tr>
<td>LWC</td>
<td>Louisville Water Company</td>
</tr>
<tr>
<td>MBE</td>
<td>Minority Business Enterprise</td>
</tr>
<tr>
<td>NARUC</td>
<td>National Association of Regulatory Commissioners</td>
</tr>
<tr>
<td>PSC</td>
<td>Public Service Commission</td>
</tr>
<tr>
<td>RFP</td>
<td>Request for Proposal</td>
</tr>
<tr>
<td>SB</td>
<td>Small Business</td>
</tr>
<tr>
<td>SDB</td>
<td>Small disadvantaged business</td>
</tr>
<tr>
<td>VOSB</td>
<td>Veteran-owned small business</td>
</tr>
<tr>
<td>WBE</td>
<td>Women-Owned Business Enterprise</td>
</tr>
<tr>
<td>WOSB</td>
<td>Women-Owned Small Business</td>
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### Volume III - Cross Reference Matrix

<table>
<thead>
<tr>
<th>Description/Specifications, Section L of RFP</th>
<th>Proposal Section</th>
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| L.6.1 SF 33 and Representations and Certifications | III.1 and Attachment 1  
Original SF 33 submitted in separate envelope |
| L.6.2 Alternate Proposals and Exceptions to Terms and Conditions | III.2 |
| L.6.2.1 CAS Waiver | III.2.1 |
| L.6.2.2 FAR Part 31 Deviation | III.2.2 |
| L.6.3 Other Required Information | III.3 |
| L.6.3.1 Authorized Personnel | III.3.1 |
| L.6.3.2 Subcontracting Plan | III.3.2 and Attachment 2 |
| L.6.3.3 Socioeconomic Plan | III.3.3 |
This Contract Documentation Proposal was developed by Hardin County Water District No. 1 (HCWD1) in response to Request for Proposal (RFP) No.SP0600-08-R-0803 for the Privatization of Potable Water Utility Systems at Fort Knox, Kentucky. This submittal describes the HCWD1’s relevant contract documentation to support provision of water treatment and distribution to Fort Knox through privatization.

HCWD1 will be the prime contractor with two team subcontractors: Louisville Water Company (LWC) and CH2M HILL.

How the Contract Documentation Volume is Organized

For this submittal, HCWD1 is the proposed owner, financier, operator, and manager of all of the Fort Knox water system. HCWD1 has prepared this volume in accordance with Section L.6 of the RFP.

The following sections specifically address each of the required volume documents:

1. Standard Form 33 & Representations and Certifications
2. Alternate Proposals and Exceptions to Terms and Conditions
3. Other Required Information

III.1: Standard Form 33 & Representations and Certifications—HCWD1 has provided a completed, signed, and dated SF33 and SF30 in Attachment 1. We have also included in Attachment 1 completed, signed, and dated Representations and Certifications as well as the online submittal as required by the RFP.

III.2: Alternate Proposals and Exceptions to Terms and Conditions—HCWD1 has included an Alternate Proposal that we believe will add substantial value to the Government’s mission at Fort Knox. HCWD1 takes no exceptions to the terms and conditions to the proposal and has provided the relevant assumptions made in the development in this proposal. All assumptions are provided in Volumes I and IV and for the provision of the services offered in this proposal, HCWD1 is exempt from Cost Accounting Standards (CAS) based on the fact that all prices offered in this proposal will be regulated by the Kentucky Public Service Commission (PSC) through a tariff rate.

Section III.2.1 is the Waiver of Applicability of Cost Accounting Standards and Deviations from Specific Parts of Federal Acquisition Regulation (FAR) Part 31.

III.3: Other Required Information—The HCWD1 team has provided a listing of authorized personnel
that can obligate each company contractually. We have also prepared Small Business and Socioeconomic Plans that describe the extent of participation of small business throughout the life of this contract.

Attachment 2 is the Small Business Subcontracting Plan.
III.1 Standard Form 33 &
Representations and
Certifications

III.1.1 Standard Form 30 and
Standard Form 33

In response to Section L.6.1 of the RFP, HCWD1 has
included the original and completed SF33 under a
separate cover of this volume. Copies have been pro-
vided and are bound within this proposal. HCWD1
has also provided completed and signed SF33s for
the following:

• Amendment 001 – September 17, 2008

III.1.2 Section K, Representations
and Certifications

The completed Section K, Representations and
Certifications follow the copies of the SF33 forms.
III.2 Alternate Proposals and Exceptions to Terms and Conditions

Based upon the instructions presented in Section L.6.2, HCWD1 is pleased to submit an alternate proposal that we believe will add value to the Government.

To reduce the repetition of common data, we have prepared a Volume I (Technical Proposal) for the Post that can be evaluated individually for the above alternate proposal.

We have also prepared a Volume IV (Price Proposal) for the alternate proposal.

HCWD1 takes no exceptions to the terms and conditions set forth under the RFP. We have provided the assumptions which our proposal was developed in Volumes I (Technical Proposal) and IV (Price Proposal).

III.2.1 Waiver of Applicability of Cost Accounting Standards and Deviations from Specific Parts of Federal Acquisition Regulation (FAR) Part 31

For the provision of the services offered in this proposal, HCWD1 is exempt from CAS. The basis for this exemption is the fact that all prices offered in this proposal will be regulated by the Kentucky PSC through a tariff rate. As such, the CAS exemption specified in 48 CFR Part 9903.201-1 (b) (5) applies. Specifically, because, under the proposed contract, “the price is set by law or regulation,” HCWD1 is “exempt from all CAS requirements.”

HCWD1 will maintain its books and records in accordance with Generally Accepted Accounting Principles (GAAP) using the National Association of Regulatory Commissioner’s (NARUC) Uniform System of Accounts. The NARUC system was developed to bring conformity and comparability to utility accounting and it is the standard for utility accounting in the United States.

HCWD1 will have its financial statements audited annually by an independent certified public accountant.
III.3 Other Required Information

III.3.1 Authorized Personnel
In Exhibit III-1, we are providing a listing of the company representatives that can obligate HCWD1 contractually and can negotiate with the Government.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Authority to</th>
<th>Telephone No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Bruce</td>
<td>General Manager</td>
<td>Obligate Company, Resources, Negotiations, and Signature</td>
<td>270-351-3222</td>
</tr>
</tbody>
</table>

III.3.2 Subcontracting Plan
HCWD1 is committed to supporting and developing small businesses (SBs) and will meet or exceed each of the goals in our Subcontracting Plan. This section specifically addresses planned subcontracting dollars and percentages of total contract amount to be awarded to SBs, veteran-owned small businesses (VOSBs), historically underutilized business zone small businesses (HUBZone SBs), small disadvantaged businesses (SDBs), Historically Black Colleges and Universities/Minority Institutions (HBCUs/MIs), and women-owned small businesses (WOSBs).

In response to this section, we have developed a Small Business Subcontracting Plan (Attachment 2) in accordance with FAR 52-219-9. We have highlighted the method used for developing our goals, the types of work we plan to subcontract, and a list of subcontractors we plan to work with to exceed the goals. Should our Alternate Proposal be accepted, we will revise the Small Business Subcontracting Plan accordingly.

III.3.2.1 HCWD1’s Small Business Subcontracting History
HCWD1 is exceeding contract plan goals in every category with the exception of small disadvantaged business and HBCU/MI for the current contract for the ownership and operations of the Fort Knox wastewater and stormwater systems. However, steps have been taken to improve and HCWD1 has recently completed a project with North Carolina A&T State University, a registered HBCU. HCWD1 has recently updated its subcontracting plan to ensure that all available subcontractors are given equitable opportunities.

In 2006 and 2007, LWC was awarded Corporation of the Year Public Sector for outstanding procurements with local women- and minority-owned businesses.
III.3.2.1 LWC’s Small and Minority Business Subcontracting History

LWC is committed to increasing the effective use of certified small business enterprises. Our Minority and Women Business Enterprise Program Requirements help us define and plan for utilization of all capable subcontractors. LWC requires bidders for utility work to demonstrate good faith efforts to utilize MBEs and WBEs when seeking contracts with the water system. LWC itself will commit to seeking out and hiring qualified small business concerns for work on the Fort Knox water system privatization contract.

In 2003, we achieved membership in the Million Dollar Club for minority purchasing and participation (Kentucky and Minority Business Council).

III.3.2.3 CH2M HILL’s Small and Minority Business Subcontracting History

CH2M HILL has an excellent reputation for consistently exceeding small business goals. In the past 5 years, CH2M HILL’s proven commitment has placed $410.4 million into the SB community, with $85.2 million to SDBs, and $60.6 million to WOSBs on the firm’s federal projects alone.

Our achievements in SB subcontracting are attributed to:

- “Top-down” corporate philosophy to support the SB community
- Dedication to meaningful Mentor-Protégé Programs
- Practice of providing meaningful and challenging scopes of work to SB concerns
- Procurement systems and policies driven by “SBs first” approach
- Aggressive community outreach efforts
- Local “site-specific” SB workshops
- E-commerce/e-procurement SB links to the SBA’s Dynamic Automated Small Business Source System

Awards and Recognition

In addition to our successful past performance, further proof of CH2M HILL’s commitment has been the recognition CH2M HILL has received for our small business program as well as several distinguished awards. The Dwight D. Eisenhower Award for Excellence, a highly coveted national procurement award, was presented to CH2M HILL by the U.S. Small Business Administration in Washington, D.C., on May 9, 2001. The award is presented to large business prime contractors that have excelled in the utilization of Small Business Concerns.

Small Business of Distinction Award. The U.S. Small Business Administration has honored CH2M HILL with a national Award of Distinction. Created in 1985, the award recognizes large federal contractors that have exceptional subcontracting programs designed to include small and small-disadvantaged businesses on major projects and procurements. "Fewer than two percent of large prime federal contractors attain this award; it is truly a unique and inspirational accomplishment," said John Bateman, SBA Area Director.

Nunn-Perry Award. CH2M HILL was awarded the 1999 Nunn-Perry Award recognizing exceptionally successful Mentor-Protégé partnerships. The award was given jointly to CH2M HILL and its DoD protégé Wendy Lopez & Associates. The criteria for the award are quantitative program results, level and type of technical assistance to the protégé, and protégé development.

EPA Administrator’s Award. CH2M HILL subcontracting efforts have received national recognition and were used as a model by U.S. Environmental Protection Agency’s (EPA’s) Management Advisory Group. CH2M HILL has won the EPA Administrator’s Award for outstanding prime contractor accomplishments in furthering the Agency’s socioeconomic program goals and objectives on five separate occasions.

CH2M HILL is confident in our performance record and our ability to achieve SB goals. We have a highly decorated SB program that has received numerous national and regional awards and recognition. Our commitment to SB initiatives is affirmed by the DoD Defense Contract Management Command’s (DCMC’s) review and approval of our SB Program with the highest rating possible—Outstanding—for
10 consecutive years. Because of these consecu-
tively high ratings, SBA and DCMC-Denver have
determined that CH2M HILL’s SB program does not
require a program review each year. Therefore, our
program was not reviewed for 2000 and 2002. We are
one of only a handful of firms granted this status in
the implementation of the SB program.

Based on CH2M HILL’s high standing in the
consulting and industrial communities, many
HBCU/MIs welcome the opportunity to provide
services to CH2M HILL, including Florida International
University, New Mexico State University, Clark
Atlanta University, and Prairie View A&M University.

### III.3.3 Socioeconomic Plan

The information requested in Section L.6.3.3 of the
RFP is provided as our Socioeconomic Plan and
includes the following information:

- A description of the efforts the Offeror will make to
  assure that SBs and/or HBCUs/MIs will have equal
  opportunity to compete for subcontracts under any
  resulting contract.
- A description of the Offeror’s current and planned
  proposed range for services, supplies, and any
  other support that will be provided by SBs and/or
  HBCUs/MIs.
- The specific names of subcontractors to the extent
  they are known.
- A description of any future plans the Offeror has for
  developing additional subcontracting opportunities
  for SBs and/or HBCUs/MIs during the contract
  period.
- Identification of the portion of the Offeror’s
  proposal, as a percentage of dollars that will be
  subcontracted to SBs and/or HBCUs/MIs.
- The type of performance data the Offeror would
  accumulate and provide to the Contracting Officer
  regarding its support of SBs and/or HBCUs/MIs
  during the period of contract performance.
- The name and title of the individual principally
  responsible for ensuring company support to such
  firms.

### III.3.3.1 Efforts HCWD1 Will Make to
Assure that SBs and/or HBCUs/MIs
Will have Equal Opportunity to
Compete for Subcontracts

The HCWD1 team encourages the meaningful
involvement in its operations of all citizens,
particularly those who are members of minority or
other traditionally disadvantaged groups. In fact, it is
policy to ensure the equitable participation of all
socioeconomic concerns in providing goods and
services to the Government.

For this project, we have identified services that will be
potentially contracted out in the future effort and have
matched them up with local SB, SDB, WOSB, VOSB
including service disabled veteran-owned small
businesses, HUBZone, and other SB concerns. This is
detailed in the following sections.

As work becomes identified as potential
subcontracted work, HCWD1 will prepare competitive
bid packages and identify qualified businesses to
provide estimates for the work. Sources of qualified
bidders will be retained in HCWD1’s existing
subcontractor database and will be obtained from
various sources such as the Small Business
Administration’s Dynamic Small Business Search and
local contacts, the National Minority Supplier
Development Council, National Minority Purchasing
Council Vendor Information, trade associations, and
local small business conferences.

### III.3.3.2 Services, Supplies, and any
Other Support that will be Provided by
SBs and/or HBCUs/MIs.

We have developed a list of services that will be
subcontracted out for the duration of the contract.
Exhibit III-2 shows these potentially subcontracted
services by business category.

### III.3.3.3 Specific Names of
Subcontractors to the Extent They are
Known

HCWD1 has named only two team subcontractors,
Louisville Water Company and CH2M HILL, for this
contract. LWC will provide water treatment and
distribution and CH2M HILL will provide capital improvements planning and implementation.

We will also use local subcontractors for selected work and support to the extent it is practical and provides the best value to the Army. We intend to compete all other subcontracted work to get the best price for the Army and to make the work available to the maximum number of qualified small business concerns in the local area. Subcontractors will be used on an as-needed basis as material suppliers and for specialty services including, but not limited to:

- General Contractors
- Trucking
- Engineering
- Geotechnical
- Chemical Supply

III.3.3.4 Description of any Future Plans
HCWD1 has for Developing Additional Subcontracting Opportunities for SBs and/or HBCUs/MIs During the Contract Period

Following the operational transition period, any identified services required will be managed through HDR/Quest, who has been contracted to manage the small business program for HCWD1. HCWD1 will make a good faith effort to effectively implement our socioeconomic plan to the extent consistent with efficient contract performance.

By utilizing the methods described in the Socioeconomic Plan, we have identified a pool of potential SB contractors for this contract which is presented as Exhibit III-3. This listing will be updated frequently to include new businesses that may come to the Louisville area or additional services that have been identified during contract performance.

EXHIBIT III-2
Planned Range of Services, Supplies, and Other Support to be Provided by SB

<table>
<thead>
<tr>
<th>Service Area</th>
<th>SB</th>
<th>VOSB and SDVOSB</th>
<th>HUB Zone</th>
<th>SDB</th>
<th>WOSB</th>
<th>HBCU/MI</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Contractors (construction, concrete, excavation, etc.)</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td></td>
</tr>
<tr>
<td>Plumbing, Piping Contractors</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td></td>
</tr>
<tr>
<td>Electrical</td>
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</tr>
<tr>
<td>Trucking, Hauling</td>
<td>★</td>
<td>★</td>
<td>★</td>
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<tr>
<td>Surveying (Civil, GPS, etc.)</td>
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<tr>
<td>Engineering and Design</td>
<td>★</td>
<td>★</td>
<td></td>
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<td>Water System Maintenance, Instrumentation</td>
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<tr>
<td>Maintenance</td>
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<td>Analytical Laboratory</td>
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<tr>
<td>Janitorial</td>
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<tr>
<td>Printing</td>
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<tr>
<td>Geotechnical Services</td>
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<td>Materials Testing</td>
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<tr>
<td>Communications</td>
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### Exhibit III-3

**Pool of Potential Subcontractors for This Contract**

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<thead>
<tr>
<th>Supplier Name</th>
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<th>HUB</th>
<th>VOSB</th>
<th>HBCU</th>
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<tbody>
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<td>LYCA Construction</td>
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**General Contractors & Construction Support**

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<td>AAECON General Contracting</td>
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**Engineering**

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**Geotechnical**

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**Printing/Document Services/Office Supplies**

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<thead>
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**GIS/Surveying**

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**Water System Maintenance**

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<tbody>
<tr>
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<tr>
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**Supplies/Equipment**

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<tr>
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**Electrical**

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<tbody>
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**Laboratory Services**

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<td>Reclamation Services Unlimited</td>
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**Plumbing**

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### EXHIBIT III-3
Pool of Potential Subcontractors for This Contract

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<thead>
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<th>Supplier Name</th>
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<td>XTK Cleaning</td>
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<td>Finishing Touch, LLC</td>
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</tbody>
</table>

#### III.3.3.5 Identification of the Portion of HCWD1's Proposal, as a Percentage of Dollars, that will be Subcontracted to SBs and/or HBCUs/MIs.

HCWD1 will meet the minimum goals set forth by statutory requirements for large businesses as highlighted below in Exhibit III-4.

#### III.3.3.6 Type of Performance Data

HCWD1 will submit such periodic reports and cooperate in any studies or surveys as may be required by the contracting agency or the Small Business Administration in order to determine the extent of support provided during the period of contract performance. HCWD1 can use the "Subcontracting Report for Individual Contracts", SF 294, and "Summary Subcontract Report", SF 295, as the model for reporting on an annual basis.

#### III.3.3.7 Name and Title of the Individual Principally Responsible for Ensuring Support to Such Firms

As of this proposal submittal, this role is being filled by HDR/Quest.

Name: Patty Vanvooren, HDR/Quest
Title: Administrative Manager
Defense Energy Support Center  
Ms. Angela Mattox  
8725 John J. Kingman Road, Suite 4950  
Fort Belvoir, Virginia 22060-6222  
ATTN: DESC-EA

Subject: Solicitation No.: SP0600-08-R-0803  
Privatization of the Potable Water Utility at Fort Knox Army Installation, Kentucky  
Volume II – Past Performance

Ms. Mattox:

The Hardin County Water District No. 1 (HCWD1) is pleased to submit this proposal for assuming the ownership and operation of the Fort Knox potable water system. HCWD1 is the agency designated to provide utility services in the northern part of Hardin County, around Fort Knox. As a regulated utility by the Kentucky Public Service Commission, HCWD1 serves 10,000 residential and commercial customers and acts as a regional water supplier to two other water systems. The transfer of the utilities at Fort Knox is an unprecedented opportunity for Hardin County and one that would follow the trend of Fort Knox and the local government working together toward well planned and managed water and sewer utilities.

HCWD1 has been involved in a number of endeavors with Fort Knox over the past few years, including ownership and operation of the Fort Knox wastewater and stormwater systems. HCWD1 has also participated with Fort Knox and other water suppliers in Hardin County to carry out long-range water supply planning. This proposal is a natural extension to those efforts to better coordinate water and sewer utilities by placing control of those facilities with Hardin County.

Under our proposal, HCWD1 will be the owner and manager of the potable water system serving Fort Knox. Although many of HCWD1’s staff have water experience, we have formed a team of professionals to handle the ownership transition, immediate system improvements, and operation of the water distribution system. Joining with HCWD1 in this project will be Louisville Water Company (LWC) and CH2M HILL, Inc.

HCWD1 believes that our management expertise and local knowledge, combined with national experts, can provide the best option for Fort Knox to privatize its potable water system. We have conducted an extensive due diligence and field reconnaissance of the water utility and have developed a plan that offers long-term economic benefit and reduction in costs, which are specific goals identified in the Solicitation. Our proposal is presented in four volumes, plus two alternate proposals in two other volumes. This document is Volume II, Past Performance.
This Proposal remains a valid offer for 300 days from the date of submittal, and we are prepared to work with you to extend this period should it be required. I will remain your primary point of contact for HCWD1 and our Team during the Proposal and bid period, and can be contacted as follows:

   Mr. Jim Bruce, General Manager  
   Hardin County Water District No. 1  
   1400 Rogersville Road, Radcliff, Kentucky 40160  
   Telephone: 270.351.3222  
   Mobile: 270.268.4069  
   Fax: 270.352.3055  
   Mail: Jbruce@HCWD.com

We look forward to your review of our Proposal, and I invite you to contact me should you have any questions or need any additional information.

Sincerely,

Jim Bruce  
General Manager  
Hardin County Water District No. 1
Volume II. Past Performance

Prepared by:

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

Hardin County Water District No. 1 agrees with all terms, conditions, and provisions included in the solicitation except as highlighted in Volume III, Contract Documentation and agrees to furnish any or all items upon which prices are offered by Hardin County Water District No. 1 in this proposal at the price set opposite each item.

This proposal includes data that shall not be disclosed outside the Government.

Person(s) Authorized to Negotiate: Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

Person(s) Authorized to Sign Proposal: Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government’s right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are clearly marked with the proprietary legend in the side margin of the page.
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Attachment 1: Past Performance Information

   Hardin County Water District No. 1
   Louisville Water Company
   CH2M HILL
### List of Exhibits

<table>
<thead>
<tr>
<th>Exhibit</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>II-1</td>
<td>HCWD1 has selected Past Performance Projects that are of Similar Complexity and Type as That Required by the RFP</td>
<td>II-2</td>
</tr>
<tr>
<td>I-2</td>
<td>References for HCWD1</td>
<td>II-5</td>
</tr>
<tr>
<td>II-3</td>
<td>HCWD1 Team System Acquisition Experience</td>
<td>II-5</td>
</tr>
<tr>
<td>II-4</td>
<td>References for HCWD1 Team Subcontractors</td>
<td>II-6</td>
</tr>
<tr>
<td>II-5</td>
<td>References for HCWD1 Team Subcontractors</td>
<td>II-7</td>
</tr>
</tbody>
</table>
List of Acronyms

AUD  Augusta Utilities Department
AWWA American Water Works Association
CIP  Capital Improvement Project
CO  Contracting Officer
COR Contracting Officer’s Representative
COTR Contracting Officer’s Technical Representative
EPA U.S. Environmental Protection Agency
FAR Federal Acquisition Regulations
GIS Geographic information system
gpm gallon per minute
HBCU/MI Historically Black College or University/Minority Institution
HCWD1 Hardin County Water District No. 1
I&I Inflow and infiltration
KPDES Kentucky Pollutant Discharge elimination System
Kva Kilovolt-ampere
KYDOW Kentucky Division of water
LF Linear feet
LWC Louisville Water Company
mgd million gallons per day
NOV Notice of Violation
O&M operations and maintenance
OSHA Occupational Safety and Health
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>POC</td>
<td>Point of Contact</td>
</tr>
<tr>
<td>PPE</td>
<td>Personal protective equipment</td>
</tr>
<tr>
<td>PSC</td>
<td>Public Service Commission</td>
</tr>
<tr>
<td>QA/QC</td>
<td>Quality Assurance/Quality Control</td>
</tr>
<tr>
<td>SB</td>
<td>Small Business</td>
</tr>
<tr>
<td>SBA</td>
<td>Small Business Administration</td>
</tr>
<tr>
<td>SCADA</td>
<td>Supervisory Control and Data Acquisition</td>
</tr>
<tr>
<td>SDB</td>
<td>Small disadvantaged business</td>
</tr>
<tr>
<td>WBE</td>
<td>Woman-owned Business Enterprise</td>
</tr>
<tr>
<td>WOSB</td>
<td>Woman-owned small business</td>
</tr>
<tr>
<td>WTP</td>
<td>water treatment plant</td>
</tr>
<tr>
<td>WWTP</td>
<td>wastewater treatment plant</td>
</tr>
</tbody>
</table>
## Volume II - Cross Reference Matrix

<table>
<thead>
<tr>
<th>Description/Specifications, Section L of RFP</th>
<th>Proposal Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past Performance Information – J39</td>
<td>Attachment 1</td>
</tr>
<tr>
<td>Past Performance References</td>
<td>II.1 and Attachment 1</td>
</tr>
<tr>
<td>System Acquisitions</td>
<td>II.2 and Attachment 2</td>
</tr>
<tr>
<td>Subcontractor References</td>
<td>II.3 and Attachment 1</td>
</tr>
<tr>
<td>Status with Independent Federal, State, or Local Regulatory Authority</td>
<td>II.4</td>
</tr>
</tbody>
</table>
The privatization of the water system serving the Fort Knox Army Installation in Kentucky is a project that presents many challenges, as well as many opportunities. A project such as this demands the expertise of a utility services provider that understands the local community, environment, and regulations, and one with an established reputation of quality service. It also demands an understanding of the privatization process, and a team with a proven record of performance in the operation, maintenance, management, and ownership of water utilities. These are the reasons that the Hardin County Water District No. 1 (HCWD1), in partnership with Louisville Water Company (LWC) and CH2M HILL, provides the best choice in terms of forming a long-term partnership of privatization of the water facilities at Fort Knox.

HCWD1 is recognized for the exceptional quality and value that we have provided during delivery of more than 50 years of operations in Kentucky. The HCWD1 team includes LWC and CH2M HILL. This team brings Kentucky-owned and operated companies that currently provide utility-related services to Fort Knox, as well as Fort Campbell, Fort Irwin, and Fort Gordon. Our team members are intimately familiar with nuances of the installation and mission requirements of the military community. A key indicator of our success is past performance, and our clients attest to the customer-focused and cost-effective services we provide. Throughout this section, we demonstrate the team’s strong performance record on similar projects.

In response to the request for proposals (RFP) Section L.5, HCWD1 is providing the following information:

- II.1 Past Performance References
- II.2 System Acquisitions
- II.3 Subcontractor References
- II.4 Status with Independent Regulatory Authorities

The HCWD1 team has selected representative projects that demonstrate our direct experience in all areas required by the RFP and that are anticipated. The similarities and relevant attributes are highlighted in Exhibit II-1. The past performance information for each of these projects is provided as attachments to this volume.

**Hardin County Water District No. 1**

HCWD1 is a special state government sub-district, organized under Kentucky Revised Statutes Chapter 74 and is regulated by the Kentucky Public Service Commission (PSC).

HCWD1 was established in 1952 and currently has over 240 miles of main water lines, a 3-million-gallons-per-day (mgd) water treatment plant (WTP) and provides quality drinking water to over 30,000 people daily. As the Government selected HCWD1 to
own and operate its sanitary and storm sewer systems, HCWD 1 also now owns the 6-mgd Fort Knox Wastewater Treatment Plant (WWTP) on Post. HCWD 1 also has wholesale connections with four other surrounding water systems. HCWD 1 also owns a 5.2-mgd water pump station with a 1.25-million-gallon water tank on base, from which it is able to purchase Fort Knox water and pump into our system, and to several other consecutive systems in the region.

The City of Radcliff turned over ownership and operations of their sanitary sewer system to HCWD 1 in April 2008. This provides another 4-mgd WWTP, which is within 4 miles of the Fort Knox WWTP and may provide future combined treatment capabilities, saving both the Government and the City residents from large, expensive plant expansion expenditures.

HCWD 1 is very familiar with the laws and regulations associated with U.S. Government privatization contracts to include the Federal Acquisition Regulations (FAR), Small Business Set-asides, as well as the base environmental requirements, security requirements, and contractual obligations and protocol.

HCWD 1 was founded 50 years ago to provide water supply service to the northern and northwestern part of Hardin County, which is the area surrounding the Fort Knox Army Installation. HCWD 1 is locally owned and operated, and our Board is made up of members of the community. Several of our Board members have strong ties to the Army and Fort Knox, and serve and volunteer their time in many ways to improve relations between the community and the base.

HCWD 1 has also been a key catalyst in promoting Regional Water Planning. In 1995, Fort Knox saw the need to encourage and move the County toward regional planning, and it was HCWD 1 that took the first step in closing one of our water plants and entering into a long-term Water Purchase Agreement with Fort Knox. Later, HCWD 1, as a part of the Hardin County Regional Water Group, entered into an Inter-Local Agreement between Fort Knox and the three other entities. This agreement resulted in a long-term report, the Regional Water Feasibility Study.

**EXHIBIT II-1**
HCWD 1 has selected Past Performance Projects that are of Similar Complexity and Type as That Required by the RFP

<table>
<thead>
<tr>
<th>Demand/Capacity Flow</th>
<th>Population Served</th>
<th>Type of Service</th>
<th>Type of Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Knox</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Water – mgd</td>
<td>23,000</td>
<td>Water</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Military, Residential,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Industrial, Commercial</td>
</tr>
<tr>
<td>HCWD 1 Projects</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project 1.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fort Knox Wastewater</td>
<td>2.1 mgd</td>
<td>23,000</td>
<td>Wastewater and Stormwater</td>
</tr>
<tr>
<td>Stormwater Privatization</td>
<td></td>
<td></td>
<td>Collection and Treatment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Military, Residential,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Industrial, Commercial</td>
</tr>
<tr>
<td>Project 2.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Radcliff, KY</td>
<td>6 mgd</td>
<td>22,000</td>
<td>Wastewater collection and</td>
</tr>
<tr>
<td>Wastewater System</td>
<td></td>
<td></td>
<td>treatment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Residential, Industrial,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Commercial</td>
</tr>
<tr>
<td>Team Subcontractor Projects</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LWC Project 1: Goshen</td>
<td>1.2 mgd</td>
<td>4,500</td>
<td>Water treatment and</td>
</tr>
<tr>
<td>Utilities</td>
<td></td>
<td></td>
<td>distribution</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Residential, Industrial,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Commercial</td>
</tr>
<tr>
<td>LWC Project 2: Kentucky</td>
<td>6 mgd</td>
<td>15,000</td>
<td>Water treatment and</td>
</tr>
<tr>
<td>Turnpike Water Districts</td>
<td></td>
<td></td>
<td>distribution</td>
</tr>
<tr>
<td>No. 1 and No. 2</td>
<td></td>
<td></td>
<td>Residential, Industrial,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Commercial</td>
</tr>
<tr>
<td>CH2M HILL Project 1: Fort</td>
<td>4 mgd – water</td>
<td>35,000</td>
<td>Water and wastewater</td>
</tr>
<tr>
<td>Campbell, KY</td>
<td>4 mgd – wastewater</td>
<td></td>
<td>treatment, storage, and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>distribution</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Military, Residential,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Industrial, Commercial</td>
</tr>
<tr>
<td>CH2M HILL Project 2: Fort</td>
<td>2.5 mgd – water</td>
<td>30,000</td>
<td>Water and wastewater</td>
</tr>
<tr>
<td>Gordon, GA</td>
<td>2.5 mgd – wastewater</td>
<td></td>
<td>treatment, storage, and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>distribution</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Military, Residential,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Industrial, Commercial</td>
</tr>
</tbody>
</table>
Louisville Water Company

LWC has provided water service to the Louisville community continuously since 1860. Although originally formed as a private company, LWC has been solely owned by Louisville Metro since 1906. LWC is a nationally recognized utility with demonstrated competence in all areas of water utility operations and management. LWC is an industry leader in customer satisfaction, water quality and treatment research, drinking water regulatory compliance, infrastructure renewal, and geographic information systems. Currently, LWC water quality exceeds all regulatory standards for drinking water.

LWC owns, operates, and maintains two WTPs that draw water from the Ohio River, a virtually unlimited source. Finished treated water from these facilities meets all current and anticipated regulations established by the U.S. Environmental Protection Agency (EPA) and administered by the Kentucky Division of Water (KYDOW). The production facilities have a firm capacity of 240 mgd, with an average daily production of 134 mgd and a historic maximum production day of 205 mgd. In addition to the treatment facilities, LWC operates and maintains over 3,900 miles of water main, 22,440 fire hydrants, 35 booster pumping facilities, and 36 storage tanks to supply drinking water to 283,608 service connections.

As a neighbor utility, LWC maintains excellent working relationships with Hardin County water providers, including Fort Knox and HCWD1. LWC is familiar with water supply issues in the region and the challenges the Fort Knox base realignment will pose to water supplies and water service providers. In the past, LWC has participated in county-wide water resource planning performed by the Lincoln Trail Water Supply Commission and conducted several discussions with Fort Knox personnel on opportunities for LWC to supply wholesale water and contract operation services. Currently, LWC provides wholesale water supplies to the Fort Knox Urban Warfare Training Center and Wilcox Digitized Training Center. Recently, LWC has entered into discussions with Hardin County Water District No. 2 to supply wholesale water through transmission connections along Interstate 65.

LWC provides retail service in Jefferson County and parts of Oldham and Bullitt counties. In addition to selling water to retail customers, LWC sells water to seven wholesale water utility customers, resulting in service to about 850,000 people. Annual water sales exceeded 40 billion gallons in 2007, with annual operating revenue of $132 million. LWC water rates are one of the lowest in the region, with a typical residential customer monthly bill of $19.78 for 6,000 gallons.

In addition to serving Metro Louisville, LWC has a proven track record in acquiring, owning, and operating water systems in other communities. The most recent water utility mergers and acquisitions by LWC include the following:

- City of Shepherdsville Water – 2002
- Goshen Utilities – 2002
- Kentucky Turnpike Water District No. 1 – 2000
- Kentucky Turnpike Water District No. 2 – 2000
- Oldham County Water District No. 1 – 1995
- West Oldham Utilities – 1995
- Jeffersontown Water – 1990

LWC’s success in past acquisitions has been the result of our investment in system infrastructure improvements, our retention of system employees, and building effective relationships with the community.
As the nation’s top ranked engineering firm *(Engineering News-Record, 2008)*, CH2M HILL’s experience in utility privatization projects provides unique capabilities to support the HCWD1 team. CH2M HILL has experience with both Army and Navy bases that none of its competitors can equal:

<table>
<thead>
<tr>
<th>Location</th>
<th>Description</th>
<th>Contract Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Campbell</td>
<td>CH2M HILL as prime contractor. CH2M HILL owns, operates, and maintains water and wastewater utilities.</td>
<td>Contract awarded June 2003</td>
</tr>
<tr>
<td>Fort Irwin</td>
<td>CH2M HILL as prime contractor. CH2M HILL owns, operates, and maintains water utilities.</td>
<td>Contract awarded Sept 2004</td>
</tr>
<tr>
<td>Fort Gordon</td>
<td>CH2M HILL is subcontractor to Augusta Utility Department (AUD) in a role similar to that proposed for Fort Knox</td>
<td>Contract awarded to AUD in Sept 2007</td>
</tr>
</tbody>
</table>

CH2M HILL’s discussions with Army personnel have enhanced their understanding of industry requirements for successful privatization, as well as helped ensure that they include all appropriate costs of current ownership for the Government.

CH2M HILL has more than 60 years of demonstrated excellence in delivering water projects. From completing its first project in 1946 to delivering award-winning projects today, CH2M HILL has built a reputation as an industry leader and continues to provide top-quality services to its clients.

CH2M HILL has also developed approaches to system maintenance and enhancement that the Army has accepted as providing quality service, a high level of systems reliability, and best practice technology for long-term performance.
II.1 Past Performance References

Collectively, our team serves a customer base located near Fort Knox, which represents a population of over 880,000 people. We have compiled the list in Exhibit II-2 of recent projects that represent some of our larger customers and are similar in type and complexity to Fort Knox. The highlighted projects are presented in the format provided in Section L, Attachment J39 of the RFP. These project descriptions are provided at the end of this volume following the Attachments tab.

II.2 System Acquisitions

Information requested in Section L.5 of the RFP on the system acquisitions is provided in Exhibit II--3.

EXHIBIT II-2
References for HCWD1

<table>
<thead>
<tr>
<th>Project</th>
<th>Customer Contact Name, Address, and Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Knox Wastewater and Stormwater Privatization</td>
<td>Benita Jackson, Defense Energy Support Center, 703-767-9407</td>
</tr>
<tr>
<td>City of Radcliff, KY</td>
<td>Mayor Shelia Enyart, City of Radcliff, 270-351-4144</td>
</tr>
</tbody>
</table>

EXHIBIT II-3
HCWD1 Team System Acquisition Experience

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>City of Radcliff, KY Wastewater System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>HCWD1 acquired this system from the City of Radcliff to operate and maintain the wastewater collection and treatment systems.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>City of Radcliff wastewater system was transferred to HCWD1.</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2008 - ongoing</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Jim Bruce, HCWD1, 270-352-3222; and Mayor Shelia Enyart, City of Radcliff, 270-351-4144</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Fort Knox Wastewater and Stormwater Collection and Treatment Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>HCWD 1 acquired the wastewater and stormwater collection and treatment facilities during the privatization of the systems by the Army in 2005.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>$73,746,920</td>
</tr>
<tr>
<td>Period of performance</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Jim Bruce, HCWD 1, 270-351-3222; and Benita Jackson, Defense Energy Support Center, 703-767-9407</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Goshen Utilities Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>LWC purchased this utility from AquaSource, Inc. and owns and operate the water system.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>$3.6 million</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2002 – Ongoing</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Jon E. Evans, Vice President, AquaSource, 412-261-1600; Greg Heitzman, 502-569-3681; and Jim Smith, LWC, 502-569-3687</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Kentucky Turnpike Water Districts No. 1 and No. 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>LWC merged with Kentucky Turnpike Water District No. 1 and No. 2, adding 6,500 retail customers to LWC’s service area.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>N/A</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2000–2011</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Dan Thobodeaux, 502-955-7567; Melanie Roberts, 502-543-2262; Jim Smith, 502-569-3687; Greg Heitzman, 502-569-3686</td>
</tr>
</tbody>
</table>
VOLUME II: Past Performance

EXHIBIT II-3
HCWD1 Team System Acquisition Experience

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Fort Campbell, KY, Water and Wastewater Privatization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>CH2M HILL owns and operates the water and wastewater facilities at Fort Campbell.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>$700,000,000</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2003–2053</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Jeanne Shykes, Directorate of Contracting, Fort Campbell, 270-798-3985</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Fort Irwin, CA, Water and Wastewater Privatization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>CH2M HILL owns and operates the water and wastewater facilities at Fort Irwin.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>$420,000,000</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2002–2052</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Sharon Butler, Contracting Office, U.S. Army Engineering and Support Center, 256-895-1440</td>
</tr>
</tbody>
</table>

“The Hardin County Water District No. 1 is one of the leading water utilities in the state. HCWD1 uses best management practices, technology, and quality customer service methods in all areas of operations. Our association depends on District employees to assist with training and presenting at our training conferences. Several District employees have also graduated from the Utility Management Institute, which is provided by Western Kentucky University and KRWA. The District is poised and able to provide excellent utility services to other surrounding systems in or near its area”.

Gary Larimore, Executive Director, Kentucky Rural Water Association

II.3 Subcontractor
References

HCWD1 has named two team subcontractors for support in water utility services. References for both LWC and CH2M HILL are provided in Exhibit II-4. Past performance forms have been provided following HCWD1 projects in Attachment 1.

II.4 Status with
Independent Federal, State, or Local Regulatory Authority

HCWD1 team members are in good standing with federal, state, and local authorities over all utility services included in this proposal. Any violations, penalties, or other enforcement actions taken against HCWD1 within the last 5 years are discussed below.

Primary regulatory agencies with jurisdiction over HCWD1 and LWC are listed in Exhibit II-5.

EXHIBIT II-4
References for HCWD1 Team Subcontractors

<table>
<thead>
<tr>
<th>Project</th>
<th>Customer Contact Name, Address, and Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>LWC: Goshen Utilities/AquaSource, Inc.</td>
<td>Oldham County Deputy Judge Executive, Paula Gish, 100 W. Jefferson St., LaGrange, KY 40031, 502-222-9357</td>
</tr>
<tr>
<td>LWC: Kentucky Turnpike Water Districts No. 1 and No. 2</td>
<td>Bullitt County Judge Executive Melanie Roberts, P.O. Box 768, Shepherdsville, KY 40165, 502-543-2262</td>
</tr>
<tr>
<td>CH2M HILL: Fort Campbell, KY</td>
<td>Jeanne Shykes, Directorate of Contracting, Fort Campbell, 270-798-3985</td>
</tr>
<tr>
<td>CH2M HILL: Fort Gordon, GA</td>
<td>Drew Goins, Director, AUD, 706-312-4123</td>
</tr>
</tbody>
</table>
CH2M HILL is in excellent standing with the state and regulatory agencies associated with our services on the Fort Campbell, Kentucky, Water and Wastewater Privatization project. There are no violations, penalties, or enforcement actions associated with the project within the last 5 years. The associated regulatory agencies:

- Tennessee Dept of Environment and Conservation
- Kentucky Natural Resources and Environmental Protection Cabinet
- EPA Region 4
- OHSA
- Fort Campbell Directorate of Public Works
- Fort Campbell Public Safety

**NOVs**

HCWD1 has received NOVs as follows:

- KPDES permit violations for fecal coliform and TSS, March 2006 (Department for Environmental Protection)
- KPDES permit violations for total residual chlorine, July 2006; fecal coliform, August 2005; and total recoverable mercury, July-August 2005
- KPDES permit violation for whole effluent toxicity, October-November 2007
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
Hardin County Water District No. 1, Radcliff, Kentucky

B. PROGRAM TITLE:
Fort Knox Wastewater and Stormwater Systems Privatization

C. CONTRACT SPECIFICS:
1. Contract Number W9124D-05-C-0017
2. Contract Type Regulated Tariff
3. Period of Performance July 1, 2005 to August 31, 2055
4. Original Contract $ Value $73,746,920
5. Current Contract $ Value same

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference.

D. BRIEF DESCRIPTION OF EFFORT AS X PRIME OR __SUBCONTRACTOR.
Owner and operator of the wastewater and storm water system at Fort Knox, Kentucky

E. COMPLETION DATE:
1. Original Contractual Date: 30 September 2004
2. Current Schedule: 50 Years
3. Estimated Date of Completion: 31 August 2055
4. How Many Times Changed: 20 Contract Modifications
5. Primary Causes of Change: All modifications were requested by Fort Knox and most had to do with changing account numbers, allocating funds, etc.

F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:
(Please provide current information on all individuals)

1. Program Manager:
   Name: Kenny Muse
   Office: Director of Public Works
   Address: Bldg. 1110B RM 310, 125 6th Ave. St. 320, Fort Knox, KY. 40121
   Telephone: (502) 624-5830
   E-mail: Kenny.Muse@knox.army.mil
   Fax: (502) 624-3679

2. PCO:
   Name: Benita C. Jackson
   Office: Defense Energy Support Center
   Address: 8725 John J. Kingman Road, Suite 3830, Ft. Belvoir, VA 22060
   Telephone: (703) 767-9407
   E-mail: Benita.Jackson@dia.mil
   Fax: (703) 624-7165
3. **ACO:**
   - **Name:** Stephanie Bowman
   - **Office:** Directorate of Contracting, MICC Center - Knox
   - **Address:** Bldg. 1109B Ste 250, 199 6th Ave., Fort Knox, KY. 40121
   - **Telephone:** (502) 624-4947
   - **E-mail:** stephanie.bowman@us.army.mil
   - **Fax:** (502) 624-7165

4. **COR:**
   - **Name:** Robert Ender
   - **Contracting Officer Rep (Office):** Directorate of Public Works
   - **Address:** ATZK-OSO Bldg. 1205 Water Street, Fort Knox, KY. 40121
   - **Telephone:** (502) 624-5252
   - **E-mail:** robert.ender@knox.army.mil
   - **Fax:** (502) 624-5251

G. **ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.**
   - Continuing revision and update of the GIS map for the sanitary sewer system, which was originally completed in 2005, continues to refine and update the system as buried and/or new lines and manholes are determined. At present, the GIS system has identified 432,210 linear feet (lf) of line and 2,058 manholes; these figures exclude lateral lines, which will be added over time. The system includes a manhole and line segment numbering system, which will allow information to be tracked both on the GIS system and in the work order system.
   - Continuing revision and update of the storm water GIS map, which currently identifies 200,969 lf of line, 1,441 culverts and 2,463 drop boxes.
   - Sewer System Evaluation Study was completed for the entire sanitary sewer system, with emphasis on Basins II and VIII.
   - Numerous major maintenance items have been completed at the wastewater treatment plant, collection system, stormwater collection system, and lift stations.
   - Numerous major maintenance items were completed on the stormwater collection system, including:
     - Repaired/Cleaned 890 catchbasins.
     - Repaired/Cleaned 39 culverts (1,698 lf cleaned).
     - Repaired/Cleaned 96 headwalls.
     - Repaired/Cleaned 94 concrete ditches (7980 lf cleaned).
   - Numerous capital projects were completed and designed on the wastewater collection system during 2007. These items included:
     - Muldraugh RR Spur (1392 linear feet of new line and 5 new manholes)
     - SCADA Design and installation at 8 major lift stations
     - Design of new sewer lines to service the IBCT facilities
     - Dietz lift station study
     - Chaffee lift station preliminary design
     - Twin 15’s sewer line replacement preliminary design
- Godman Airfield storm line rehab design
- Design on new equipment building at the Fort Knox WWTP
- Design of the Pressler Grove sewer line re-route
- Final design of the twin 15’s sewer line replacement
- Annual CIPP contract bid
- Annual manhole rehab project bid

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.

**Contractual Personnel:**

Jim Bruce, General Manager – Provides overall guidance, financial planning, long-range planning, policy implementation, contract administration, primary POC for the US Government.

William J. Rissel, Chairman of the Board – Presides over all meetings of the Commission and exercises general supervision and control over the business of the commission, subject to the direction of the Board.

**Operational Personnel:**

Brett Pyles, Operations Manager – Oversees the day-to-day operations, capital planning & implementation, liaison to contract operator and US Government, assists with budgetary functions, assists with financial planning, contract administration.

Daniel Clifford, GIS & Planning Specialist – Oversees development of GIS mapping program, provides QA/QC for GIS.

I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.

Problems are addressed according to Service Interruption Response Plan, as necessary, and/or are addressed at monthly meeting with Contracting Officer and Contracting Officer Representatives.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.

HCWD1 has an approved Subcontracting Plan for Fort Knox. HCWD1 is meeting all SB/SDB plan goals except SDB and HBCU/MI. HCWD1 has recently had its Subcontracting Plan revised and updated to ensure that subcontracting opportunities are equally available to all businesses. In addition, HCWD1 has completed a project with North Carolina A&T State University, a certified HBCU/MI.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.

HCWD1 staff has extensive knowledge of the Fort Knox Post, personnel, and operations and has been involved in many construction projects, both during the planning and implementation phases. HCWD1 staff has a very good relationship with both civilian and military personnel.

GENERAL

1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer.

Indicate if the systems were located on the customer’s site.
Use of this sheet is subject to the restriction on the title page of this proposal.

<table>
<thead>
<tr>
<th>Utility Type</th>
<th>Own</th>
<th>Operate</th>
<th>Maintain</th>
<th>Onsite</th>
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<td>Sewer Lines</td>
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<td>X</td>
</tr>
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<td>WWTP</td>
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<tr>
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<tr>
<td>Substations</td>
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<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Gas Distribution System</td>
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<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Provide the information requested below for each type of utility operated as part of this project:

**Water System**
1. What is the average daily flow (gallons per day) for the referenced customer? N/A
2. What type of treatment occurs at the Water Treatment Plant? N/A
3. What type of storage tanks are operated/maintained (ground/elevated, capacity)? N/A
4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time ____ (yrs) $_____

**Wastewater System**
1. What is the average daily flow (gallons per day) for the referenced system? 2.1 mgd
2. What is the capacity of the WWTP? 6 MGD
3. What is the capacity of the Industrial WWTP? N/A
4. How many pump stations are operated/maintained? 28
5. How many linear feet of sewage lines are maintained? 504,733 feet
6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?

Time 3 (yrs) $4,046,705

7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer?

Capital Improvements $3,000,000 Inflow/Infiltration Reduction 19.7 (%)

**Electrical System**
1. What is the voltage of the system you operate/maintain? N/A
2. How many facilities are served by the system you operate/maintain? N/A
3. What is the length (linear feet) of the overhead distribution system you operate/maintain? N/A
4. What is the length (linear feet) of the underground distribution system you operate/maintain? N/A
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time_____ (yrs) $_____

Natural Gas System
1. What is the length (linear feet) of the distribution system you own/operate? N/A
2. How many meters are on the system you own/operate? N/A
3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A
Time_____ (yrs) $_____
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
Hardin County Water District No. 1, Radcliff, Kentucky

B. PROGRAM TITLE:
City of Radcliff Wastewater System Acquisition

C. CONTRACT SPECIFICS:
1. Contract Number: NA
2. Contract Type: NA
3. Period of Performance: NA
4. Original Contract $ Value: NA
5. Current Contract $ Value: NA

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference.

D. BRIEF DESCRIPTION OF EFFORT AS X PRIME OR __SUBCONTRACTOR.
Municipally owned (City of Radcliff) wastewater system was sold to HCWD1 in April, 2008 after 2 years of negotiations.

E. COMPLETION DATE:
1. Original Contractual Date: February 8, 2008
2. Current Schedule: NA
3. Estimated Date of Completion: NA
4. How Many Times Changed: NA
5. Primary Causes of Change: NA

F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:
(Please provide current information on all individuals)

1. City Representative:
   Name: Mayor Sheila Enyart
   Office: City of Radcliff
   Address: P.O. Box 519, Radcliff, KY 40159-0519
   Telephone: 270-351-4714
   E-mail: mayor@radcliff.org

G. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.
The Radcliff system has 8,900 sewer connections and a 4 mg/d wastewater treatment plant. It also has over 50 lift stations. This was a complete system acquisition.

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.
Management Personnel:
Jim Bruce, General Manager – Provides overall guidance, financial planning, long-range planning, policy implementation, contract administration, primary POC.
William J. Rissel, Chairman of the Board – Presides over all meetings of the Commission and exercises general supervision and control over the business of the commission, subject to the direction of the Board.
Operational Personnel:
Brett Pyles, Operations Manager – Oversees the day-to-day operations, capital planning & implementation, liaison to contract operator, assists with budgetary functions, assists with financial planning, and contract administration.

I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.
1. Lincoln trail Odor Control project – We are currently gathering information. Some of the activities include: a) Measuring the H2S levels to determine the source of the problem; b) Customer Observation Survey – We passed out forms to businesses in the area to record and track the time of day and to what degree was the odor observed.
2. Significant inflow and infiltration (I&I) problem in sections of the collection system – Contracted with HDR to flow monitor and study to formulate a detailed solution.
3. The SCADA was not operating properly; all systems are functioning properly.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.
No. This is not a Government contract, so FARs do not apply. However, HCWD1 purchases supplies and services from SBs whenever possible.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.
This was a complete system acquisition. Veolia Water, North America, operates the system for HCWD1. Veolia assisted in doing a complete financial model, and future looking asset management plan to make sure the acquisition, at current sewer rates, was financially feasible for HCWD1. The Radcliff City Council voted to transfer ownership of the system to HCWD1. HCWD1 entered into an 18-year operations contract with Veolia Water, who is also its operator of the Fort Knox Sewer systems, which HCWD1 now owns.

General
1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer.
Indicate if the systems were located on the customer’s site.

<table>
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</table>
Provide the information requested below for each type of utility operated as part of this project:

**Water System**
1. What is the average daily flow (gallons per day) for the referenced customer? N/A
2. What type of treatment occurs at the Water Treatment Plant? N/A
3. What type of storage tanks are operated/maintained (ground/elevated, capacity)? N/A
4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time____(yrs) $____

**Wastewater System**
1. What is the average daily flow (gallons per day) for the referenced system? 2 mgd
2. What is the capacity of the WWTP? 4 mgd
3. What is the capacity of the Industrial WWTP? N/A
4. How many pump stations are operated/maintained? 57
5. How many linear feet of sewage lines are maintained? 143 miles of sewer line and 2,861 manholes
6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?

Time _<1_ (yrs) $150,000

7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer? Projects are in the process of being identified; will be added to the Annual Capital Plan.

Capital Improvements $_____ Inflow/Infiltration Reduction_____ (%)  

**Electrical System**
1. What is the voltage of the system you operate/maintain? N/A
2. How many facilities are served by the system you operate/maintain? N/A
3. What is the length (linear feet) of the overhead distribution system you operate/maintain? N/A
4. What is the length (linear feet) of the underground distribution system you operate/maintain? N/A
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time____(yrs) $____

**Natural Gas System**
1. What is the length (linear feet) of the distribution system you own/operate? N/A
2. How many meters are on the system you own/operate? N/A
3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time_____ (yrs) $_____
A. Offeror Name (Company/Division) and Location (City/State):
Louisville Water Company, Louisville, Kentucky

B. Program Title:
Kentucky Turnpike Water Districts 1 and 2 Water Systems Merger

C. Contract Specifics:
1. Contract Number: N/A
2. Contract Type: Merger
3. Period of Performance: 2000 to Present
4. Original Contract $ Value: $ N/A
5. Current Contract $ Value: $ N/A
If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference.

D. Brief Description of Effort As _X_ Prime Or ___Subcontractor.
Prior to Louisville Water Company merging with Kentucky Turnpike Water Districts #1 and #2 in 2000, LWC operated KT#1 via a lease agreement executed in 1968. In addition, KT#2 purchased 100% of their water from LWC. In 2000, LWC merged with KT#1 and #2, adding about 6,500 retail customers to the LWC service area. In consideration of the execution of the merger LWC agreed to install certain system improvements in the Kentucky Turnpike Water District service areas in Bullitt County. The system improvements are known as the Bullitt County Water Improvement Program, and include the following:

- I-65 Transmission Main System and System Growth Improvements. LWC has invested $5 million in a Transmission Main System, including pumping and storage facilities, along I-65. Other System Growth Improvements include grid ties, valve upsizing, booster pump stations and related facilities.

- Kentucky Turnpike Water District System Improvements. LWC agreed to install fire hydrants, grid ties, valves and replace water mains to bring the existing water systems up to urban water standards. These improvements were funded by the Bullitt County Water Reserve.

- Bullitt County Extension Program. LWC gave property owners the opportunity to join with their neighbors to petition LWC to initiate a water extension project along their roadway. LWC allows the property owner to pay their portion of the installation costs, that are capped at a cost not to exceed $5,450, over 20 years at a fixed rate. These improvements are funded primarily from the Bullitt County Water Reserve.

The Bullitt County Water Reserve was created as part of the merger. The reserve contains monies from the rate capacity differential from KT #1 and #2 customers, grants, loans, and any other fees collected. KT customer rates were frozen upon acquisition, and the difference between LWC and KT customer rates is the differential deposited into the reserve.

Since completing the merger in 2000, LWC has successfully installed:

- More than 100 miles of water main, making water service available to nearly 1,400 customers,
- More than 540 new fire hydrants, and over 240 gate valves on the existing system,

The new water main extensions have allowed the private development of 45 new subdivisions, making service available to an additional 1,100 customers.
E. Completion Date:
1. Original Contractual Date: 2000
2. Current Schedule: N/A
3. Estimated Date of Completion: 2011
4. How Many Times Changed: N/A
5. Primary Causes of Change: N/A

F. Primary Government or Equivalent Points Of Contact:
(Please provide current information on all individuals)
Name: Bullitt County Advisory Board
Office: N/A
Address: 3396 Burkland Blvd., Shepherdsville, KY 40165
Telephone: N/A
E-mail: N/A
Fax: N/A

2. Client Representative:
Name: Bullitt County Judge Executive Melanie Roberts
Office: Bullitt County Judge
Address: P.O. Box 768, Shepherdsville, KY 40165
Telephone: (502) 543-2262
E-mail: mroberts@bcky.com
Fax: (502) 543-1577

G. Address Any Technical (Or Other) Area About This Program Considered Unique.
The former Kentucky Turnpike Water Districts #1 and #2 service area contained extensive unserved service areas. LWC determined there were over 142 miles of roadways that did not contain water mains. The original estimated cost to serve these areas was $28 million. LWC installed critical infrastructure, and put into place a petitioning and funding mechanism for the property owners in these areas to obtain potable water service at an affordable cost.

The former Kentucky Turnpike Water Districts #1 and #2 were primarily rural systems in a service area experiencing urban growth along the I-65 corridor. As an emerging urban area, the existing infrastructure was inadequate to serve projected growth and much of the existing customer base was underserved with inadequate customer water pressure and inadequate fire flows.

H. Specify By Name Any Key Individual(s) Who Participated In This Program And Is/Are Proposed To Support The Instant Acquisition. Also, Indicate Their Contractual Roles For Both Acquisitions.
Jim Smith – Responsible for O&M of water treatment, pumping, and storage facilities, and ensuring and maintaining reliability of all facilities.

Mr. Horrell is in charge of producing and delivering water to customers, which includes operating all storage tanks, pumping equipment, and monitoring system hydraulic conditions, to ensure an adequate supply of safe, reliable, high
quality drinking water at sufficient pressure and volume to meet customer expectations, regulations, and fire protection needs.

Dr. Song is in charge of performing production and distribution water quality analysis, providing required water quality and water production reports, and ensuring overall water quality compliance, and technical support to operations.

I. Address Problems Encountered On This Contract And Your Solutions To Those Problems.
The former Kentucky Turnpike Water Districts #1 and #2 were primarily rural systems in a service area experiencing urban growth along the I-65 corridor. As an emerging urban area, the existing infrastructure was inadequate to serve projected growth and the much of the existing customer base was underserved with inadequate customer water pressure and inadequate fire flows. Additionally, the Kentucky Turnpike Water Districts contained extensive unserved areas, many remote and sparsely populated, with over 142 miles of roadways that did not contain water mains.

LWC advanced construction of a backbone transmission, storage and booster pumping system to provide the needed water supplies to the area to address growth needs, customer service issues and upgrade fire flow to urban standards. LWC established a petitioning and funding mechanism for the property owners in these areas to obtain potable water service at an affordable cost. Construction of the backbone supply system ensured the necessary infrastructure was available when individual routes and subdivisions petitioned LWC to provide potable water.

J. Identify If A Small Business Or Disadvantaged Business Plan Or Goal Was Required. If So, Identify In Terms Of A Percentage Of The Planned Versus Achieved Goal During The Contract. If Goals Were Not Met, Please Explain.

Since this is not a Government project, the FARs do not apply. However, LWC is committed to increasing the effective use of certified small businesses. LWC has a Minority and Women Business Enterprise Program that is used to ensure compliance with any project goals.

K. Describe/Discuss The Relevancy Of The Services You Provided On Your Referenced Contract To These Questions As They May Pertain To The Specific Utility.

LWC merged with Kentucky Turnpike Districts 1 and 2, successfully transitioned staff and customers, and now operates and maintains the water and distribution facilities.

General

1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer. Indicate if the systems were located on the customer’s site.

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Provide the information requested below for each type of utility operated as part of this project:

**Water System**
1. What is the average daily flow (gallons per day) for the referenced customer? About 6 mgd per day.
2. What type of treatment occurs at the Water Treatment Plant? These areas are retail customers, and are served from the LWC treatment facilities.
3. What type of storage tanks are operated/maintained (ground/elevated, capacity)?
   - Zoneton Tank – 150,000 Gallon Elevated Tank
   - Peaceful Valley Tank – 235,000 Gallon Ground Level Tank
   - Cedar Grove Tank – 500,000 Gallon Ground Level Tank
   - Martin Hill Road Tank – 250,000 Gallon Elevated Tank
   - Phelps Knob Tank – 500,000 Gallon Ground Level Tank
   - Brooks Hill Road Tank - 300,000 Gallon Ground Level Tank
   - Weavers Run Tank – 150,000 Gallon Elevated Tank
   - Gap-In-Knob Tank – 350,000 Gallon Ground Level Tank
4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   - Time ____ (yrs) $46.5 Million

**Wastewater System**
1. What is the average daily flow (gallons per day) for the referenced system? N/A
2. What is the capacity of the WWTP? N/A
3. What is the capacity of the Industrial WWTP? N/A
4. How many pump stations are operated/maintained? N/A
5. How many linear feet of sewage lines are maintained? N/A
6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A
   - Time_____ (yrs) $_____  
7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer? N/A
   - Capital Improvements $_____ Inflow/Infiltration Reduction_____ (%)

**Electrical System**
1. What is the voltage of the system you operate/maintain? N/A
2. How many facilities are served by the system you operate/maintain? N/A
3. What is the length (linear feet) of the overhead distribution system you operate/maintain? N/A
4. What is the length (linear feet) of the underground distribution system you operate/maintain? N/A
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?

Time_____ (yrs) $_____ 

Natural Gas System
1. What is the length (linear feet) of the distribution system you own/operate?  N/A
2. How many meters are on the system you own/operate? N/A
3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?  N/A
Time_____ (yrs) $_____
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
Louisville Water Company, Louisville, Kentucky

B. PROGRAM TITLE:
City of Goshen Water System Acquisition

C. CONTRACT SPECIFICS:
1. Contract Number N/A
2. Contract Type Stock Purchase Agreement
3. Period of Performance July 2002 – ongoing
4. Original Contract $ Value $3.6 million
5. Current Contract $ Value _____________________________

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference.

D. BRIEF DESCRIPTION OF EFFORT AS _X_ PRIME OR __SUBCONTRACTOR.

Prior to the Stock Purchase Agreement, Goshen Utilities, Inc purchased wholesale water from LWC for a small portion of their system, and operated their own water treatment system for the remainder. Their water treatment system consisted of three groundwater wells, one operational and two standby wells. Their treatment consisted of a chlorine system and a fluoride system, all in fair to poor condition.

Upon completion of the Stock Purchase Agreement, LWC immediately assumed responsibility for operating all water treatment facilities, storage tanks, pressure reducing stations, pumping equipment, monitoring system hydraulic conditions, and required plant operation regulatory reporting, as well as began preventative maintenance and repairs to the equipment listed above. LWC began sampling, monitoring the distribution water quality, and all required reporting.

LWC operated the Goshen Utilities, Inc water treatment system for about 3 months, until such time as improvements could be completed in the distribution system, allowing the wells and associated facilities to be decommissioned. In the interim, LWC immediately converted the chlorine feed system from a gaseous chlorine system to aqueous chloramine system, installed telemetry remote operation, rehabilitated power distribution systems, and established sampling and reporting protocol until such time as this system could be integrated with the remaining LWC distribution system.

E. COMPLETION DATE:
1. Original Contractual Date: July 2002
2. Current Schedule: N/A
3. Estimated Date of Completion: N/A
4. How Many Times Changed: N/A
5. Primary Causes of Change: N/A
F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:

(Please provide current information on all individuals)

1. Client Representative:
   Name: Paula Gish
   Office: Deputy Judge Executive
   Address: 100 W. Jefferson St., LaGrange, KY 40031
   Telephone: (502) 222-9357
   E-mail: NA
   Fax: (502) 222-3210

G. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.

The Goshen Utilities, Inc water treatment system consisted of a 500 GPM well that supplied a 750,000 gallon ground level storage tank, where chlorine and fluoride were added. There were also two older and smaller standby wells located near the primary well. The chlorine system used a gaseous chlorine drawn from 150 lb. cylinders by injectors. The chlorine room had no scrubbers. The fluoride system used fluorosilic acid. All of these facilities were in fair to poor condition. There was no backup generator system at the treatment plant or pumping system, little backup equipment installed on any of the systems, and little inventory of repair parts or replacement equipment. Power distribution systems did not comply with the current code or normal safety standards. The condition of facilities and equipment and the lack of reliability and redundancy caused frequent system outages. Additionally, fire flows did not meet urban water supply standards.

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.

Jim Smith – Responsible for overall planning and management. Oversees contracts, compliance, and O&M of the facilities.

John Azzara – Responsible for planning, implementation, and direction of maintenance project and resources to ensure reliable, cost-effective operation of water facilities.

Kent Horrell – Responsible for producing and delivering water to customers, which includes operating all storage tanks, pumping equipment, and monitoring system hydraulic conditions, to ensure an adequate supply of safe, reliable drinking water at sufficient pressure and volume.

Rengao Song – Responsible for production and distribution water quality analysis, providing required water quality and water production reports, and ensuring overall water quality compliance, and technical support to operations.

I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.

All of the Goshen Utilities, Inc. water treatment and supply facilities were in fair to poor condition. The well field showed signs of contamination, and the finished water delivered to the customers was of a high hardness, resulting in many of the customers having water softeners. The customers suffered from other water quality issues such as taste and odor problems, discolored water and service interruptions. Storage tank elevations were inadequate to provide acceptable customer water pressures and fire flows in the area were constrained, due to inadequately sized lines.

Upon execution of the purchase agreement, LWC converted the Goshen customers from a free chlorine to a chloramine system, to reduce taste and odor, and discolored water complaints. Additionally, grid ties to the LWC system were completed for LWC water supplies to be the primary system source water to improve water quality and reliability. LWC constructed a new 1 MG elevated storage facility to raise system pressures. Distribution system
facilities were assessed and a repair and replacement program initiated to increase fire flow and system reliability to this area. LWC has spent nearly 6 million dollars in this area for infrastructure improvements.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.

Since this is not a Government project, the FARs do not apply. However, LWC is committed to increasing the effective use of certified small businesses. LWC has a Minority and Women Business Enterprise Program that is used to ensure compliance with any project goals.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.

LWC acquired Goshen Utilities, Inc., successfully transitioned staff and customers, and now operates and maintains the water treatment and distribution facilities.

General
1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer. Indicate if the systems were located on the customer’s site.

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Provide the information requested below for each type of utility operated as part of this project:

**Water System**
1. What is the average daily flow (gallons per day) for the referenced customer? Approx. 1.2 mgd.
2. What type of treatment occurs at the Water Treatment Plant? These areas are retail customers, and are served from the LWC treatment facilities.
3. What type of storage tanks are operated/maintained (ground/elevated, capacity)?
   - Goshen Standpipe – ground level, .75 mgd
   - Goshen Tank – elevated – 1 mgd
4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time _6_ (yrs) $5 million
Wastewater System
1. What is the average daily flow (gallons per day) for the referenced system? N/A
2. What is the capacity of the WWTP? N/A
3. What is the capacity of the Industrial WWTP? N/A
4. How many pump stations are operated/maintained? N/A
5. How many linear feet of sewage lines are maintained? N/A
6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time_____ (yrs) $_____

7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer?
Capital Improvements $_____ Inflow/Infiltration Reduction_____ (%) 

Electrical System
1. What is the voltage of the system you operate/maintain? N/A
2. How many facilities are served by the system you operate/maintain? N/A
3. What is the length (linear feet) of the overhead distribution system you operate/maintain? N/A
4. What is the length (linear feet) of the underground distribution system you operate/maintain? N/A
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time_____ (yrs) $_____

Natural Gas System
1. What is the length (linear feet) of the distribution system you own/operate? N/A
2. How many meters are on the system you own/operate? N/A
3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A
Time_____ (yrs) $_____

Use of this sheet is subject to the restriction on the title page of this proposal.
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
CH2M HILL, Denver, Colorado

B. PROGRAM TITLE: Fort Campbell, Kentucky, Water and Wastewater Privatization

C. CONTRACT SPECIFICS:
1. Contract Number: Fort Campbell, Kentucky, Water and Wastewater Privatization/ DACA87-00-D-0043
2. Contract Type: Utility Privatization
3. Period of Performance: June 2003, 50-year contract
4. Original Contract $ Value: $700,000,000
5. Current Contract $ Value: $700,000,000

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference

D. BRIEF DESCRIPTION OF EFFORT AS PRIME OR SUBCONTRACTOR.
This contract conveyed ownership, operation and maintenance of the Government-owned water and wastewater systems at Fort Campbell, Kentucky to CH2M HILL. CH2M HILL furnishes all facilities, labor, materials, tools, and equipment necessary to operate, maintain, repair, expand, upgrade, and improve the distribution systems and to provide safe, reliable, adequate, and dependable water and wastewater services to each existing or future connection within the serviced premises, consistently, 24 hours a day, 365 days per year.

Fort Campbell currently treats water taken from Boiling Springs with Red River as the backup source. The raw water pumping station located on Boiling Springs has a pumping capacity of approximately 15.1 mgd with three raw water pumps that pump the water through two 18-inch mains to the water treatment facility. These three 3,500-gallon per minute (GPM) pumps are equipped with 300-horsepower motors. The Red River raw water facility includes an intake pumping station, a diversion structure/intake structure, and a 16-inch pipeline from the station to the water treatment plant. The station has a capacity of 2.5 mgd. Our contract includes water resources responsibilities, which include studies to locate alternative backup water sources.

Fort Campbell distributes the treated water through the Main Cantonment Area via approximately 751,000 feet of water distribution lines ranging from less than 2 to 20 inches in diameters.

The total storage capacity of the water storage tanks is approximately 2.0 million gallons. These tanks provide potable water storage for normal use, fire protection, and emergency uses.

The potable water treatment plant was initially constructed in the 1940s. It is believed that the sedimentation and coagulation basins, two new filters, and additional clearwell storage were added in the 1950s. The current rated capacity of the plant is 7.6 mgd.

Fort Campbell’s existing wastewater treatment plant was initially constructed in the 1940s, with major upgrades occurring in 1976 and 1997. The wastewater treatment plant is capable of treating an average daily flow of 4 mgd. The treatment works include inlet structure with bar screen, grit chamber, primary clarifier, four trickling filters, secondary clarifiers, ultra-violet disinfection system, digester, and sludge drying beds. Treated effluent is disinfected and discharged to Little West Fork Creek.

On June 9, 2003, Task Order 4 was issued for CH2M HILL to assume ownership of the system. Following a 60-day transition period, CH2M HILL successfully assumed full ownership responsibility, including O&M and all services. This work includes:

- Providing day-to-day system operations and continuity of service
- Coordinating routine work (scheduled maintenance, testing, and placement or retirement/removal of system components) with the Public Works Business Center
- Conducting service and trouble calls via a 24-hour service number
• Performing connections and disconnections to the utility systems as needed to support ongoing missions
• Designing and constructing all expansions and improvements to the utility systems, including RCI housing utility coordination and improvements
• Providing all environmental, regulatory, and engineering support

E. COMPLETION DATE:
6. Original Contractual Date: June 2003
7. Current Schedule: June 2053
8. Estimated Date of Completion: June 2053
9. How Many Times Changed: 0
10. Primary Causes of Change: N/A

F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:
(Please provide current information on all individuals)

1. Program Manager
   Name: N/A
   Office:
   Address:
   Telephone:
   E-mail:
   Fax:

2. PCO
   Name: Jeanne Shykes, Directorate of Contracting
   Office: ACA Fort Campbell
   Address: Bldg 2174, 13 ½ Street
            Fort Campbell Kentucky 42223-1100
   Telephone: (270) 798-3985
   E-mail: Jeanne.shykes@campbell.army.mil
   Fax: (270) 798-7820

3. ACO
   Name: Sharon Butler
   Office: Huntsville Engineering and Support Center
   Address: 4820 University Square Blvd
            Huntsville AL 35816
   Telephone: (256) 895-1440
   E-mail: sharon.h.butler@hnd01.usace.army.mil
Fax: (256) 895-1197

4. COR
Name: Gary Sewell
Office: DPW Fort Campbell
Address: 16th and Bastogne Street
Fort Campbell Kentucky 42223
Telephone: (270) 798-5640
E-mail: gary.sewell@us.army.mil
Fax: (270) 798-3996

G. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.
Under this contract, CH2M HILL is funding and implementing capital investments necessary to meet operational and regulatory requirements. The projects are typically financed over 10 years; however, the Government may elect to fund projects upfront or buy down the financed principle if money is available. A reversion clause in the contract allowed for the lowest possible financing rate.

The contract includes defined metrics that our performance is measured against. The goal is to measure success at delivering continuous service to the Government in the most efficient manner and with the highest degree of customer satisfaction. Metrics include water and wastewater compliance, safety, customer satisfaction, response time, and asset management.

To ensure quality, 60 percent of the fee for this contract is in the form of an award fee and is based on performance against the metrics. Performance metrics are tracked and reported monthly and our award fee calculation and distribution occurs twice a year. Award fees received to date reflect scores of 91 and 93 percent.

Other unique aspects include:
- CH2M HILL does not own the water rights, but is responsible for the capacity and quality of the water source for Fort Campbell.
- Responsible for funding and implementing any capital investments necessary to meet operational requirements in accordance with applicable local, state, and federal codes.
- Provide manned telephone 24 hours/day, 365 days/year that the Government may call to report utility system problems and outages.
- Respond within 45 minutes upon notification of a problem (i.e., we will be onsite with equipment/supplies necessary to assess and make repairs).
- Emergency Operations Plan in place for operations in case of damage from a storm or disaster is widespread.

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.
Key individuals on the Fort Campbell project remain actively engaged on that effort and are unavailable for the APG project.
I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.

**Problem:** Unanticipated procurements required during a 60-day transition (window air conditioning units, eye wash stations, roll off dumpsters, etc.) to replace equipment on government hand-receipts. **Solution:** The project manager engaged the entire project team and support from the program office to organize and prioritize purchases. Basic ordering agreements and relationships with local vendors helped streamline the process.

**Problem:** Major unplanned improvements (new infrastructure for privatized housing) identified during the transition. **Solution:** The project manager prioritized the projects with customers and engaged the engineering/design staff to expedite improvement planning. Weekly teleconference or face-to-face meetings were held with the housing management team to ensure schedules were met.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.

A Small Business Subcontracting Plan was not required for this contract. However, subcontracts (to small business concerns) to date are $8,989,268 for total small business subcontract expenditures, and 39.8 percent to small businesses.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.

CH2M HILL has accepted full ownership and liability for the Government-owned water and wastewater utility systems at Fort Campbell. Work was implemented in two phases.

CH2M HILL completed Phase I, which required the following activities prior to ownership transfer:

- System Characterization Studies
  - System Inventory, Valuation, Condition Assessment, and Deficiency Identification
  - Environmental Baseline Survey
  - GIS mapping of water valves and meters, fire hydrants, pipes, manholes, lift stations, and grease pits
- Plans and Scope of Work specifications for O&M Activities
  - System Upgrade Plan (short and long term)
  - Annual Service Plan
  - Operations Facility Requirements Plan
  - Safety and Health Plan
  - Staffing Plan
  - Performance Measurement and Verification Plan
  - Quality Assurance and Surveillance Plan
- Regulatory agency notification/submittals for ownership transfer
- Finalization of all easements, licenses, and rights-of-way necessary for system O&M

Phase II consists of ownership transfer and full O&M and capital improvement responsibility for the utility systems. This phase is currently underway and includes follow-on studies of the systems, the results of which will define and quantify improvements needed in the systems.

General

11. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer. Indicate if the systems were located on the customer’s site.
### Water System

1. **What is the average daily flow (gallons per day) for the referenced customer?**
   - Average 4 mgd.
   - 3.69 Average Day Demand (July)
   - 4.34 Maximum Day Demand (July)

2. **What type of treatment occurs at the Water Treatment Plant?**
   - Aeration/rapid chemical mix/flocculation/sedimentation/filtration/clearwell/high service pumping
   - 7.6 mgd capacity

3. **What type of storage tanks are operated/maintained (ground/elevated, capacity)?**
   - WTP (below grade) = 1.5 MG
   - Elevated #2 = 0.5 MG
   - Elevated #3 = 0.5 MG
   - (note: new 1.25 MG tank under construction will replace tank #2 and 3
   - Elevated #4 = 1.0 MG
   - Destiny Ground Storage Tank=0.5 MG
   - Sabre Ground Storage Tank=0.75 MG

4. **What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?**
   - Time_____ (yrs) $_____
   - W001 – WTP headworks = $303k
   - W003 – Handrail Upgrade+$429
   - W016 – Rate of Flow Controllers = $261k
   - W017 – Chlorine Gas Safety = $1.1M
   - W018 – Office Space Code Compliance = $190k

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<thead>
<tr>
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<th>Own</th>
<th>Operate</th>
<th>Maintain</th>
<th>On Site</th>
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<tr>
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<tr>
<td>Gas Distribution System</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Yes</td>
</tr>
</tbody>
</table>
VOLUME II: Past Performance – Project Descriptions

Wastewater System
1. What is the average daily flow (gallons per day) for the referenced system?
   From Robert Neath: 2.08 mgd Average Daily Flow (July)
   3.01 mgd Max Daily Flow (July)

2. What is the capacity of the WWTP?
   NPSDES= 4 mgd
   Fine screen/grit removal/primary clarification/trickling filter/secondary clarification/UV disinfection/cascade aerator/anaerobic sludge digestion/contract dewatering and hauling

3. What is the capacity of the Industrial WWTP? N/A

4. How many pump stations are operated/maintained?
   84 lift Stations in collection system

5. How many linear feet of sewage lines are maintained?
   504673 as presented in 2008 Award Fee Metrics

6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time 1.25 (yrs) $4.5 million (under construction)
   WW001 Secondary Clarifier Rehab = $1.4 M
   WW002 Primary Screening & Scum =$706k
   WW003 – Washracks = $960k (collection system)
   WW004 - Mainline Sewer, Point Repairs, Rehab, Heavy Cleaning = $1.55M (collection system)

7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer?
   Capital Improvements $4 million Inflow/Infiltration Reduction_____(%)
   %I/I reduction not calculated

Electrical System
1. What is the voltage of the system you operate/maintain?
   N/A

2. How many facilities are served by the system you operate/maintain?
   N/A

3. What is the length (linear feet) of the overhead distribution system you operate/maintain?
   N/A

4. What is the length (linear feet) of the underground distribution system you operate/maintain?

W019 – Elevated Storage Tank (under construction)
W020 – Fire Protection/ph 1B and 2 = $906k
W021 – Security Improvements = $577k
W022 – CH2M HILL Building (under construction)

Use of this sheet is subject to the restriction on the title page of this proposal.

Wastewater System

Electrical System
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time____(yrs) $____

   N/A

6. What is the length (linear feet) of the distribution system you own/operate?
   N/A

7. How many meters are on the system you own/operate?
   N/A

8. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time_____ (yrs) $____

   N/A
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
CH2M HILL, Denver, Colorado

B. PROGRAM TITLE: Fort Gordon, Georgia Army Installation Water and Wastewater Utility Systems Privatization

C. CONTRACT SPECIFICS:
1. Contract Number: SP0600-07-C-8259
2. Contract Type: Utility Privatization
3. Period of Performance: September 2007- September 2057
4. Original Contract $ Value: $202,518,190
5. Current Contract $ Value: $202,518,190

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference

D. BRIEF DESCRIPTION OF EFFORT AS __PRIME OR_X_SUBCONTRACTOR.

In September 2007, the Defense Logistics Agency Defense Energy Support Center awarded the City of Augusta (the City) a contract for the Utilities Privatization of Potable Water Distribution and Wastewater Collection Systems at Fort Gordon, GA. This contract conveyed ownership, operation and maintenance of the Government-owned utility infrastructures (water distribution system and wastewater collection system) at Fort Gordon Army Installation, Fort Gordon, Georgia to the City. The City furnishes all necessary labor, management, supervision, permits, equipment, supplies, materials, transportation, and any other incidental services for the complete ownership, operation, maintenance, repair, upgrades, and improvements to these utility systems. The City owns, finances, and manages the utility system and is responsible for providing capital investments and all other resources to provide reliable and dependable service to the Government and tenant connections within the service area, 24 hours a day, 365 days a year.

The City’s utilities department, Augusta Utilities Department (AUD), is responsible for operating and maintaining the utility systems, particularly the potable water distribution and wastewater collection systems.

CH2M HILL assists the City and AUD with the utility system privatization as a subcontractor. CH2M HILL provides engineering and operations and maintenance (O&M) services for the pump stations and the wastewater treatment plant (WWTP). In addition, we also assist the City with financing of the privatization through a multi-year Capital Improvement contract.

The Fort Gordon Water System comprises all appurtenances physically connected to the system and within its demarcated service area including storage tanks, distribution piping, hydrant valves, backflow preventors, and appurtenances. The water treatment plant is not included in this contract, as it will be taken out of service once a reliable connection is established with AUD for water supply. The current water supply, an 84-acre reservoir fed by Butler Creek, is not being privatized and the Government maintains water rights.

The Fort Gordon Wastewater System comprises all appurtenances physically connected to the system and within its demarcated service area, including lift stations and pumps, collection piping, manholes, and appurtenances. It’s 4.0 MGD WWTP and its emergency generator are not included in the contract and will be taken out of service once reliable connection is established to AUD for wastewater conveyance and treatment.

CH2M HILL’s services to Fort Gordon range from water system conditions assessments to assistance with demolition of some existing structures to control system upgrades. Anticipated projects at Fort Gordon include the following:

Water Systems
- WICU1 - Water Meter Installations
- WICU2 - Water System Condition Assessment
- WICU3 - Water System Capacity Analysis
VOLUME II: Past Performance – Project Descriptions

- WICU4 - Water System Master Plan
- WICU5 – Demolish Water Treatment Plant
- WRR1 – Elevated Tank Installation and Demolition
- WRR2 – Initial Replacement of Water Pipe

**Wastewater System Projects**

- WWICU1 - Fort Gordon Rec Area WWTF
- WWICU2 - Wastewater System Condition Assessment
- WWICU3 - Wastewater System Capacity Analysis
- WWICU4 - Wastewater System Master Plan
- WWICU5 - Lift Station Monitoring System 208 days? Mon 1/1/07
- WWICU6 - Select Wet Well Capacity Upgrades 264 days? Mon 10/16/06
- WWICU7 - Spring Loaded Check Valve Installation 194 days? Mon 10/23/06
- WWICU8 - Demolish Wastewater Treatment Plant 180 days? Mon 11/6/06
- WWRR1 - Lift Station control Panel 187 days? Mon 2/5/07
- WWRR2 - Lift Station Chopper Pump Installation

**E. COMPLETION DATE:**

6. Original Contractual Date: September 2057
7. Current Schedule: September 2057
8. Estimated Date of Completion: September 2057
9. How Many Times Changed: None
10. Primary Causes of Change: N/A

**F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:**

(Please provide current information on all individuals)

1. **Program Manager (Prime Contractor)**
   
   **Name:** Drew Goins  
   **Office:** Augusta Utilities Department  
   **Address:** 360 Bay Street, Suite 180, Augusta, GA 30901  
   **Telephone:** (706) 312-4154  
   **E-mail:** dgoins@augustaga.gov  
   **Fax:** (706) 312-4123
2. PCO
Name: Martha Gray, Contracting Specialist
Address: 8725 John J. Kingman Road, Fort Belvoir, VA, 22060-6222
Telephone: (703) 767-9415
E-mail: Martha.Gray@dla.mil
Fax: (703) 767-2382

3. ACO
Name: Jordan Salata, Contracting Specialist
Address: 8725 John J. Kingman Road, Fort Belvoir, VA, 22060-6222
Telephone: (703) 767-8131
E-mail: Jordan.Salata@dla.mil
Fax: (703) 767-2382

4. COR:
Name: Glenn Stubblefield Jr./Chief, Operations & Maintenance
Office: DPWL, Bldg 14600
IMA Garrison: IMSE-GOR-PWO
Address: 15th & Barnes Avenue
Fort Gordon, Georgia 30905-5040
Telephone: (706) 791-6180
Email: Glenn.Stubblefield@us.army.mil
Fax: (706) 791-4222

5. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.
A unique aspect of this program is that concurrent to the privatization contract, Fort Gordon has contracts with AUD to connect to AUD’s water supply and sewer systems. The water and wastewater treatment plants at Fort Gordon will be abandoned once reliable connections have been established. These connection contracts are outside the scope of privatization, and have had delays affecting the staffing support requirements for the privatization contract because the treatment plants are still operational and the contract for the previous operations contractor has ended. AUD and CH2M HILL have worked with Fort Gordon to provide the necessary operations support and CH2M HILL has been working with AUD to construct the connections and oversee the transition.

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.
Key individuals on the Fort Gordon project remain actively engaged on that effort and are unavailable for the Fort Knox project.
I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.

Problem: Unanticipated operations staffing requirements to staff water and wastewater treatment plants which were supposed to have been abandoned by start of contract.

Solution: The project manager engaged CH2M HILL to provide AUD with operations personnel to keep treatment plants operating.

Problem: Due to the length of the procurement process and the changing needs of the base, Fort Gordon requested changes to the scope of the Initial Capital Upgrade projects.

Solution: CH2M HILL is performing a series of studies to assess the capacity and condition of the water and sewer systems and to develop a Master Plan for both systems. This Master Plan will address the revised requirements which AUD will work with the government to implement.

Problem: Significant changes to the inventory were discovered during the revisions of the GIS and mapping as well as the due diligence performed during transition. In addition, Fort Gordon requested that AUD add additional scope items into the contract after the contract has started.

Solution: The AUD project manager is assembling a proposal for the government to revise the staffing plan to accommodate the changing needs of the base using CH2M HILL as advisors.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.

The Fort Gordon project was issued under an unrestricted procurement and did not require a Small Business Subcontracting Plan to meet restriction-related goals. However, the AUD has been committed to increasing opportunities for local community, including small businesses. Currently there is one subcontract for which a small business firm has been recommended. That contract is currently pending award and its value has not been determined.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.

CH2M HILL is assisting the City of Augusta and the Augusta Utilities Department to accept full ownership and liability for the Government-owned potable water distribution and wastewater collections systems at Fort Gordon. CH2M HILL provides O&M and Bond CIP Program Management services at Fort Gordon and will serve in a similar capacity on the Fort Knox, KY project.

General

1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer. Indicate if the systems were located on the customer’s site.

The answers below reflect CH2M HILL’s role as a subcontractor to the City of Augusta.

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<td>Yes</td>
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</tbody>
</table>
Above Ground Electrical Distribution System | N/A | N/A | N/A | Yes  
---|---|---|---|---  
Below Ground Electrical Distribution System | N/A | N/A | N/A | Yes  
Power Generation Facility | N/A | N/A | N/A | Yes  
Substations | N/A | N/A | N/A | Yes  
Gas Distribution System | N/A | N/A | N/A | Yes  

**Water System**

1. What is the average daily flow (gallons per day) for the referenced customer?  
   2.56 MGD.  
2. What type of treatment occurs at the Water Treatment Plant?  
   The treatment plant consists of a flash mixer, two upflow clarifiers, four anthracite/sand filters, a clearwell, and four high service pumps. Sludge from the upflow clarifiers is sent to a decant tank. The decant water is sent to the wastewater treatment plant along with the filter backwash, and the sludge is sent to drying beds. The plant is in the process of being abandoned as Fort Gordon is connecting to the AUD water supply.  
3. What type of storage tanks are operated/maintained (ground/elevated, capacity)?  
   There is a 2.25 MG standpipe and a 500,000-gallon elevated storage tank on Post, both constructed in 1942.  
4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?  
   Time 0.5(yrs) $800,000  
   System characterization studies are in progress to verify the condition and capacity of the system.  

**Wastewater System**

1. What is the average daily flow (gallons per day) for the referenced system?  
   2.5 MGD.  
2. What is the capacity of the WWTP?  
   4.0 MGD. The WWTP will be abandoned shortly and Fort Gordon will connect to the AUD sewer system.  
3. What is the capacity of the Industrial WWTP? N/A  
4. How many pump stations are operated/maintained?  
   44 sewer lift stations  
5. How many linear feet of sewage lines are maintained?  
   317,177 lf.  
6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?  
   Time 0.5(yrs) $800,000  
   System Characterization Studies are in progress to verify the condition and capacity of the system.  
7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer? No.
Capital Improvements $_________ Inflow/Infiltration Reduction_____ (%) N/A

**Electrical System**
1. What is the voltage of the system you operate/maintain?
   N/A
2. How many facilities are served by the system you operate/maintain?
   N/A
3. What is the length (linear feet) of the overhead distribution system you operate/maintain?
   N/A
4. What is the length (linear feet) of the underground distribution system you operate/maintain?
   N/A
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time_____ (yrs) $_____
   N/A

**Natural Gas System**
1. What is the length (linear feet) of the distribution system you own/operate?
   N/A
2. How many meters are on the system you own/operate?
   N/A
3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time_____ (yrs) $_____
   N/A
October 9, 2008

Defense Energy Support Center
Ms. Angela Mattox
8725 John J. Kingman Road, Suite 4950
Fort Belvoir, Virginia 22060-6222
ATTN: DESC-EA

Subject: Solicitation No.: SP0600-08-R-0803
Privatization of the Potable Water Utility System at Fort Knox Army Installation, Kentucky
Volume I - Technical Proposal - BASE

Ms. Mattox:

The Hardin County Water District No. 1 (HCWD1) is pleased to submit this proposal for assuming the ownership and operation of the Fort Knox potable water system. HCWD1 is the agency designated to provide utility services in the northern part of Hardin County, around Fort Knox. As a regulated utility by the Kentucky Public Service Commission, HCWD1 serves 10,000 residential and commercial customers and acts as a regional water supplier to two other water systems. The transfer of the utilities at Fort Knox is an unprecedented opportunity for Hardin County and one that would follow the trend of Fort Knox and the local government working together toward well planned and managed water and sewer utilities.

HCWD1 has been involved in a number of endeavors with Fort Knox over the past few years, including ownership and operation of the Fort Knox wastewater and stormwater systems. HCWD1 has also participated with Fort Knox and other water suppliers in Hardin County to carry out long-range water supply planning. This proposal is a natural extension to those efforts to better coordinate water and sewer utilities by placing control of those facilities with Hardin County.

Under our proposal, HCWD1 will be the owner and manager of the potable water system serving Fort Knox. Although many of HCWD1’s staff have water experience, we have formed a team of professionals to handle the ownership transition, immediate system improvements, and operation of the water distribution system. Joining with HCWD1 in this project will be Louisville Water Company (LWC) and CH2M HILL, Inc.

HCWD1 believes that our management expertise and local knowledge, combined with national experts, can provide the best option for Fort Knox to privatize its potable water system. We have conducted an extensive due diligence and field reconnaissance of the water utility and have developed a plan that offers long-term economic benefit and reduction in costs, which are specific goals identified in the Solicitation. Our proposal is presented in four volumes, plus two alternate proposals in two other volumes. This document is Volume I, Technical Proposal - BASE.
This Proposal remains a valid offer for 300 days from the date of submittal, and we are prepared to work with you to extend this period should it be required. I will remain your primary point of contact for HCWD1 and our Team during the Proposal and bid period, and can be contacted as follows:

   Mr. Jim Bruce, General Manager
   Hardin County Water District No. 1
   1400 Rogersville Road, Radcliff, Kentucky 40160
   Telephone: 270.351.3222
   Mobile: 270.268.4069
   Fax: 270.352.3055
   Mail: Jbruce@HCWD.com

We look forward to your review of our Proposal, and I invite you to contact me should you have any questions or need any additional information.

Sincerely,

Jim Bruce
General Manager
Hardin County Water District No. 1
Volume I. Technical Proposal - BASE

Prepared by:

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

Hardin County Water District No. 1 agrees with all terms, conditions, and provisions included in the solicitation except as highlighted in Volume III, Contract Documentation and agrees to furnish any or all items upon which prices are offered by Hardin County Water District No. 1 in this proposal at the price set opposite each item.

This proposal includes data that shall not be disclosed outside the Government.

**Person(s) Authorized to Negotiate:** Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

**Person(s) Authorized to Sign Proposal:** Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

---

Jim Bruce, General Manager, Hardin County Water District No. 1

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government’s right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are clearly marked with the proprietary legend in the side margin of the page.
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<td>American Society of Civil Engineers</td>
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<td>AUD</td>
<td>Augusta Utilities Department</td>
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<td>AWWA</td>
<td>American Water Works Association</td>
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<td>Central Heat and Power Production</td>
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<td>C.10.5 Hazardous Material and Waste Minimization</td>
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<td>C.10.6 Environmental Response</td>
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<td>C.11 SDCS/UPGRADES/CONNECTIONS AND RENEWALS AND REPLACEMENTS</td>
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<td>C.11.1 Due Diligence Adjustment</td>
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<td>C.11.2 SDCs/Upgrades/Connections and Renewals and Replacements</td>
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<td>C.11.3 Connections and Disconnections</td>
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<td>C.12 OPERATIONS AND MAINTENANCE/QUALITY MANAGEMENT</td>
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<td>C.13 TRANSITION PLAN</td>
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<tr>
<td>C.14 HISTORICAL, ARCHITECTURAL, AND LANDSCAPING REQUIREMENTS</td>
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</table>
The privatization of the potable water treatment and distribution system serving the Fort Knox Army Installation in Kentucky is a project that presents many challenges, as well as many opportunities. A project such as this demands the expertise of a utility services provider that understands the local community, environment, and regulations. Risk is reduced with a utility that has an established reputation of quality service. It also demands an understanding of the privatization process, and a team with a proven record of performance in the operation, maintenance, management, and ownership of water utilities. These are the reasons that the Hardin County Water District No. 1 (HCWD1), in partnership with Louisville Water Company (LWC) and CH2M HILL, provides the best choice in terms of forming a long-term partnership of privatization for the water facilities at Fort Knox (Exhibit ES-1).

Together, this team brings approximately 500 resources located within 40 miles of Fort Knox. We will be a highly-responsive and accountable partner for the project duration. Furthermore, our Kentucky-owned and -operated companies currently provide utility-related services to Fort Knox (Exhibit ES-2 on the following page), as well as Fort Campbell, Fort Irwin, and Fort Gordon. Our team members are intimately familiar with nuances of the installation and mission requirements of the military community.
Executive Summary

EXHIBIT ES-2
HCWD1 and LWC Retail Service Area
Our team’s service area includes metro-Louisville and the area surrounding Fort Knox and demonstrates our ability to provide quality drinking water to the local community.

Hardin County Water District No. 1

HCWD1 is recognized for the exceptional quality and value that we have provided during delivery of more than 50 years of operations in Kentucky. HCWD1 was established in 1952 and currently has over 240 miles of main water lines, a 3-million-gallons-per-day (mgd) water treatment plant (WTP) and provides quality drinking water to over 30,000 people daily. Since the Government selected HCWD1 to own and operate its sanitary and storm sewer systems, HCWD1 also now owns the 6-mgd Fort Knox Wastewater Treatment Plant (WWTP) on Post. On the following page, Exhibit ES-4 briefly highlights some of the accomplishments achieved under this contract.

HCWD1 also has wholesale connections with four other surrounding water systems. HCWD1 also owns a 5.2-mgd water pump station with a 1.25-million-gallon water tank on base, from which it is able to purchase Fort Knox water and pump into their system, and to several other consecutive systems in the region. In 2008, the City of Radcliff also turned over its sanitary sewer system, serving 8,900 homes, to HCWD1.

Positive client feedback is a key indicator of past performance and future success, as attested by the Kentucky Rural Water Association (Exhibit ES-3) about HCWD1’s commitment to customer-focused and cost-effective services.

Louisville Water Company

LWC has provided water service to the Louisville community continuously since 1854. Although originally formed as a private company, LWC has been solely owned by Louisville Metro since 1906. LWC is a nationally recognized utility with demonstrated competence in all areas of water utility operations and management. LWC is an industry leader in customer satisfaction, water quality and treatment research, drinking water regulatory compliance, infrastructure renewal, and geographic information systems.

EXHIBIT ES-3
Kentucky Rural Water Association Client Testimonial
HCWD1’s history of successfully delivering quality services demonstrates their capabilities and commitment to their clients.
Legacy of Exceptional Service
HCWD1’s Fort Knox Accomplishments

HCWD1 has successfully managed the Fort Knox sewer and stormwater systems since 2005. The following are brief highlights of the team’s accomplishments which results from the dedication of their capable resources.

- Developing and updating a GIS map for the sanitary sewer system, identifying 416,000 linear feet (lf) of line and 1,900 manholes; these figures exclude lateral lines which are being added over time. The system includes a manhole and line segment numbering system, which allows information to be tracked both on the GIS system and in the work order system.
- Performing a Sewer System Evaluation Study for the entire sanitary sewer system, with emphasis on Basins II and VIII.
- Numerous major maintenance items were completed at the wastewater treatment plant and collection system including:
  - Conversion from gas chlorine to sodium hypochlorite
  - Installation of sodium bisulfite and sodium hypochlorite chemical feed systems
  - Installation and under budget startup of the Trojan UV3000 Plus ultraviolet disinfection system
  - SCADA design and installation
  - Rebuilding of water reuse pumps
  - Manhole, catchbasin, culverts, headwalls rehabilitation and repair
  - Lift station study, design, and installations

We will bring the same commitment to the Fort Knox water system.

EXHIBIT ES-4
HCWD1’s Legacy of Service to Fort Knox

LWC’s water source is the Ohio River, an abundant, reliable supply. LWC serves 810,000 people in the metro-Louisville area and parts of Bullitt and Oldham counties. LWC also serves seven nearby water utilities, including Fort Knox. LWC’s two WTPs have a combined capability of 240 mgd. Currently, LWC water quality exceeds all regulatory standards for drinking water and was recognized by AWWA for the Best Tasting Water in America (Exhibit ES-5). In addition to serving Metro Louisville, LWC has a proven track record in acquiring, owning, and operating water systems in other communities.

AWWA’s “Best Tasting Water in America” Award, 2008

In 2008, Louisville Water Company (LWC) won AWWA’s regional and national title as the Best Tasting Water in America.

“We are dedicated to making safe, affordable, great tasting drinking water every day.”
- Greg Heitzman, LWC President

EXHIBIT ES-5
LWC received the AWWA Award for “Best Tasting Water in America” in 2008.
CH2M HILL

As the nation’s top ranked engineering firm (Engineering News-Record, 2008), CH2M HILL’s experience in utility privatization projects provides unique capabilities to support the HCWD1 team. CH2M HILL’s experience with both the Army and Navy provides approaches to system maintenance and enhancement that the Army has accepted as providing quality service, a high level of systems reliability, and best practice technology for long-term performance.

CH2M HILL has more than 60 years of demonstrated excellence in delivering water projects. From completing its first project in 1946 to delivering award-winning projects today, CH2M HILL has built a reputation as an industry leader and continues to provide top-quality services to its clients.

As stated in our team charter (Exhibit ES-6), we are committed to your program and to applying our skills, expertise, and resources to assist the Government and provide cost-effective, reliable, high-quality water services to the Fort Knox community.

The comprehensive service capabilities, team roles, and project responsibilities of the HCWD1 team are highlighted below.

**EXHIBIT ES-6**
Team Charter
Our team is fully committed to provide cost-effective, reliable, high-quality water to the Fort Knox community.

The HCWD1 Team – Bringing Full Service Capabilities to the Government

<table>
<thead>
<tr>
<th>Firm/Responsibilities</th>
<th>Benefits to Fort Knox</th>
</tr>
</thead>
</table>
| **HCWD1** Prime, Team Management, Distribution Operations | • Current owner/operator of Fort Knox wastewater and stormwater systems  
• Familiarity/institutional knowledge with Fort Knox policies, procedures and preferences  
• Locally-based firm vested in the community  
• Regulated by the Public Service Commission (PSC)  
• Strong relationships with Fort Knox and surrounding communities  
• Strength of technical expertise including AMR, SCADA, GIS, Asset Management  
• Highest bond rating (AAA)/financially secure |
| **LWC** Water Treatment/Supply, Water Quality Assurance/Quality Controls (QA/QC) | • Available source and treatment capability immediately available to Fort Knox and surrounding regions  
• Locally-based firm vested in the community  
• Water quality research and monitoring expertise  
• Financial capacity  
• Industry leader in Asset Management and infrastructure renewal  
• Exceptional water quality; “Best Tasting Water in America” Award, AWWA |
| **CH2M HILL** Capital Improvement Program Management | • Relevant Capital Improvement Expertise from Fort Gordon, Fort Irwin, Fort Campbell  
• Local office with access to over 25,000 global resources  
• #1-ranked program and construction management firm, ENR  
• Asset management leadership including Louisville Water Company |
Base and Alternate Proposal Submission

HCWD1 has included an Alternate Proposal that we believe will add substantial value to the Government’s mission at Fort Knox. Therefore, there is a separate Volume I (Technical Proposal) and Volume IV (Price Proposal) for the alternate.

Base Proposal

The Fork Knox water system includes WTPs: the Central WTP and the Muldraugh WTP. The Central WTP’s source water supply is from an intake located on Otter Creek. Although the WTP has a treatment capacity of 3.5 mgd, the Kentucky Division of Water permit allows source withdrawals between 2.0 and 3.4 mgd, depending on the month. The maximum average annual withdrawal amount is 2.65 mgd. During drought years when water is needed the most, the KDOW can temporarily alter the conditions of the permit and reduce the amount of flow that can be withdrawn. During the drought of 1999, the flow in Otter Creek decreased to 4.9 mgd, threatening the safe yield from this water source. In order to augment the surface water supply, a connection to the well fields was constructed, which utilized the 14-inch raw water main owned by HCWD1.

The Muldraugh WTP’s source water can be supplied from either the three wells owned by HCWD1 or the 12 wells owned by the Department of the Army (DOA). Given the high levels of chlorides in the raw water from several wells in the DOA well field, coupled with the poor condition of the Muldraugh WTP, the Army is planning to replace the potable water capacity at the Muldraugh WTP with purchased water from a local municipality. The Army does not plan to expend any significant amount of funding at the Muldraugh WTP because the alternative potable water source will be provided within the next 5 years.

This proposal assumes that the Army will purchase the equivalent amount of water that is currently produced at the Muldraugh WTP directly from the local municipality, and the cost of such commodity is therefore not included with this proposal. At the time the Muldraugh WTP is decommissioned, the operations and maintenance staff will be transferred to other facilities owned and operated by the Louisville Water Company.

Alternate Proposal

Our team is uniquely capable of providing an alternate proposal that meets the Army’s long term strategic objectives with the following additional benefits:

- **Reduced Cost.** This alternate proposal allows Fort Knox to participate in a regional water supply program with minimal capital investment and substantial savings over the life of the project, as presented in Volume IV Pricing Proposal - Alternate.

- **Price Stability.** LWC is able to provide a continuous investment in its water system while maintaining stable water rates. Over the past 18 years, the wholesale water rate increased much lower than the Consumer Price Index, as shown in Exhibit ES-8.

- **Improved Reliability.** LWC has a virtually unlimited water supply, treatment and distribution system with a total capacity of 240 mgd. LWC currently has 35 mgd of available peak day capacity from a dependable water source (Ohio River).

- **Improved Water Quality.** HCWD1 would replace the current water supply at Fort Knox, which is faced with water quality concerns, with high quality drinking water from LWC.

The significant feature of the alternative proposal is the replacement of the capacity of the Central WTP with a water supply through a partnership formed by HCWD1 and LWC. To provide this service, LWC would fund the extension of their 16-inch water main on Dixie Highway to the West Point well field. Once the water supply is at the well field, a 5 mgd booster pump station would be constructed. The cost of the pump station would be shared by the Army and our team. Since 3.5 mgd of the pump station capacity would be dedicated to the Fort Knox water system to replace the capacity of the existing Central Plant, our team would fund 30 percent of the cost of the pump station.

The LWC/HCWD1 partnership would also clean and disinfect their existing 14-inch raw water main and convert it into a finished water transmission main. Similarly, the cost to install sodium hypochlorite disinfection facilities will be shared. These facilities are
Executive Summary

needed to convert the disinfectant residual from chloramines to free chlorine. The capacity of these facilities in excess of 3.5 mgd would be dedicated to supply HCWD1.

Although the Central WTP would be decommissioned, the historic WTP building (Building 1205) will be maintained. The process equipment will be removed and the tanks will be leveled and filled with soil to level grade. Once the Central WTP is decommissioned, several projects listed in the Government Recognized System Deficiencies (J1.12) will no longer be needed, such as the new water line from the Muldraugh WTP to the 16-inch raw water line, repairs to the Otter Creek Pump Station, Automatic Transfer Switch at Otter Creek Pump Station, and the line between Otter Creek and the Central WTP.

Proposal Organization

HCWD1 is the proposed owner, financier, operator, and manager of all of the Fort Knox utility systems (water treatment and distribution). HCWD1 has prepared this proposal in accordance with Section L of the RFP. Assumptions made during the preparation of this response are provided in Attachment I-1. The following volumes specifically address all RFP requirements:

- Volume I – Technical Proposal (and separate alternate volume)
- Volume II – Past Performance
- Volume III – Contract Documentation
- Volume IV – Price Proposal (and separate alternate volume)

In Volume I, each of the following technical capability subfactors 1-5 are addressed.

1. Service Interruption/Contingency Plan

In Subfactor 1, HCWD1 has developed a comprehensive Service Interruption/Contingency Plan that extends the water distribution services we provide on a daily basis in local community. We bring a team of experienced staff and the resources to respond immediately with a service call center that is staffed 24 hours a day, 7 days a week (24/7). Our objective at Fort Knox is to ensure continuous, dependable, and reliable water to the Fort Knox community. In this Plan, we provide an overview of the proven operating procedures we propose to implement to address any short-term or long-term service disruptions and ensure services are provided 24 hours a day.

2. O&M/Quality Management Plan

The O&M/Quality Management Plan (Subfactor 2) has been developed to ensure no service interruptions occur in the Fort Knox water distribution systems. With a team that includes certificated water operators, there will be no compromise in quality or reliability. Likewise, cross-training will ensure sufficient depth and redundancy of resources. Our proposed plans address how the performance standards and/or specifications outlined in the RFP will be met. The plan is based upon our proven utilities management programs that have resulted in our team members being quality providers of utility services in Kentucky. The HCWD1 team brings technical experts readily available to solve any problems that might be encountered. Collectively, we have been providing utility and construction services in Kentucky for over 150 years.

3. Capital Upgrades and Renewals and Replacements Plan

In Subfactor 3, HCWD1 is proposing a Capital Upgrades and Renewals and Replacements Plan that will enhance the reliability of the Government’s utility systems and reduce O&M needs. We have proven expertise in developing and implementing these plans. We are confident that the initial capital upgrades and renewals and replacements outlined in Subfactor 3 and the application of our proven methodology for future renewals and replacements will serve the Government well through the duration of this contract—providing utility systems that meets or exceeds the Government’s performance standards for quality, reliability, and cost-effectiveness.
4. Operational Transition Plan
In our proposed Operational Transition Plan in Subfactor 4, HCWD1 has provided a deliberate and phased approach to achieve a smooth transition from Fort Knox’s operations to HCWD1’s ownership and operation. Our transition plan will provide for a systematic transfer of assets and operational responsibilities without risk of degrading the quality or reliability of the utility services. In this proposal, we highlight our acquisition experience and how we were able to hire the necessary staffing and transfer all O&M responsibilities within a 365-day period without any reduction in service to the utility customers.

5. Financial Strength
HCWD1 has the financial strength and capability to finance the cost of Initial System Deficiency Connections (ISDCs), renewals and replacements, and operating costs, and to provide the long-term price and service stability the Government desires. HCWD1 is a special state government sub-district, organized under Kentucky Revised Statutes Chapter 74 and is regulated by the Kentucky Public Service Commission (KPSC).

This utility has both positive growth and financial stability. Our financial capacity is proven by the strong growth in operating income and our 2008 projected debt to capital ratio of 0.24. HCWD1 has combined assets of $65 million and strong financial balance sheets. Strong growth in earnings, reduction in debt, healthy balance sheets and substantial assets, through all these we bring the financial strength and capability to fulfill all financial and bonding requirements of the Fort Knox utilities privatization. Our financial strength and stability is reflected in both, HCWD1 and LWC’s, ability to continuously maintain retail water rates as illustrated in Exhibits ES-7 and ES-8.

EXHIBIT ES-7
HCWD1’s Historical Retail Rates
HCWD1 has the financial strength required for the Fort Knox privatization project and long-term price and service stability the Government desires.

Retail Rates and Consumer Price Index

Use of this sheet is subject to the restriction on the title page of this proposal.
Benefits to the Government

The HCWD1 team is comprised of Kentucky-owned and operated companies that are committed to our community and bringing efficient, reliable and cost effective utility services to the Army while sustaining the mission of Fort Knox. By selecting HCWD1 as your utility service provider, the Government will realize the following benefits.

- **Reliability.** Hiring a Kentucky-based, regulated utility with a thorough understanding of privatization and experience working at military installations, including Fort Knox, ensures that utility services for the Fort Knox water distribution system will be managed efficiently from Day 1. We have performed every task required for utility services in previous projects. The benefit to the Army is a minimization of costs and reliable, long-term utility services.

- **Reduced Risk and Regulated Utility Model.** HCWD1 is a regulated utility with a history of successfully providing similar services to Fort Knox. Our team brings regulated utility models in water as well as the relevant certifications in the State of Kentucky. HCWD1 understands and complies with the high standards set and enforced by regulators in the State.

- **Quality.** The HCWD1 team has been the recipient of numerous awards for innovation and excellence as well as commitment to the community. Recent accolades are listed below.

### Since 2000, HCWD1’s awards have included:

- 2000 First Place Award for Marketing and Customer Relations, American Water Works Association Kentucky/Tennessee Chapter
- 2000 Design Honor Award for Ft. Knox Interconnected Pump Station, American Council of Engineering Companies/Kentucky Council of Engineering Companies
- 2001 Recognition for Excellent Customer Service by the Kentucky Senate
- 2001 Second Place Award for Marketing and Customer Relations, American Water Works Association Kentucky/Tennessee Chapter
- 2002 First Place Award for Internal Relations by American Water Works Association Kentucky/Tennessee Chapter
- 2003 Award of Excellence for Safety by the American Water Works Association Kentucky/Tennessee Chapter
- 2004 Nominee for Public Water System Excellence Award by EPA Region 4
- 2005 Selection as one of the Top 3 “Best Tasting Water” in Kentucky by the Kentucky Rural Water Association,
- 2007 Recognized as having a “Totally Optimized Water Plant” by KY Division of Water
- 2007 Finalist for Wooden Bucket Award, U.S. Department of Agriculture
- 2008 Award of Excellence by American Water Works Association Kentucky/Tennessee Chapter

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**EXHIBIT ES-8**

LWC’s Wholesale Water Rates
Our history of stable water rates provides confidence in our financial strength and demonstrates our commitment to providing cost-effective services now and in the future.
Executive Summary

The HCWD1 Team - Brings the Best Value and Lowest Risk to the Government

Our team was assembled and structured to provide the best value and lowest risk to the Government for this important project. As a result, when measured against the Section M of the RFP “Evaluation Factors for Award” all criteria are met and exceeded by our team.

**FACTOR 1: TECHNICAL CAPABILITY**

<table>
<thead>
<tr>
<th>Sub-factor and Evaluation Criteria</th>
<th>HCWD1 Team’s Qualifying Attributes</th>
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<tr>
<td><strong>Sub-factor 1: Service Interruption/Contingency and Catastrophic Loss Plan</strong></td>
<td>Will be evaluated for the degree to which it ensures an appropriate, efficient and effective response to service interruptions and contingencies and catastrophic system losses.</td>
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<td>✓ The proximity of HCWD1 teams near Fort Knox will allow us to be highly-responsive and provide additional resources during emergencies.</td>
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<tr>
<td>✓ We bring proven procedures and policies that have successfully been applied to similar operations at military installations including Fort Knox and are based upon water distribution codes and standards for operating utilities in Kentucky.</td>
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<td>✓ Team includes key senior managers (Jim Bruce and Brett Pyles) that were instrumental in the privatization of the Fort Knox wastewater and storm water systems as well as other local municipal systems.</td>
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<td>✓ Technical support provided by highly experienced operations personnel with more than 30 years operating a water utility.</td>
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<td>✓ Dedicated project team that includes health, safety, engineering, environmental, construction, system operations, and maintenance personnel.</td>
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<td>✓ Access to a local resource base of approximately 500 supported by more than 25,000 global resources with utility expertise to solve any problems that could arise.</td>
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<td>✓ An Emergency Restoration Plan that addresses emergency situations to eliminate any confusion for first responders.</td>
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<td>✓ Experience managing $450 million disaster response effort after Hurricane Katrina and Rita, utilizing 800 CH2M HILL employees and 600 temporary workers.</td>
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<td><strong>Sub-factor 2: Operations and Maintenance Plan/Quality Management Plan</strong></td>
<td>Will be evaluated for the degree to which it ensures appropriate, efficient and effective operation and maintenance of the utility system(s) and a superior level of quality.</td>
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<td>✓ We currently operate and maintain the Fort Knox wastewater and stormwater system in addition to operating utilities for other clients in Kentucky.</td>
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<td>✓ We currently provide similar services to other military installations including Fort Gordon, Fort Campbell, and Fort Irwin.</td>
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<td>✓ Operators in HCWD1 and LWC average more than 20 years of experience in respective utility areas. In-house utility operators are among the highest qualified, based upon state certifications within the entire state.</td>
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<tr>
<td>✓ Our O&amp;M Plan leverages the leadership and experience of three industry leaders, committed to ensuring Fort Knox’s Water System is ready and capable to meet the needs of the Fort Knox community.</td>
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#### Sub-factor 3: Initial System Deficiency

**Corrections and Initial Renewals and Replacements Plan**  
Will be evaluated for the degree to which it supports the long-term ability of the utility system(s) to provide utility service(s).

- Vested members of the local communities, Kentucky-based and -operated firms are committed to the long-term success of the utility system(s).
- The HCWD1 team has extensive experience in operations in the local area.
- We have established relationships with the state and Environmental Protection Agency (EPA) in regards to permitting and construction of utility systems.
- Financial strength and steady wholesale water rates.

#### Sub-factor 4: Operational Transition Plan

Will be evaluated for the degree to which it will ensure an effective and efficient transition.

- HCWD1’s experience with the privatization of Fort Knox’s wastewater and stormwater system.
- Team’s collective experience transitioning operations for other municipalities and Government facilities.

#### Sub-factor 5: Financial Strength

Will be evaluated for stability and adequacy to satisfy the long-term capital requirements for owning, operating, and maintaining the utility system(s). This is to be reflected in documented evidence that the Offeror is in sound financial condition and has the ability to secure the necessary financing now and in the future.

- HCWD1 has a strong financial and managerial network to provide the capital investment, purchasing power, and financial capability necessary for the success of this project.
- Total assets of HCWD1 exceed $65 million.

### FACTOR 2: PAST PERFORMANCE

Will be evaluated based on the degree to which current and previous (within the past 5 years) contract efforts indicate the probability of the Offeror successfully accomplishing contract requirements throughout the performance period. The currency and relevancy of the information, source of the information, context of the data, and general trends in Offeror’s performance will be considered. In the case of an Offeror without a record of relevant past performance or for whom information on past performance is not available, the Offeror will not be evaluated favorably or unfavorably on past performance. However, a higher rating may be achieved if the Offeror proposes management personnel who have a successful record of performance on relevant and recent contracts, or if a proposed subcontractor (who will be performing a significant portion of the work) has a "very good" or better performance history on relevant and recent contracts. Offerors are advised that the Government may use information gained from any source known to the Government to evaluate past performance, provided such information is recent (within the past 5 years). However, the Government reserves the right to only consider the Contractor’s performance under Government or DESC contracts. If any past performance information provided by the Contractor is utilized in evaluating the Offeror’s proposal, a past performance questionnaire will be utilized to contact references and rate proposals.

- The HCWD1 team brings experience in all areas required by the RFP—unmatched by any other competitor.
- HCWD1’s history of successfully managing and operating the Fort Knox systems – including team members Jim Bruce and Brett Pyles.
- Our team has experience in utility reconstruction on Army bases including Fort Gordon, Fort Irwin, and Fort Campbell.
- Team’s current and previous contracts with the Army prove the team’s ability to successfully implement this contract.
- Utility system capital upgrades of the types needed at Fort Knox have been successfully implemented for other clients by the HCWD1 team.
- HCWD1 has the financial capacity to undertake the proposed utility privatization of Army installations.
**Executive Summary**

**FACTOR 3: RISK**

<table>
<thead>
<tr>
<th>Sub-factor and Evaluation Criteria</th>
<th>HCWD1 Team’s Strengths and Attributes</th>
</tr>
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</table>
| **Subfactor 1: Performance**       | • HCWD1 is proposing as a regulated utility for all utility services.  
• HCWD1 is Kentucky-owned and -operated. Our local presence ensures qualified and certified operators, technical experts, and resources (materials, spare parts, trucks, etc.) are available to respond in any emergency.  
• Collectively, the HCWD1 team provides approximately 500 local resources with diverse skills and capabilities to fulfill any project need. |
| Proposals will be evaluated on the degree to which award of a contract would present a risk of degradation of the quality of utility service(s). | |
| **Subfactor 2: Assurance of Long-term Price and Service Stability** | • HCWD1’s proposal will provide a regulated rate for utility services.  
• There are no set increases in rates. Should costs rise, HCWD1 will petition for a rate increase that will be subject to public comment. We will consult with the Army in this process.  
• We have already negotiated regulated utility coverage for wastewater services with the Army at Fort Knox. Since the regulated structure was implemented, there have been no issues on rates, service or responsiveness.  
• As illustrated in Exhibits ES-7 and ES-8, both HCWD1 and LWC have stable water rates which provides long-term price and service stability. |
| Proposals will be evaluated on the degree to which long-term price and service stability are enhanced as a result of regulation by an independent federal, state or local regulatory authority with jurisdiction over the applicable utility service. | |
| **Subfactor 3: Cost Realism** | • Our team brings extensive experience providing required utility services and has a clear understanding of the requirements of the scope of this RFP.  
• By providing these utility services under the regulation, the Army will be assured that rates it pays for utility services are just and reasonable.  
• Commodity options with pricing have been provided to demonstrate to the Government additional cost savings. |
| A cost realism analysis will be performed in accordance with FAR 15.404-1(d)(3). Realism will be based on an evaluation of the information provided in support of the offered price to determine if the prices reflect a clear understanding of the requirements; are consistent with the various elements of the offer’s technical proposal; are not unbalanced; and are neither excessive nor insufficient for the effort to be accomplished. Reasonableness will be determined based on prices submitted by the competition, current market conditions, and comparison to the Government estimate, as appropriate. | |
| **Subfactor 4: Other possible long-term costs and benefits** to the United States, if the conveyance affects separate contract relationships, particularly for commodities. | • LWC will provide the optimal level of staffing to meet the daily operating requirements of the water treatment plants, and yet have a depth of resources readily available when needed (base and alternate).  
• At the time the Muldraugh WTP is decommissioned, LWC is able to transfer the operators to other treatment facilities within their system, thus reducing the transition cost to the Army (base).  
• At the time the Muldraugh and Central WTPs are decommissioned, LWC is able to transfer the operators to other treatment facilities within their system, thus reducing the transition cost to the Army (alternate). |
| | |

**FACTOR 4: SOCIOECONOMIC PLAN**

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| HCWD1 is a special state government sub-district, organized under Kentucky Revised Statutes Chapter 74 and is regulated by the KPSC.  
As a Kentucky-owned and -operated team, we bring a commitment to utilize experienced and local small businesses for support services. Our Socioeconomic Plan has been prepared in accordance with RFP Section L.6.3.3 and includes small business utilization goals set forth by statutory requirements. | |

<table>
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<tr>
<th><strong>Subfactor 4: Other possible long-term costs and benefits</strong> to the United States, if the conveyance affects separate contract relationships, particularly for commodities.</th>
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**Use of this sheet is subject to the restriction on the title page of this proposal.**
## FACTOR 5: PRICE

For Price Schedule B-1, the total evaluated price (Price Schedule and Price Schedule Data Sheets, as applicable) will be the net present value of the stream of monthly payments the Government is expected to make to the Contractor over the 50-year contract period. Each monthly payment will be calculated by crediting the total monthly payment (the Applicable Tariffs including ISDCs/connection charge(s) and initial renewals and replacements and the recoverable portion of the purchase price expressed in the price proposal) by the purchase price CLIN 0001. Present values will be calculated using the discount rate specified in Appendix C of OMB Circular A-94 (current issue at the time proposals are due).

- HCWD1 has provided the appropriate Price Schedules B-1 and supporting data sheets in order for the Government to be able to evaluate tour price proposal.
- As requested in the RFP, we are providing our tariff proposal. Additionally, detailed pricing data are provided in Schedule 5 for the 50-year contract period.
- As a regulated utility HCWD1 rates must be based on fair and reasonable costs. Further, as a customer of a publicly regulated utility, the Army will have the right to intervene and provide input both for and against any issues in all RCA proceedings.
- HCWD1 has an existing contract to treat the Fort Knox wastewater under a tariff approved by the RCA.
I.1 Service Interruption/Contingency Plan

Hardin County Water District No.1 (HCWD1) has prepared this Subfactor in a manner that provides a comprehensive approach to continuity of service. Our approach addresses both the short-term responses to individual service disruptions that may occur and the long-term provision for service continuity.

The service interruption and contingency plan contains the following elements:

- Procedures and Provisions for Reacting to All Service Interruptions
- Resources to be Utilized in the Implementation of the Procedures Described in the Plan
- Detailed Contingency Plan
- Estimated Response Times
- Procedures for Handling Service Calls
- Re-establishment of Temporary Service
- Reestablishment of Permanent Service
- Emergency Restoration Plan
- Installation of Specific Requirements
- Possible Causes for Service Interruptions and Response Plans
- Catastrophic Loss Plan

I.1.1 Procedures and Provisions for Reacting to All Service Interruptions

It is our objective and commitment to provide dependable, continuous, and reliable water service to Fort Knox 24/7. HCWD1 will be ready to respond to emergency situations upon notification through our call center. The initial contact person to be notified is the Distribution Supervisor who will be responsible for contacting and dispatching appropriate maintenance personnel.

HCWD1 will operate the facilities to accepted Federal, State, and industry standards, including those published by the American Water Works Association (AWWA), the National Electric Code (NEC), National Electric Safety Code (NESC), American Society of Civil Engineers (ASCE), and the National Fire Protection Association (NFPA). These referenced documents will be maintained in our on-Post office and will be available to appropriate staff. Selected standards and codes we use and consider in developing upgrades are listed in Exhibit I.1-1.

Standard Operating Procedures (SOPs) will be tailored to Fort Knox and address all aspects of service interruption. These SOPs outline specific procedures for each type of interruption, as well as contingency plans for restoration of services. These SOPs will be maintained on-Post and readily available to all personnel and will be reviewed and updated on a regular basis. All staff will be trained regularly in the procedures outlined in the SOPs so that in the event of a service interruption, restoration of services will be completed in a minimal amount of time. SOPs developed for the facility will also incorporate emergency operating considerations (See Sections 1.3 and 1.4 for additional discussion).

EXHIBIT I.1-1
Typical Codes and Standards for Operating Utilities

<table>
<thead>
<tr>
<th>Code/Standard</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIPRA Handbook</td>
<td>Water Distribution Operator's Handbook</td>
</tr>
<tr>
<td>Water Supply Operations—Volume 3</td>
<td>OSHA</td>
</tr>
<tr>
<td>Kentucky OSH</td>
<td>Kentucky Plumbing Code</td>
</tr>
<tr>
<td>Kentucky Electric Code/Life Safety Code</td>
<td>Americans with Disabilities Act (ADA)</td>
</tr>
<tr>
<td>Federal Codes and Regulations including CFR 141 and 143</td>
<td>EM 385-1.1 USACE Safety and Health Requirements Manual</td>
</tr>
<tr>
<td>Industry Standards for Water Facilities</td>
<td>AWWA Recommended Practices</td>
</tr>
<tr>
<td>AWWA C502-94</td>
<td>AWWA C500-983</td>
</tr>
<tr>
<td>AWWA C700-95</td>
<td></td>
</tr>
<tr>
<td>NESC Codes</td>
<td>Numeral Codes</td>
</tr>
<tr>
<td>KDOTW Title 401 KAR Chapter 8 Water Regulations</td>
<td>U.S. Public Health Service Standards</td>
</tr>
<tr>
<td>Army and Fort Knox Regulations</td>
<td>National Fire Protection Association Codes and Standards</td>
</tr>
<tr>
<td>Military Handbooks including MIL-HDBK-1008C</td>
<td></td>
</tr>
</tbody>
</table>

Examples of the SOPs to be tailored for Fort Knox and incorporated into our operations and
maintenance (O&M) Plan/Quality Management Plan include:

- **General Procedures.** These procedures typically include: service conditions tracking procedures; facility notification for scheduled or emergency outages; service interruption procedures; customer concern/complaint handling; and various inspection procedures.

- **Water Treatment and Distribution.** These procedures typically include: managing water failures; operation of electrical systems; alarm testing; state sampling requirements and procedures; operation of pumps, chemical feeders, etc.; procedures for line breaks; disinfection procedures; tank isolation procedures; managing failures of various systems; monitoring procedures; etc.

For this contract, HCWD1 will have a designated telephone number that will be used for incoming service requests. The appropriate project personnel will be notified of the service request and an estimated arrival time of the crew will be provided to the Government based upon the type of service call assignment.

The following procedures are in place to support any type of services provided at Fort Knox.

- **Provisions.** For all system upgrades and major construction projects, HCWD1 staff and subcontractors will provide temporary services of out-of-service components to maintain service to Fort Knox customers during these construction projects.

- **Standby Power.** Standby generation will be provided for all pump stations by either mobile or installed units in order to provide power when needed during extended service disruptions.

- **Scheduled Service Outages.** HCWD1 will coordinate with the Government and other contractors to facilitate service outages and underground utility locates when needed. HCWD1 will coordinate scheduled outages with Fort Knox’s Department of Public Works (DPW). We will provide the date and time of outage, a list of buildings affected, and the estimated duration. Additionally, we will be responsible for notifying all affected building managers of the outage. No scheduled outages will be performed without notification to affected building managers. Likewise, we will work with the Post to reschedule routine outages if they adversely impact mission operations. We will track outages until work is complete and provide the appropriate notifications that services have been restored.

- **Excavations.** HCWD1 will comply with the Fort Knox excavation permit process. In emergency situations where excavations are required for repairs, HCWD1 will immediately notify the Contracting Officer’s Technical Representative (COTR) and follow Post protocol.

Long-term plans for service continuity are addressed in the following ways:

- **Capital Upgrade and Renewal and Replacement Plans.** Subfactor 3 addresses our approach to initial system upgrade and replacement, in addition to our overall approach to long-term renewal and replacements for the water treatment and distribution systems. These plans provide for addressing the current deterioration of the systems that make the utilities susceptible to service disruptions. Our plan targets the most critical components in the systems where breakdowns typically occur first, and ensures these items are in optimal condition to reduce the potential for service disruptions. Our plan also includes the tracking of system failures and performance against our service standards. Whenever system modifications are planned, all practical efforts will be made to minimize downtime and restore service as soon as possible. Temporary services can also be installed to continue service during major modifications.

- **Maintenance Management.** Diligently performing preventive and predictive maintenance on system components significantly decreases the number of unplanned emergency failures. All preventive maintenance (PM) activities will be tracked through HCWD1’s Computerized Maintenance Management System (CMMS), as described in Subfactor 2 of this proposal. Our CMMS program includes the following policies:
- Valves and hydrants will be exercised every 2 years.
- To avoid failures, diesel generators will be tested monthly and maintained in accordance with manufacturer recommendations.
- Selected critical equipment will receive vibration monitoring.
- Periodic current checks will be performed to track and trend equipment condition and wear.

I.1.2 Resources to be Utilized in the Implementation of the Procedures Described in the Plan

I.1.2.1 Management Organization

HCWD1’s General Manager, Mr. Jim Bruce, will be the Project Manager and primary contact for business and ownership issues. Mr. Brett Pyles, Operations Manager, will serve as the Deputy (Alternate) Project Manager and will be the primary contact for and will be responsible for daily operational issues. HCWD1 proposes to employ a team of HCWD1, the Louisville Water Company (LWC), and CH2M HILL for the operations, maintenance, and engineering support for O&M of the water treatment and distribution facilities. Our mission is to provide honorable stewardship over Fort Knox’s facilities. Exhibit I.1-2 describes the specialized roles of HCWD1’s team.

Exhibit I.1-2
Summary of the Specialized Team Members

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Relationship</th>
<th>Role</th>
<th>Key Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCWD1</td>
<td>Owner</td>
<td>Own, finance, and manage the utility systems</td>
<td>Jim Bruce, General Manager</td>
</tr>
<tr>
<td>HCWD1</td>
<td>Department of Owner</td>
<td>Operate and manage the utility systems (potable water distribution)</td>
<td>Brett Pyles, Operations Manager</td>
</tr>
<tr>
<td>LWC</td>
<td>Subcontract to HCWD1</td>
<td>Operate and maintain the Water Treatment Plants</td>
<td>Jim Smith, Water Treatment Project Manager</td>
</tr>
<tr>
<td>CH2M HILL</td>
<td>Subcontract to HCWD1</td>
<td>Capital Improvement Plan Program Management</td>
<td>Robert Neath, Engineering Manager</td>
</tr>
</tbody>
</table>

Administrative and Financial Staffing

Management and administration of the contract will be accomplished by HCWD1’s staff. As previously mentioned, General Manager Jim Bruce will be the direct contact for the Department of the Army for all business aspects of the contract. Mr. Bruce will devote as much time as needed for administration of the contract. Mr. Bruce will direct HCWD1’s staff to accomplish key administrative functions, such as the coordination and administration of subcontracts with LWC, and CH2M HILL; procurement of subcontracts for the system upgrades and capital improvements; billing and accounts receivable to the Department of the Army; cost accounting functions; and general administration of the contract for the Department of the Army. Exhibit I.1-3 presents the proposed project management organization.

Mr. Bruce will be directly supported by the Operations Manager, Brett Pyles, who will serve as the Deputy (Alternate) Project Manager for support with the water distribution and water treatment systems, procurement, and contract administration tasks. Supporting Mr. Bruce and Mr. Pyles will be the HCWD1 team; this team encompasses the HCWD1 management team, including the HCWD1 team currently managing and operating the Fort Knox wastewater systems. In addition, HCWD1 has partnered with the LWC and its 450 employees, and the 25,000 engineers and scientists at CH2M HILL. HCWD1’s entire team is committed to devoting appropriate human resources to ensure prompt resolution of service interruptions.
HCWD1 has assembled a leadership team of industry leaders to ensure that this key aspect of our partnership with Fort Knox is executed at the highest level. Each of these key personnel is dedicated to the delivery of our Service Interruption/Contingency and Catastrophic Loss Plan, outlined above. Our plan ensures service availability 24/7, and in the event of service interruption service restoration activities are carried out safely, promptly and efficiently.

I.1.3 Detailed Contingency Plan

A general flowchart of our response plan to service calls is presented in Exhibit I.1-4. All incoming calls from installation personnel will be made to the 24-Hour Call Center/Dispatcher. The caller should identify themselves as a Fort Knox tenant, which facility requires the service, and the nature of the call. The Work Order is initiated and entered into the CMMS (Exhibit I.1-5).

The Distribution Supervisor is notified that a Fort Knox Work Order Request has come in, and an on-site representative will be notified immediately after the call is received to further assess the nature of the call. Normal, routine calls will be directly dispatched to the appropriate maintenance crew. Emergency calls and after hours calls are forwarded to the on-call supervisor for prioritization, assignment, and response.

All service requests will be documented, and the time of the call, time of the service response, cause of the request, and action taken (including the time and date completed) will be recorded by HCWD1. These records are maintained in the CMMS and will be made available to the Contracting Officer upon request.

I.1.3.1 Procedures for Submitting Services Requests

We understand that the Government will designate the requests as ‘emergency,’ ‘urgent,’ or ‘routine’ during the service request.
Exhibit I.1-4
Service Call and Emergency Call Response Plan

Service Call and Emergency Call Response Plan

Customer Call

- Call Received by Staff
- Call Received by Dispatch 24/7

Respond to Call

Assess Situation and Make Recommendation

- No
- Yes
  - Does This Situation Pose Immediate Health Risk?

- Yes
  - Notify Response Team
  - Perform Repair Actions

- No
  - O&M Review and Approve
  - Corrective Work Order Generated

- ✓ Plan
- ✓ Prioritize
- ✓ Schedule
- ✓ Assign
- ✓ Issue
- ✓ Followup

- Crew Completes Work
- Work Order Reviewed and Closed

Resume Normal Operations

FTK_110_1
The preferred method of submitting a service request would be through the 24-hour telephone number. In the event the telephone lines are down, service requests can be made via cell phone to the Distribution Supervisor. The appropriate project personnel will be notified of the service request and an estimated arrival time of the crew will be provided to the Government. Response time is based upon the type of service call assignment.

I.1.3.2 Coordination of Activities

After contract award, HCWD1 will review existing plans at Fort Knox and develop final operating procedures for water service coordination at the Post. We recommend that these procedures be developed jointly with the departments and activities involved. For example, routine meetings with the master planners and engineers will ensure timely provision of water services to new facilities and coordination of pending and active construction/rehabilitation projects.

Person-to-person interactions between DPW and HCWD1 will be on appropriate levels. For example, the Project Manager will maintain close working relationships with COTR and DPW management to coordinate larger projects. He will be available to resolve any concern. We will maintain and encourage open communications with the DPW staff and civilian workforce.

The general customer base at Fort Knox will be informed about relevant issues, such as outages and road closures and news with special newsletters and notifications, posters in public areas, and through signs on Post. In addition, HCWD1 will coordinate with the DPW, the Command Group, and COTR as follows:
• **Administrative Issues**: HCWD1 will coordinate with the administrative section of DPW through the COTR on issues related to master planning and military construction that would impact utility expansion requirements. The installation master planning section initiates military construction projects several years in advance, and the planning for these projects must of necessity be included in utility planning efforts. The focal point for such construction is the administrative offices of the DPWs and through periodic meetings, planning will be proactive rather than reactive. These meetings will also serve as the forum for discussions of O&M, Capital Improvements Program, and customer satisfaction reviews.

• **Repair and replacement projects** that are recommended by HCWD1 will be discussed with the Contracting Officer (CO) or COTR. We will coordinate the upgrades and renewal and replacement plan during these meetings, as well as changes in staffing and other requirements. HCWD1 staff will ensure that major projects for repair, replacement and installation of facilities, equipment, and infrastructure are on the agenda. Meetings will cover planned engineering projects, projects under design and construction, and specific long-range water requirements. The intent of such meetings will be to resolve any potentially overlapping or interfering conditions or conflicts.

• **Operations and Maintenance Projects**: Communications with the DPW will be both formal and informal. HCWD1 will meet with the DPW staff to discuss schedules and upcoming major and minor work prior to initiation of the work. We will also provide notice to the DPW on any planned work scheduled so it can be coordinated with residents or occupants of the areas affected. The General Manager will conduct regular visits to Fort Knox to ensure that the Army is satisfied with the work being performed and that the project has all of the resources needed to meet Army expectations. It is the intent of HCWD1 to ensure all work is fully communicated and coordinated with the DPW staff at Fort Knox.

Communications will occur on a daily basis. Our project personnel will become familiar with their counterparts in the DPW to maximize coordination and expedite response situations. We will support DPW for any required exterior utility services, and coordinate whole or partial system outages with DPW, the Fire Department, and potentially affected facilities. We will also coordinate digging permits, disaster recovery efforts, meetings, and work schedules during our meetings with DPW. HCWD1 also recommends regular meetings with DPW and other utility owners to ensure thorough coordination with key players on Fort Knox involved in potentially conflicting work.

I.1.4 **Estimated Response Times**

As stated in RFP Section C.8 Repair Response Notification Procedures, we understand the Government will assign ‘emergency,’ ‘urgent,’ or ‘routine’ designations when contacting HCWD1 with a service call. Once a service call is received, on-site personnel will be notified via a work order and will be categorized as Emergency, Urgent, or Routine as identified by the Government during response notification. These personnel will be authorized to acquire the necessary equipment, material, and personnel to respond to the situation. Our response will include personnel and equipment to assess and begin repairs within the specified time. Response times for various types of service calls (whether during or after normal duty hours) are highlighted in Exhibit I.1-6.
Exhibit I.1-6
Response Times for Each Type of Service Call Meets Requirements Specified in the RFP

<table>
<thead>
<tr>
<th>Type of Service Call</th>
<th>Response Time</th>
<th>Completion Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Service</td>
<td>Respond within 30 minutes during normal duty hours</td>
<td>Remedied or downgraded within 24 hours of receiving request*</td>
</tr>
<tr>
<td></td>
<td>Repair crews on scene within 1 hour during duty hours</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Respond within 1 hour during non-duty hours</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Repair crews on scene within 2 hours during non-duty hours</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Zussman Range, Yano Range and Basham’s Corner within 1.5 hours during normal duty hours, and 2 hours during non-duty hours</td>
<td></td>
</tr>
<tr>
<td>Urgent Service</td>
<td>Within 3-working days of request</td>
<td>Within 7 business days of receiving request*</td>
</tr>
<tr>
<td>Routine Service</td>
<td>Within 5 working days of request</td>
<td>Within 10 working days of receiving request*</td>
</tr>
</tbody>
</table>

*Unless there is a delay from the Government or HCWD1 cannot procure necessary materials.

**Routine service** interruptions or service requests are scheduled to perform routine maintenance of the distribution system or to add or delete connections, either at the request of the customer or at the initiation of the utility. The following situations would typically be declared routine and would be responded to on a timely basis:

- Requests by the customer for installation of new or redundant services
- Requests by the customer for utility service interruptions to a building so that work could be performed in the building
- Requests by the utility to shut off utility service to a building or facility so that an operation or maintenance task could be performed such as replacing system components or performing repair and replacement activities
- Utility locates within 48 hours

Routine work, such as the scheduled repair, replacement, or removal of system components that require service interruption, will be coordinated with the COTR to ensure minimal impact to the mission and operations. Notification will include date, time of outage, a list of buildings that will be affected, and the estimated time until the service will be restored. We understand that Fort Knox reserves the right to require HCWD1 to postpone work requiring service interruption if such interruption might adversely affect the Posts’ missions and operations. If an interruption is postponed, the parties will coordinate a mutually acceptable alternate time for the scheduled service interruption. Scheduled utility outages may be required after normal working hours to lessen the inconvenience to Post mission critical functions. We will be able to provide an initial response to these routine service requests within 5 calendar days of request and non-emergency work will be accomplished within 10 days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

**Urgent service** requests are made in situations that are not an emergency, but when the situation significantly hinders performance of Fort Knox activities and requires elimination of hazards that may present health and safety concerns. These services can include but are not limited to, downgraded emergency responses, special events schedule, and reduced service at mission critical facilities or housing. We will have the on-site resources and employees to respond to urgent outages within 3 working days, and the work will be completed within 7 days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials). If circumstances beyond HCWD1’s control limit the completion of work, temporary services or other temporary measures will be constructed to maintain service to the customers. The following are examples of situations that would typically be declared urgent situations:
• A water main or water service line leak that does not threaten to flood buildings or does not pose a safety risk
• Accidents caused by equipment striking buildings that house valve pit equipment or striking fire hydrants
• Code violation that poses a safety hazard

**Emergency service** is a situation that is detrimental to the mission of the Post, significantly impacts operational effectiveness, or presents an immediate threat to the life, health, and safety of Post personnel. Examples include a major water main break, or loss of operation of key plant equipment that causes an interruption of water treatment or pumping facility operations. These situations can be caused by:

• Acts of God, which might include things like high wind- or ice-induced power outages
• Natural disasters include events, such as earthquakes, fires, or high wind storms
• Human error, including accidental damage to distribution or pumping equipment including control panels, valves, or other system components
• Equipment failure, including failure of key distribution or equipment or components
• Employee strikes or work slowdowns, sabotage of key components of the water system, or failure to respond to requested service of customers
• Water main or service line leaks that would threaten to flood buildings or pose a safety risk
• Terrorist activity, which might include destruction of water system facilities, contamination of the water supply or denying utility worker access to critical facilities

HCWD1 will notify Fort Knox’s COTR and DPW personnel of each situation/priority as soon as possible. HCWD1 will provide an Emergency Restoration Plan, maintain it on-Post, and update it on a regular basis.

When an emergency service situation occurs, the first responder and/or standby personnel will be contacted immediately by radio and/or cell phone or pager for after hours responses. If necessary, that worker will be augmented by additional “call-ins” of the other HCWD1 team utility workers. The first on-site utility employee will secure the emergency site, assess the situation, and make an immediate call to the Operations Manager for additional resources as required. At Fort Knox, the initial contact person contacted by the dispatcher will be the Distribution Supervisor who will be responsible for assembling the appropriate maintenance personnel. Constant communication between the Distribution Supervisor and the Operations Manager will assure resources are available when and where needed. Response to emergencies will be within 30 minutes during duty hours (0730 – 1630, Monday – Friday) and within 1 hour during non-duty hours. Emergency response to the Zussman Range, Yano Range and the Basham’s Corner areas will be within 1.5 hours during duty hours and within 2 hours during non-duty hours. Emergency service orders will be completed by HCWD1 within 24 hours (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

### I.1.5 Procedures for Handling Service Calls

An overview of our procedures for handling the various types of service calls is provided in Exhibit 1.1-4. A detailed list of contact names and numbers for Fort Knox, regulatory agencies, HCWD1 support, and local vendors and subcontractors will be developed and maintained for use, if needed, during an emergency service situation. Further discussions of emergency operations are provided in Section 1.8.

All HCWD1 requests for scheduled outages will be coordinated with Fort Knox’s DPW and the facility manager/user at least 10 working days prior to the scheduled outages. HCWD1 will make every reasonable effort to minimize the number of facilities affected and the duration of the outage.

All service request calls will be documented, and the individual who called (to ensure they are authorized), location of the problem, time of the call, time of the service response, cause of the request, and action taken (including the time and date completed) will be recorded by HCWD1. These records are maintained...
in the CMMS for at least 2 years and will be made available to the CO/COTR upon request.

If the request affects building operations, HCWD1 will coordinate the work with the person responsible for the building or facility. All emergency service requests, or emergencies identified by HCWD1, will immediately be reported to the COTR. Upon award, HCWD1 will develop the procedure of Government notification after hours.

Any of the service requests listed above could be characterized as Emergency, Urgent, or Routine (as assigned by the designated Government representative). Exhibit 1.1-6 summarizes the response times for each type of call. If it is an Emergency, we will respond within 30 minutes and be on-site with repair crews within 1 hour during normal duty hours. We will respond within 1 hour and be on site with repair crews within 2 hours during non-duty hours. Urgent requests will be responded to within 3 working days, and Urgent service orders within 7 days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

If it is a Routine call, the response will vary as described in Exhibit 1.1-6, but generally, the initial response will be within 5 business days, and Routine service orders will be completed within 10 business days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

Routine service requests typically include new service connections, disconnection or reconnection of services, scheduled outages, requests for technical information, requests for location of underground lines, control of digging and digging permits, or service valve repairs.

The first responder will initially contact the customer to verify the severity of the situation. First responders will assess the required manpower and equipment required, notify additional personnel, and make the area safe by isolating or containing the outage.

The work order is issued, work will be assigned to appropriate personnel, and upon completion, the customer will be notified and the work order will be closed.

If the first responder and the customer determine that service is disrupted or immediate repairs are required, an assessment of health risks will be made. For example, if an accident occurs, Post emergency response teams will be notified to remedy this situation. Following the correction of the emergency situation, repairs can be initiated to correct the service problem.

First responder personnel will always be trained and certified, as appropriate, and will report to the site in his/her duty truck complete with required tools, maps, and equipment to isolate the situation and begin to conduct repairs. The first responder will also have full access to HCWD1 resources on-site, including emergency generators, spare parts, lighting, and rescue gear. Additional maintenance personnel and subcontractors, as needed, will be called in to assist in the work.

Upon completion of the repairs, the safety of the situation will be determined and any additional requirements identified. Safety deficiencies will be considered emergencies and resolved as such. Barring any safety issues, the customer will be notified of the completion of the work and the corrective work order will be closed.

At the start of the next business day, the Operations Manager will review the daily response log for follow-up and determination of the customer’s satisfaction with our response.

All restoration of service issues will be coordinated with DPW. Service calls will be recorded for repairs, outages, and restoration of service in the CMMS. We will record the time of call, time of service restoration, cause of the outage, and service performed, as well as the time expended to address and restore the service item. Monthly information will be provided to DPW.

I.1.6 Reestablishment of Temporary Service

During an emergency service call, repair crews will be on site within 30 minutes during normal duty hours and within 1 hour during non-duty hours and will work continuously until temporary service is restored.
Depending upon the type of service disruption, HCWD1 will assess the situation and communicate the action plan and estimated time that temporary services will be restored to the affected facility manager. In all cases, temporary services will be restored within 24 hours (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

For all system upgrades and extended-time repairs, HCWD1 staff and subcontractors will provide a temporary service to out-of-service components to maintain service to Fort Knox customers during these repairs and construction projects. Upon reestablishment of temporary services, the safety of the situation will be determined and any additional requirements identified. Safety issues will be considered emergencies and will be resolved immediately.

Standby generators will be provided by mobile units (if not installed) in order to provide power when needed during service disruptions.

HCWD1 will identify the critical systems required to operate through emergencies. A plan will be developed to address all essential water functions through redundant systems. Our plan, described in this factor, will be modified as needed as the contract progresses and Post information is incorporated into our plans.

I.1.7 Reestablishment of Permanent Service

Once temporary service has been restored, HCWD1 will then begin working to restore permanent services. Permanent services will be restored within 7 business days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials). An assessment of equipment and materials needed for permanent repairs will be completed. This assessment will include those materials to complete restoration as well.

For all work conducted, a pre-job hazard briefing will be held with employees before beginning the work. All safety guidelines and concerns will be discussed at this time.

A work plan will be developed and reviewed with staff as to the most effective manner to facilitate repairs and restore permanent service. If needed, the plan will outline subcontractor services required to complete the task.

If an interruption of service is anticipated, Fort Knox contacts, the facility manager, and any parties that may be affected will be contacted. HCWD1 will make every effort to minimize the number of facilities affected and the duration of the outage.

Upon completion of the reestablishment of permanent services, crews will begin restoration work. Site restoration will include any of the following that apply: cleanup of the area, removal, disposal, and replacement of any cracked pavement or sidewalks, repair of roadways, replacement of loam or topsoil, top dressing by hand, lawn bed preparation, lawn seeding, mulch, fertilizer, and shrub replacement.

I.1.8 Emergency Restoration Plan

HCWD1 has an Emergency Restoration Plan (ERP) in the event of a widespread utility outage. Upon award, HCWD1’s ERP will be supplemented to specifically address the site specific issues of Fort Knox. The plan will include response requirements for both minor and major emergencies, natural disasters, manmade hazards, and other emergencies.

HCWD1’s approach will be augmented by LWC and CH2M HILL’s experience in developing and implementing similar plans for water facilities. The plan will integrate design and operational considerations specific to the Department of the Army’s facilities. The ERP will be structured to classify the emergency into a specific category, requiring specific responses, dependent upon the severity of the event, and its potential for affecting critical base operations. The Table of Contents for the ERP is provided in Exhibit I.1-7 to provide an overview of what information is presented.
Use of this sheet is subject to the restriction on the title page of this proposal.

EXHIBIT I.1-7

HCWD1’s ERP will be a constant living document that will incorporate and compliment federal, state, and local community needs in the event of emergencies and/or disasters.

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Introduction
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- Organizational Chart
- Record of Revisions

Basic Plan
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- Purpose
- Situation Assumptions
- Concept of Operations
- Organization and Assignment of Responsibilities
- Administration and Logistics
- Planning and Operations
- Operational Objectives

Emergency Support Functions (ESF)
- Response Action Check List
- Annexes

This comprehensive ERP will mitigate and incorporate reliability and communication features to minimize the occurrence of emergencies where possible, and to enhance safety, response, and communications when emergencies occur. Because it is impossible to predict the exact nature of every possible emergency, our program provides a comprehensive communication, training, and resource-based plan that manages the broadest range of possible emergencies. HCWD1 stands ready to support Fort Knox in any emergency, crisis situations, and/or related exercises that require HCWD1’s support. Upon notification, an HCWD1 designated representative will act as liaison and will respond to these events and provide the appropriate staff to the on-scene coordinator until the event is terminated.

I.1.8.1 Critical Systems and Types of Emergencies

During the first 120 days of the contract, HCWD1 will identify the critical systems required to operate through emergencies. A plan will be developed to address all essential water functions through emergency power supply and redundant systems. Based on state and national standards, HCWD1 will refine our ERP annex in preparing for and responding to a wide range of possible experiences, such as:

- Accidents and personnel emergencies
- Raw water quality contamination
- Chemical spills and leaks
- Equipment and process failure
- Power failure
- Fires
- Flooding, hurricanes, and severe weather
- Tornadoes
- Earthquakes
- Strikes
- Terrorist threats and civil unrest

I.1.8.2 Emergency Response Equipment

HCWD1 will keep a complete emergency equipment inventory, with an updated listing that includes all equipment, materials, and chemicals available. Equipment includes: confined space equipment, such as self-contained breathing apparatus, gas detectors, and ventilators; chemical leak response equipment; heavy equipment (backhoes, loaders, dump trucks, etc.); and pumps, tools, hand tools, and personal protective equipment. Using this inventory, emergency equipment and supplies will be purchased and stockpiled within HCWD1 to enable staff to be prepared for emergencies. A copy of this inventory will be kept in an appendix of the ERP.

I.1.8.3 Emergency Response Personnel

The ERP will contain an Emergency Response Organizational Chart showing the number of staff available and their specific disciplines of performance under emergency conditions. This list will include emergency contact numbers, as well as specific duties to be performed in the event of an emergency.

I.1.8.4 Emergency Response Actions

Our ERP will contain general and, where possible, specific actions from discovery to containment to be performed in the event of the various types of emergencies. The plan will contain details on reporting procedures, first responders and their priorities, and response times and actions to protect personnel, property, and to ensure the continuation of service.
I.1.8.5 Emergency Response Training

Members of the HCWD1 team are already trained to address the emergencies in this area and have worked with the local Emergency Management Agency (EMA) in emergency responses. Team safety experts and a designated onsite safety coordinator provide training for the HCWD1 staff including first aid, cardiopulmonary resuscitation, vehicle safety, lifting, electrical lockout/tagout, confined space entry, excavation and trenching (competent person), and responses to emergency conditions. All HCWD1 subcontractors are responsible for meeting or exceeding OSHA compliance standards.

Vendors and public safety personnel will also provide training in areas of their specific expertise. The Safety/Security Officer will monitor safety performance. An Annual Safety Review will be conducted and corrective actions initiated when warranted. SOPs developed for the facility will also incorporate safety considerations.

I.1.8.6 Coordination with Agencies and Adjacent Utilities

A detailed list of agencies and contact names and numbers will be developed and maintained in the ERP. All onsite personnel will be provided a wallet-sized version for their immediate reference, and the onsite safety team will post the listing at key facility locations.

In order to ensure the most effective and prompt response to emergency situations involving the facility staff, it is important to coordinate emergency notification and response activities at the facility, in planning and in implementation, with other agencies and parties involved. Key coordinating agencies include client representatives and Fort Knox’s Public Safety (fire, military police, and emergency management services agencies). The Emergency Communications section of the ERP will be developed in concert with these parties.

Operating staff on Post will report any emergency situation, such as fire, accident, criminal act, or threatening act or condition by dialing 911 or reporting directly to the Fire Department or military police. In cases of water service emergencies, we will initiate corrective action and notify the COTR. We will record time and date, person notified, and scope of accident or repair. HCWD1 will provide the government two copies of the notification record and maintain a copy for a minimum of 2 years. We will provide keys to the DPW to allow for emergency access to all secured facilities included under this contract.

I.1.8.7 Disaster Recovery/Service Restoration

As part of HCWD1’s ERP, the Disaster Recovery/Service Restoration Plan will identify the priority of restoration of service on Post following emergency issues. As previously stated, all emergency calls will be addressed immediately, 24 hours per day. In-house personnel will assess and prioritize all service calls. If a call is prioritized as a major emergency that cannot be addressed with HCWD1’s crew, an outside contractor will be used. HCWD1 has an established a list of available contractors who respond to emergencies immediately and work hand-in-hand with the HCWD1 crews. Crews and equipment can typically be at the gate within 30 minutes.

In any recovery efforts, HCWD1 can call upon the resources of their subcontractor, LWC. With staff of over 450 employees who are located in the Louisville area, LWC is able to devote the necessary resources to assist in the utility system recovery from emergency conditions. In addition, LWC maintains contingency contracts with local contractors to provide assistance, in the event of a plant or distribution emergency.

The recovery/restoration priorities for the water systems address health and safety priorities, as well as mission-critical facilities during national emergencies, deployments, and alerts and in accordance with the Force Protection Plan. They are as follows:

1. Hospitals/medical facilities
2. Critical Command Facilities
3. Major Command Headquarters
4. Family housing and barracks areas
5. Motor pools and other facilities
I.1.9 Installation-Specific Requirements

No additional installation-specific requirements are included in this proposal. However, HCWD1 will work closely with Fort Knox to ensure that all work is conducted in accordance with installation requirements.

**Exhibit I.1-8**

*HCWD1's Approach to Potential Service Interruptions*

<table>
<thead>
<tr>
<th>Cause of Service Interruption (Examples)</th>
<th>How HCWD1 Will Respond</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Natural disasters (Earthquake, high winds, etc.)</strong></td>
<td>✓ Coordinate restoration priorities with Fort Knox.</td>
</tr>
<tr>
<td>o Acts of God, which might include things like high wind-induced</td>
<td>✓ Mobilize all available local staff per the ERP.</td>
</tr>
<tr>
<td>power outages, to the wastewater collection system, heat, or water</td>
<td>✓ Assess damage to the facilities and associated components.</td>
</tr>
<tr>
<td>distribution equipment or a fire.</td>
<td>✓ Engage additional external staff and resources as deemed necessary (e.g.,</td>
</tr>
<tr>
<td>o Natural disasters include events, such as earthquakes</td>
<td>engineering staff to assess structural damage, potable water tanks, etc.).</td>
</tr>
<tr>
<td>or floods. Both of these scenarios have the potential to cause</td>
<td>✓ Notify relevant state and federal permitting agencies of the status and condition of</td>
</tr>
<tr>
<td>severe damage to the buried utility service lines, lift stations,</td>
<td>facilities.</td>
</tr>
<tr>
<td>buildings and delivery of electricity, etc.</td>
<td>✓ Project Health &amp; Safety Manager mobilizes to site to conduct site safety assessment.</td>
</tr>
<tr>
<td>o These outages will typically be caused by ice and snow loading,</td>
<td>✓ Provide temporary services until final assessment and permanent service is restored.</td>
</tr>
<tr>
<td>causing mechanical failure of overhead conductors. Wind damage</td>
<td>✓ Provide other (non-utility) emergency response support to Fort Knox as requested and</td>
</tr>
<tr>
<td>to overhead conductors, or conductor “slap” causing fuses to blow.</td>
<td>able.</td>
</tr>
<tr>
<td>o Lightning strikes, causing fuse, transformer, or conductor</td>
<td>✓ Investigate cause and effect to evaluate employee causing error.</td>
</tr>
<tr>
<td>damages, can occur to either overhead or underground systems.</td>
<td>✓ Define if further training is needed, is employee routinely causing problems, etc.</td>
</tr>
<tr>
<td></td>
<td>✓ Conduct remedial training and lessons learned.</td>
</tr>
<tr>
<td></td>
<td>✓ Provide correspondence to COTR and State (where applicable)</td>
</tr>
<tr>
<td></td>
<td>✓ Overcome these events by redundancy in the system and having well trained and</td>
</tr>
<tr>
<td></td>
<td>certified system operators.</td>
</tr>
<tr>
<td><strong>Human Error</strong></td>
<td>✓ Once error identified, Project Manager notifies COTR and begins procedures to</td>
</tr>
<tr>
<td>o Inadvertently close valves that would lead to a water main</td>
<td>correct deficiency.</td>
</tr>
<tr>
<td>freezing during winter months because the water was not allowed</td>
<td>✓ Mitigate the emergency before it causes additional problems or damages throughout</td>
</tr>
<tr>
<td>to circulate in a looped system</td>
<td>the water distribution system.</td>
</tr>
<tr>
<td>o Failure to properly maintain or service the valves, or</td>
<td>✓ If error results in permit violation, proper state notification will be provided.</td>
</tr>
<tr>
<td>improperly connecting bypass pumps to the power supply, or</td>
<td>✓ If processes are affected, immediate action will be taken to bring said process</td>
</tr>
<tr>
<td>improperly operating the fire hydrant operating nuts causing</td>
<td>under control within operating specifications.</td>
</tr>
<tr>
<td>damage to the valve are all possible events</td>
<td>✓ Investigate cause and effect to evaluate employee causing error.</td>
</tr>
<tr>
<td>o Improper switching or synchronizing generating equipment</td>
<td>✓ Define if further training is needed, is employee routinely causing problems, etc.</td>
</tr>
<tr>
<td></td>
<td>✓ Conduct remedial training and lessons learned.</td>
</tr>
<tr>
<td></td>
<td>✓ Provide correspondence to COTR and State (where applicable)</td>
</tr>
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<td></td>
<td>✓ Overcome these events by redundancy in the system and having well trained and</td>
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### Exhibit I.1-8

**HCWD1’s Approach to Potential Service Interruptions**

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<tr>
<th>Cause of Service Interruption (Examples)</th>
<th>How HCWD1 Will Respond</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equipment Failure</strong> (bearings go out, motor burns out, pump failure, etc)</td>
<td>✓ Set up work order and review history of equipment.</td>
</tr>
<tr>
<td>o No heat at valve pits or meter vaults or other key utility buildings</td>
<td>✓ Once failure identified, go to inventory of critical spare parts and repair defective equipment.</td>
</tr>
<tr>
<td>o Unavailability of fuel (pumping) from fueling stations for vehicles or equipment</td>
<td>✓ If failed equipment is not in inventory, procure through national contracts and/or basic ordering agreements.</td>
</tr>
<tr>
<td>o Frozen water lines</td>
<td>✓ Repair or replace equipment as soon as possible.</td>
</tr>
<tr>
<td>o Flooding of water pits where seals have deteriorated and result in surface water flooding the pits.</td>
<td>✓ Investigate cause of failure (environment, maintenance deficiency, age, etc.).</td>
</tr>
<tr>
<td>o Fuel, condensate, or feedwater pumps failure</td>
<td>✓ Maintain proper lubrication and inspections for all associated equipment.</td>
</tr>
<tr>
<td>o Fans or compressor failures</td>
<td>✓ If failure appears to be recurring, modify frequency of PM to mitigate failure occurrence.</td>
</tr>
<tr>
<td></td>
<td>✓ Properly insulate water mains and service lines with sprayed on urethane and designed as circulating loops that use water movement to prevent freezing action.</td>
</tr>
<tr>
<td></td>
<td>✓ Constant monitoring of distribution system water temperature, low flow areas can be enhanced by activation of fire hydrants to speed flows when water temperatures drop to unacceptably low temperatures.</td>
</tr>
<tr>
<td></td>
<td>✓ Controlled fire hydrant flushing can markedly improve service even during the winter months and it improves water quality to the customer because it refreshes water that may have gone “stale” from not moving or circulating.</td>
</tr>
<tr>
<td></td>
<td>✓ Have thawing equipment available to thaw mains and services.</td>
</tr>
<tr>
<td></td>
<td>✓ Implement predictive maintenance on critical equipment.</td>
</tr>
<tr>
<td></td>
<td><strong>Fire</strong></td>
</tr>
<tr>
<td></td>
<td>✓ Mobilize all available local staff per the ERP.</td>
</tr>
<tr>
<td></td>
<td>✓ Assess damage to the facilities and associated components.</td>
</tr>
<tr>
<td></td>
<td>✓ Engage additional external staff and resources as deemed necessary (e.g., engineering staff to assess structural damage, potable water tanks, etc.)</td>
</tr>
<tr>
<td></td>
<td>✓ Project Health &amp; Safety Manager mobilizes to site to conduct site safety assessment.</td>
</tr>
<tr>
<td></td>
<td>✓ Communicate situation overview, assessment, and recommendations for restoration of services with Fort Knox.</td>
</tr>
<tr>
<td></td>
<td>✓ Provide temporary services until final assessment and permanent service is restored.</td>
</tr>
<tr>
<td></td>
<td>✓ Begin restoration of facilities and all affected components.</td>
</tr>
<tr>
<td><strong>Employee Strikes</strong></td>
<td>✓ During transition, additional security and supervision will ensure that no processes or equipment can be sabotaged or tampered with.</td>
</tr>
<tr>
<td>o Operators fail to report for work based upon a bargaining agreement dispute</td>
<td>✓ Project Manager will notify COTR and immediately call internal labor relations representative to begin discussions.</td>
</tr>
<tr>
<td>o Intentional sabotage of key utility components by striking employees</td>
<td>✓ Support personnel from nearby HCWD1-affiliated companies will bring in key positions to sustain service to Fort Knox.</td>
</tr>
<tr>
<td></td>
<td>✓ Proceed with discussions to resolve issues.</td>
</tr>
</tbody>
</table>
Exhibit I.1-8  
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</thead>
<tbody>
<tr>
<td><strong>Terrorism</strong></td>
<td>✓ Provide site employees with specific training in preparing for and responding to terrorists activities involving public and private utilities.</td>
</tr>
<tr>
<td></td>
<td>✓ Perform periodic utility vulnerability threat assessments.</td>
</tr>
<tr>
<td></td>
<td>✓ Notify Government official and COTR of situation.</td>
</tr>
<tr>
<td></td>
<td>✓ Mobilize all available local staff per the ERP.</td>
</tr>
<tr>
<td></td>
<td>✓ Assess damage to the facilities and associated components.</td>
</tr>
<tr>
<td></td>
<td>✓ Engage additional external staff and resources as deemed necessary (e.g., engineering staff to assess structural damage, potable water tanks, etc.)</td>
</tr>
<tr>
<td></td>
<td>✓ Notify all state and federal permitting agencies of the status and condition of treatment facilities.</td>
</tr>
<tr>
<td></td>
<td>✓ Project Health &amp; Safety Manager mobilizes to site to conduct site safety assessment.</td>
</tr>
<tr>
<td></td>
<td>✓ Communicate situation overview, assessment, and recommendations for restoration of services with Fort Knox.</td>
</tr>
<tr>
<td></td>
<td>✓ Provide temporary services until final assessment and permanent service is restored.</td>
</tr>
<tr>
<td></td>
<td>✓ Begin restoration of facilities and all affected components.</td>
</tr>
<tr>
<td></td>
<td>✓ Provide any assistance as needed by Fort Knox.</td>
</tr>
</tbody>
</table>

Details follow on how the various types of responses (emergency, urgent, and routine) will be managed to restore water service to Fort Knox in the event of a service interruption.

**Step 1: Establish a central organization/location**
- Assess the severity of the damage to the water distribution system and tailor the response to include the following steps as necessary.
- Establish an Emergency Response Center where all organization and coordination takes place. This would be an on-site, temporary emergency location at the HCWD1 operations center if the building is structurally sound. Responses to emergencies are expected to be fluid and the operators will, of necessity, be required to react to the situation rather than follow rigid guidelines. The on-site water distribution operators will be expected to request additional resources early in the emergency response time line and those resources would be secured from area businesses immediately after being requested. The Operations Manager will be in constant communications with HCWD1 operators during emergency activities.

**Step 2: Work crews and manning**
- As soon as initial damage assessment and control are complete, the Operations Manager will split available personnel into two shifts and send one half home with a recall time. For the duration of the emergency, each shift will work 12 hours on and 12 hours off until the emergency is over. The on-duty crew will be split into as many crews as can be fielded along with temporary workers, and will be dispatched to begin repair work at the direction of the person in charge.
- HCWD1 will supplement labor at the Post with labor from a pre-designated list of HCWD1 and LWC personnel, and subcontractors working under the direction of the Operations Manager.

**Step 3: Damage assessment and priority of restoration**
- As soon as a workforce is gathered, they will take immediate steps to mitigate the damage. The utility operators will ensure actions are taken to protect key facilities and prevent additional damage to facilities or to the water distribution system, and to ensure that key facilities, such as medical, child
care, fire protection, and mission essential facilities, are being served on a priority basis. Inherent in the initial response is the utility worker’s follow-up requirements outlined below:

− Identify portions of the water distribution system where breaks have occurred. This can be done using visual inspection of water main routes, reports from customers, or from inspection of meter readings at various locations in Fort Knox’s water distribution system.

− Activate emergency power for water pumps needed to establish bypass operations when necessary using on-site standby generators or truck mounted generators. Emergency power will only be activated after the system has been assessed to ensure activation of the generator power will not cause additional damages to the infrastructure or equipment.

− Take action to enclose and heat damaged facilities, as necessary, using stockpiled emergency supplies listed earlier in this proposal. Temporary heating sources are available from local rental businesses in the Fort Knox area. There are few facilities that would require supplemental heat; therefore, it is not practical to maintain large portable heaters on hand.

Step 4: Priority for restoration of water service to Fort Knox

- Restore the water distribution system mains/piping network.
- Restore water distribution meter pits and valve buildings.

Step 5: Restoration of water service to buildings and facilities

- Restoration will be accomplished according to the Fort Knox ERP. Priority will be established by the Post commander and the COTR.
- It will be the responsibility of HCWD1 employees to determine if the utility system is sufficiently stable to restore connections to individual buildings or facilities. If the building is not structurally intact or stable enough for work to be performed, HCWD1 on-site personnel will coordinate with the Post representative and the COTR to develop an acceptable temporary service to serve the customers and the Post. In no case will the utility personnel be required to work in unsafe buildings; however, the utility representative is obligated to find an acceptable solution to providing water service to the residents of Fort Knox.

- Once all components of the water system have been restored to usable condition, the system will be thoroughly cleaned of any silt or other debris and put back into service. Water quality will be tested to ensure safety to consumers.

These steps would be slightly modified, as follows, in a smaller-scale outage.

Step 1: Notification of Emergency Service Request. Authorized Government representative will notify the Call Center of the emergency condition.

Step 2: Duty Operator/or Operations Manager will notify maintenance crews and/or first responder.

Step 3: Crews will respond within the required response times.

Step 4: Government personnel will be notified when the condition has been assessed and estimated restoration, times have been arrived at.

Step 5: After downgrading to Urgent or complete restoration Government personnel will be notified.

Emergencies as the Result of Human Error

Emergencies related to human error are considered differently and the response is more rapid than deliberate acts of sabotage because the employee is immediately aware of their error. In cases where an employee clearly makes a mistake, the response is normally identified very quickly and the operator has the ability to mitigate the emergency before it causes additional problems or damages throughout the water distribution system.

The most likely accidental damage would be caused to mechanical equipment, valves, control panels, or structural equipment of the distribution system. An inexperienced operator could damage equipment or
components and cause water service disruption within the service lines or to segments of the distribution system. It would also be possible for an inexperienced operator to inadvertently close valves that would lead to a water main freezing during winter months because the water was not allowed to circulate in a looped system.

Operators may also damage key components of the water treatment/distribution system through inadvertent and unintentional acts. Most likely equipment to be damaged through a mistake is water distribution valves or control panels. Failure to properly maintain or service the valves, or improperly connecting bypass pumps to the power supply, or improperly operating the fire hydrant operating nuts causing damage to the valve are all possible events. These events can be overcome by redundancy in the water distribution system and having well-trained and state-certified water distribution system operators. It is our intent to employ only state-certificated operators to operate the water distribution system.

The likelihood of damage by an operator to the distribution system piping components is considered extremely remote. These facilities and structures are difficult to damage through inadvertent acts; thus, concern would be more appropriately placed with the more sensitive and easily damaged components.

HCWD1 employees will be trained in the O&M of the water treatment/distribution system, as well as in the health and safety issues in and around the system. The water system will be maintained in a responsible manner so that equipment failures will be kept to a minimum. All HCWD1 employees and the closely affiliated companies are subject to pre-hire and random drug and alcohol testing. We operate in a zero tolerance industry and employees are expected to maintain very high standards of conduct. We take the extraordinary steps of ensuring employees are highly skilled and that they do not participate in personally destructive behavior that would extend to the workplace.

Accidental Destruction
Immediately notify the customer and the COTR of the situation. If the destruction is isolated to one component, then the component will be replaced. If the destruction covers a wider segment of the water utility, the on-site operator will prioritize his/her efforts to complete repairs, and if additional assistance is needed, will he/she immediately contact the Operations Manager for additional resources. Those resources may be from external HCWD1, LWC, or contracted businesses in the local area. The urgency of repairs and the degree of expertise required for repairs will determine the resources that are applied. In many cases, there is adequate inventory of supplies and materials to support immediate needs of HCWD1. One of the many advantages of standardizing equipment and materials within a joint venture is the immediate availability of repair parts. It will be our intent to standardize as many water treatment/distribution system components as possible. Standardization of inventory also favors cost containment for operations. Inventory is expensive, and a reduction of just 10 percent in inventory lines is directly reflected as a cost savings under a regulated proposal.

Specific components include standardization of pipe, control panels, water meters, fire hydrants, and valves.

Emergencies as a Result of Equipment Failure
There are relatively few pieces of equipment in the water distribution system that are prone to failure. The most likely event is a failure of an isolation valve or the failure of a water meter. Proactively addressing valve maintenance to include proper lubrication, exercising valves and isolation equipment, servicing pressure reducing devices, routinely checking water meter readings, and proper maintenance of electronic controls all contribute to enhanced reliability. Our team has a long history of providing aggressive equipment maintenance to prevent equipment failures and that same philosophy will be implemented at Fort Knox.

The most likely event to occur at Fort Knox (based upon information provided in the utilities privatization documentation and the site visit) is the likelihood of failure of treatment or pumping equipment failure.
HCWD1 will implement an aggressive predictive and preventative maintenance program. This program has proven to reduce unplanned equipment failure, reduce operating cost, and extend the lifespan of equipment. During transition, HCWD1 will review all facilities and identify “critical spares.” These are defined as system components that are necessary for safety and environmental compliance, or are required to maintain continuous service. This will serve as the catalyst for maintaining spare equipment on-site or at the HCWD1/LWC offices.

I.1.11 Catastrophic Loss Plan
HCWD1’s Catastrophic Loss Plan (CLP) has the following elements:
- Vulnerability/Threat Assessment
- Planning
- Emergency Restoration Plan
- Lessons Learned/Plan Updates

I.1.11.1 Vulnerability/Threat Assessment
Prevention of catastrophic loss is the key goal of our plan. This begins with the identification of critical operations, products, and services. Then a hazard assessment must be completed for each of the critical areas. The assessment reviews potential hazards (i.e., fire, flood, weather related, and acts of terrorism). Then each of the elements are assessed based on the likelihood of occurrence and the impact to critical service. A ranking system uses both of these review elements to prioritize response during a catastrophic event. Since an effective CLP must be “site-specific,” HCWD1 will complete this site-specific assessment during the first 120 days of the contract.

A key element of protecting a utility from catastrophic loss is the vulnerability assessment. As required under the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (Bioterrorism Act) HCWD1 assumes that the required vulnerability assessment was completed by the 30 June 2004 deadline. This plan will be reviewed and incorporated into the SOPs, as appropriate. HCWD1 will maintain the appropriate levels and types of insurance for critical facilities to ensure that prompt resources are available to mitigate the loss, and replace or renew damaged assets.

I.1.11.2 Planning
The CLP must then be integrated with employees and other Fort Knox agencies. Employees and others play an essential role in the prevention of loss. Employees should ensure facilities are secure at all times, security systems are active and functioning correctly, and report unusual or non-regular activities in and around critical facilities. Communicating the plan to other Fort Knox agencies allows them to assist in surveillance activities.

I.1.11.3 Emergency Restoration Plan
Should a catastrophic event occur, restoring service and mitigating impact are key considerations. HCWD1’s ERP is detailed in Section I.1.8. The ERP covers restoration of service from catastrophic events both man made and naturally occurring. Should a widespread catastrophic event occur, HCWD1 will work with local, state, and federal agencies to integrate our CLP with restoration efforts of these agencies. This participation would include all aspects of disaster recovery, including application for grants and low-interest loans to restore facilities completely, should the damage exceed the insured amount, or not be a covered event.

I.1.11.4 Lessons Learned/Plan Updates
The CLP is a plan, and as such will be reviewed periodically to ensure it accurately reflects the hazards present during the course of the contract. Lessons learned are a key part of preventing reoccurrence of catastrophic failures. If a catastrophic event occurs, immediately after the emergency restoration is complete, a team will be convened to identify, collect, and disseminate lessons learned, both from the event, and the restoration phase. The plan will be updated to reflect the lessons learned.
I.2 O&M Plan and Quality Management Plan

I.2.1 O&M Plan

HCWD1’s philosophy is based on stewardship of assets and it is HCWD1’s goal to enhance everything entrusted to us. In some instances, this means improvement of assets, while in other cases it means maintaining value and operating efficiency. Selecting the right O&M strategies results in timely replacement of assets and maximizing efficiencies. We achieve these objectives through optimizing facilities’ processes, implementing our maintenance program, and optimizing staff utilization. HCWD1 has developed the following O&M Plan in accordance with Section L.4.2 of the RFP.

The major components of the Plan are:
- Staffing Plan
- Operations Plan
- Maintenance Plan
- O&M Policies and Procedures

I.2.1.1 Staffing

Staffing will be used to maximize operations efficiency, ensure optimal levels of maintenance, and provide consistently reliable service to Fort Knox. Exhibit I.2-1 shows the staffing for daily O&M responsibilities. We have analyzed the organization and staffing required to best perform the requirements of the SOW and are proposing the contract site organization as presented in Exhibit I.2-1.

Exhibit I.2-2 provides further detail of utilities services staffing. The majority of services will be performed by on-site staff and employees of HCWD1. The full-time equivalents (FTEs) below represent the O&M effort for 1 year.

I.2.1.2 Operations Plan

HCWD1’s Operations Plan for Fort Knox will deliver proven, cost-effective solutions that increase performance. Our approach involves key strategies that guarantee a significant increase in the value of services provided. To achieve this, the following programs will be implemented:
- A state-of-the-art CMMS (Jobs Plus®)
- A regulatory compliance plan that will meet all federal and state requirements of the Safe Drinking and Clean Water Acts
- A comprehensive staff evaluation and training program
- A communications plan that will provide a reporting system to the appropriate management team at Fort Knox

System Description. Fort Knox’s potable water utility system includes 13 groundwater wells; 2 raw water intake structures at the dams; a low-lift pumping station; 48,700 linear feet (LF) (9.2 miles) of raw water line; 2 WTP facilities (Central and Muldraugh); 3 clear wells; 2 high lift pump stations; 1 booster pump station; 8 elevated storage tanks; the main cantonment area’s potable water distribution system, which includes roughly 810,329 LF (153.5 miles) of potable water distribution pipe; and the 3 range areas’ potable water distribution systems, which include roughly 48,397 LF (9.2 miles).

Current Operations. Based on our observations and information provided to bidders, the water quality for this system appears to meet all of the State of Kentucky standards. However, a thorough compliance analysis will be performed during the first 120 days of the contract (transition period).

Operational Changes. Exhibit I.2-3 details several operational practices currently conducted and changes proposed.

Planned Operational Strategy. The first step to developing a strategy to operate the facilities will be to further evaluate the current status of operations during the system characterization activities.

Maintenance needs will be cataloged and prioritized at all facilities according to the following requirements:
1. Maintaining required water quality
2. Maintaining service to the base
3. Cost of equipment
Operation of the water storage facilities will be in accordance with national and local fire codes and AWWA-recommended practices. Specifically, minimum levels of water will be maintained in the storage reservoirs to meet fire flow requirements, domestic emergency storage, and pressure equalization.

An annual fire hydrant flushing and testing program will be initiated to ensure the highest level water quality is delivered to our Fort Knox customers. In addition, this program will verify the system readiness for emergency operations with emphasis on adequate capacity and pressure. HCWD1 will coordinate with the Fort Knox Fire Department prior to any testing, repair, or maintenance of the fire hydrants.

HCWD1’s goal of compliance will adhere to all of the primary and secondary standards as promulgated by the Safe Drinking Water Act (SDWA) and the State of Kentucky. By applying HCWD1’s proactive approach for compliance with the recently promulgated and the proposed regulations by developing water quality goals that are more stringent than current regulations, HCWD1 is well positioned to meet current and future regulations. Drinking water regulations that impact HCWD1 can be divided into three categories:

1. Existing regulations
2. Recently promulgated regulations
3. Future regulations

For this contract, the applicable existing regulations that impact the Water System are highlighted in Exhibit I.2-4.
### EXHIBIT I.2-2

**Utilities Services Staffing**

<table>
<thead>
<tr>
<th>Position</th>
<th>Company</th>
<th>FTE - Treatment</th>
<th>FTE - Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Manager</td>
<td>HCWD1</td>
<td>Combined</td>
<td>Combined</td>
</tr>
<tr>
<td>Operations Manager</td>
<td>HCWD1</td>
<td>Combined</td>
<td>Combined</td>
</tr>
<tr>
<td>Water Treatment Project Manager</td>
<td>LWC</td>
<td>0.2</td>
<td>0</td>
</tr>
<tr>
<td>Water Distribution Supervisor</td>
<td>HCWD1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Plant Maintenance Manager</td>
<td>LWC</td>
<td>0.2</td>
<td>0</td>
</tr>
<tr>
<td>Water Treatment Supervisor</td>
<td>LWC</td>
<td>0.2</td>
<td>0</td>
</tr>
<tr>
<td>Operators</td>
<td>LWC/HCWD1</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Equipment Operators</td>
<td>HCWD1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Treatment Plant Mechanics</td>
<td>LWC</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Administrative Assistant</td>
<td>HCWD1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>GIS Technician</td>
<td>HCWD1</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

*aSee Exhibits I.2-6 and I.2-7 for a description of the qualifications and personnel proposed for each position.*

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### EXHIBIT I.2-3

**Operational Strategies for Water System**

<table>
<thead>
<tr>
<th>Operational Condition</th>
<th>Current Operations</th>
<th>HCWD1 Plan</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM Scheduling</td>
<td>Unknown method of scheduling of PM tasks</td>
<td>Condition-based scheduling of PM tasks</td>
<td>Lower life cycle equipment costs</td>
</tr>
<tr>
<td>Predictive Maintenance</td>
<td>Unknown</td>
<td>Use of current monitoring, vibration monitoring, and used oil analysis</td>
<td>Establish baseline equipment condition and set up proper PM</td>
</tr>
<tr>
<td>Inventory Management</td>
<td>Unknown method of ordering, receipt, and disbursement of commodities and supplies</td>
<td>Identify critical parts, and minimum/maximum stock levels. Routine verification of stock levels.</td>
<td>Lower inventory costs and increase reliability of critical systems</td>
</tr>
<tr>
<td>Water Tank Maintenance</td>
<td>Unknown maintenance level of water tanks</td>
<td>HCWD1 will subcontract maintenance of the water tanks</td>
<td>Frequent maintenance allows for higher water quality and extended life of tanks</td>
</tr>
<tr>
<td>Water Distribution System</td>
<td>No known regular frequency for water balance</td>
<td>HCWD1 will conduct an annual water balance for the water production and distribution system</td>
<td>Annually assess water loss and identify sources</td>
</tr>
</tbody>
</table>
**EXHIBIT I.2-4**

**Regulations That Impact Water System**

### Existing Regulations

**Kentucky Division of Water – Kentucky Administrative Regulations Title 401, Chapter 8**

<table>
<thead>
<tr>
<th>Regulation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Coliform Rule</strong></td>
<td>The Total Coliform Rule was promulgated on June 29, 1989. Total coliforms include both fecal coliforms and <em>E. coli</em>. Compliance with the Total Coliform Rule is based on the results of sampling in the distribution system. The frequency and number of collected samples are a function of the system size (number of people served). HCWD1’s plan will maintain compliance with the Total Coliform Rule by (1) maintaining adequate distribution system disinfectant residual, and (2) frequently flushing low flow areas.</td>
</tr>
<tr>
<td><strong>Arsenic</strong></td>
<td>Environmental Protection Agency (EPA) has set the arsenic standard for drinking water at 0.010 parts per million (10 parts per billion) to protect consumers served by public water systems from the effects of long-term, chronic exposure to arsenic. Water systems had to comply with this standard by January 23, 2006, providing additional protection to an estimated 13 million Americans.</td>
</tr>
<tr>
<td><strong>Long Term 2 Enhanced Surface Water Treatment Rule (LT2ESWTR or LT2 Rule)</strong></td>
<td>The purpose of the LT2 Rule is to reduce illness linked with the contaminant Cryptosporidium and other disease-causing microorganisms in drinking water. The Rule will supplement existing regulations by targeting additional Cryptosporidium treatment requirements to higher-risk systems. This Rule also contains provisions to reduce risks from uncovered finished water reservoirs and to ensure that systems maintain microbial protection when they take steps to decrease the formation of disinfection byproducts that result from chemical water treatment.</td>
</tr>
<tr>
<td><strong>Stage 2 Disinfectants and Disinfection Byproducts Rule (DBP Rule)</strong></td>
<td>The Stage 2 DBP Rule builds upon earlier rules that addressed disinfection byproducts to improve drinking water quality and provide additional public health protection from disinfection byproducts. This Rule strengthens public health protection for customers by tightening compliance monitoring requirements for two groups of DBPs, trihalomethanes (TTHM) and haloacetic acids (HAA5). The Rule targets systems with the greatest risk and will reduce potential health risks related to DBP exposure and provide more equitable public health protection.</td>
</tr>
<tr>
<td><strong>Groundwater Rule</strong></td>
<td>EPA published the Groundwater Rule in the Federal Register on November 8, 2006. The purpose of the rule is to provide for increased protection against microbial pathogens in public water systems that use ground water sources. EPA is particularly concerned about ground water systems that are susceptible to fecal contamination since disease-causing pathogens may be found in fecal contamination. The Groundwater Rule will apply to public water systems that serve ground water. The rule also applies to any system that mixes surface and ground water if the ground water is added directly to the distribution system and provided to consumers without treatment.</td>
</tr>
<tr>
<td><strong>Lead and Copper Rule</strong></td>
<td>On June 7, 1991, the EPA published Action Limits (ALs) and national primary drinking water regulations for lead and copper. Under this regulation, lead and copper levels must not exceed ALs of 0.015 milligrams per liter (mg/L) and 1.3 mg/L, respectively, in 90 percent of the samples collected. Actions required for AL exceedances include collecting source water samples, conducting public education, conducting a corrosion control study, and establishing a corrosion control program. This Rule also requires that lead and copper be monitored at consumers’ taps every 6 months. Samples at consumers’ taps must be taken at high-risk locations, which include homes with lead solder installed after 1982, lead service lines, and lead interior piping. Revisions to the Lead and Copper Rule were promulgated in April 2000. The revisions reduced the frequency of monitoring required for low lead and copper tap levels and updated the analytical methods used for analyzing lead and copper levels.</td>
</tr>
</tbody>
</table>

### 1.2.1.3 Maintenance Plan

HCWD1’s maintenance program has the following objectives:

- Maintain the facilities to the highest standard of care to preserve aesthetics and protect against deterioration.
- Maintain equipment in a manner that maximizes operational life and endeavor to prevent
unexpected equipment repairs due to untimely failure.

- Provide timely and cost-effective response to both typical and emergency conditions.
- Ensure system performance through equipment reliability, uninterrupted service, and maximum uptime.
- Protect capital investments.
- Ensure the safety of personnel and equipment.
- Enforce equipment warranties.
- Control overall maintenance costs by reducing corrective and emergency/reactive maintenance costs.

HCWD1 will use a whole lifecycle approach combined with our CMMS, as discussed later in this section, to monitor the condition of the facilities and schedule routine inspections, maintenance, and repairs. The CMMS will also track performance, service history, and repair costs. The data generated will be used to evaluate the need to replace or rehabilitate the portion of the system. An equipment assessment will be conducted during the system characterization phase for this purpose. Using the equipment condition data developed during the system characterization phase, the “criticality of failure” factor will be established for each piece of equipment. Using the criticality of failure, along with the maintenance characteristics and the availability of replacement parts, HCWD1 will develop a maintenance strategy for each piece of equipment. This strategy ensures that:

- Sources of spare parts and replacements are planned and availability is targeted to the needs of the specific facility to minimize both scheduled and unscheduled downtime
- Maintenance skill requirements are determined, skill gaps identified, and training planned and implemented

The maintenance strategy selected for each piece of equipment will be based on three levels of maintenance:

- Preventive Maintenance (PM)
- Corrective Maintenance (CM)
- Predictive Maintenance (PdM)

PM is defined as routine and/or repetitive activities required or recommended by the equipment or facility manufacturer or HCWD1 to maximize the service life and reliability of the system components. Proper PM is the all-important first line of defense against deterioration and failure.

CM encompasses activities required for operational continuity, safety, and performance. The status of CM work orders will be maintained in the CMMS, and work will be scheduled to the extent possible with groups of equipment to save time and reduce labor requirements. Based on HCWD1’s maintenance evaluation, critical spare parts will be stocked on-site or held in reserve at a supplier’s warehouse to ensure that downtime is minimal. Each type of maintenance will be scheduled and its completion monitored using the CMMS.

PdM virtually eliminates unexpected equipment failure because of normal wear. PdM activities will range from simple, periodic inspections to sophisticated condition measurements. The baseline condition for each critical piece of equipment will be identified and the equipment will be monitored against selected critical performance criteria.

The following outlines the basic components of HCWD1’s maintenance approach. It provides an overview of our plan for predictive, preventive, and CM corrective maintenance, as well as the implementation of the CMMS. While this is a concept for a detailed maintenance plan, which will be developed during the system characterization phase, it provides an overview.

**PM Plan.** HCWD1’s approach to minor (routine) maintenance focuses on PM. Proper PM decreases the total lifecycle cost of equipment or facilities. The lifecycle cost of equipment and facilities that have been properly maintained is a fraction of the cost of equipment and facilities that have been poorly maintained.

During HCWD1’s evaluation of the Fort Knox facilities, we identified opportunities for improvements to maintenance practices. During the evaluation, HCWD1 could not determine how PM tasks were being performed, generated, and tracked. Upon
award, HCWD1 will start by creating a Master Equipment List (MEL). All equipment identified in the MEL will be assigned a unique asset number and location code. Once this is completed, the detailed nameplate data will be entered for each asset. HCWD1 will then enter PM tasks and frequencies.

Specific tasks, frequencies, and preventative maintenance procedures will be based on the manufacturer’s O&M Manual, Department of the Army standards, and standards developed by HCWD1 that are based on our experience in maintaining similar equipment at levels above industry standards.

Each PM task will be assigned an identification number that will be unique to the task being performed. This unique PM task will describe the procedure needed, tools required, materials needed, all safety requirements, and any Department of the Army issues involved. Each PM task will also be assigned a cycle for completion. For example, a generator oil change may occur once per year, whereas a vehicle oil change would occur in a quarterly cycle. If a PM task is not completed due to extraordinary circumstances, that PM task will appear again as a flagged, higher-priority task.

Each individual PM task will contain the date of the last revision, drawing reference numbers, O&M Manual number, and location, as well as any other documents that relate to the operation or maintenance of the equipment requiring maintenance.

CM Plan. CM is defined as those non-repetitive activities necessary to correct a malfunction or replace a failed component of the system for operational continuity, safety, and performance. Unplanned CM activities are generally performed because of system components failure. Planned CM is the result of proactive PM and PdM processes that identify the equipment’s needs before a failure occurs. There are many reasons why planned CM is preferred to unplanned CM. For example, it provides:

- Increased process reliability due to decreased critical equipment failure
- Reduced overall repair costs due to proactive repairs of minor issues before they cause more equipment damage
- Reduced capital improvement costs due to increased equipment life spans

HCWD1 will prepare standard maintenance procedures for major CM activities. The standard maintenance procedures are procedural documents with staffing requirements to accomplish the CM tasks. The procedures will include lists of tools, instruments, and materials to perform each task. The procedures will be part of the CMMS and can be printed in hard copy for the maintenance staff to carry out the maintenance procedure.

CM needs often generate decision points that require expert evaluation and recommendations. The CMMS will provide a valuable tool by maintaining a library of information on each piece of equipment. This information will be searchable by equipment type, location, application, manufacturer, and repair type. By using this data, HCWD1 will be able to make the best overall decisions for equipment needs. For example, HCWD1’s team will be able to predetermine repair costs and evaluate equipment histories to determine a repair/replace breakpoint. If an estimated repair cost exceeds the agreed upon cost/benefit ratio, HCWD1 will be able to make an effective decision on equipment type, size, and manufacturer to ensure optimal overall system performance.

PdM Plan. HCWD1 proposes to provide a level of PdM services that can considerably reduce unexpected equipment failure due to normal “wear and tear” or improper repair. The benefits of PdM include:

- Increased process reliability due to decreased equipment failure
- Improved job planning and scheduling
- Reduced overall repair costs
- Reduced capital improvement costs

HCWD1 will establish a “baseline” condition for each critical piece of equipment identified and periodically monitor the equipment for critical performance criteria. The information provided on the following pages defines these elements in detail and
demonstrates how our approach will exceed Fort Knox’s expectations for PdM services.

As described, we will perform the initial evaluation to establish equipment condition and provide specific, detailed recommendations for remedial repair needed at that time. Monitoring will be performed, with additional performance criteria added, at a frequency that will be dictated by the condition of equipment as monitoring occurs. In every case, this approach will improve the predictability of equipment performance and quality service.

**Initial Equipment Condition Evaluation.** The equipment condition evaluation will establish a baseline for PdM services. It will define what actions need to be taken immediately to avoid immediate and expensive failure, as well as prescribe when monitoring levels must be adjusted to protect equipment. The results will be entered into the CMMS for tracking and modeling.

To provide a continual baseline for all pieces of equipment at the facility and throughout the system, special inspections will be conducted similar to the initial evaluations performed. These follow-up inspections are recommended whenever a new piece of equipment is installed or when existing equipment is overhauled. This policy has the advantage of identifying equipment or installation/repair problems early in the warranty periods.

All data, measurements, remarks, and conditions for each piece of equipment will be entered into the CMMS as field data or text (as appropriate). Equipment needing repairs will automatically be assigned a work order with the appropriate priority level.

**Vibration Monitoring.** Each machine selected for monitoring will be checked at a predetermined interval, as recommended by the monitoring software. The data collected will be the complex displacement and velocity of the worst position of each accessible bearing on the machine. This data will then be entered into a computer program, and statistical analysis on the data will be performed to determine limits for the vibration.

**Current Measurement.** Each machine selected for monitoring will be checked at a predetermined interval. The data collected will be the current or amperage of each electrical phase. This data will then be entered into a computer program, and statistical analysis on the data will be performed to determine performance and equipment wear.

Electrical testing will also be conducted for voltage drop, power factor, kilovolt-ampere (Kva), kilovolt-ampere-reactance (Kvar), and kilowatt (Kw). These tests are useful in determining problems with motors and pumps. Voltage drops can help determine and define problems and reconfirm thermographic results. In fact, HCWD1 will perform thermographic monitoring at the same frequency as the electrical monitoring.

Elapsed time meters will be installed and monitored in order to generate more precise data on equipment operation between monitoring periods. Data will be collected on elapsed time and compared with readings on equipment; this information can also be useful in energy management or PM programs.

**Computerized Maintenance Management System (CMMS)**

HCWD1 proposes to use a state-of-the-art, in-place computer software system to maximize the O&M of the water utility and lift stations located at Fort Knox. The CMMS utilizes Jobs Plus® and will be referred to as Jobs Plus® or the CMMS for this proposal.

Our goals for installation and implementation of our Jobs Plus® work order program for Fort Knox include:

- Install a full-featured CMMS that is easy to use.
- Maintain the integrity of the existing equipment data for future use.

Jobs Plus® is a full-featured CMMS that uses a viewing screen similar to those of Windows-type programs. This type of interface is easy to use and familiar to today’s computer users. This simplifies use of the system for employees who may be unfamiliar with computers in general through use of intuitive icons and interactive “point-and-click” buttons.

As part of this implementation, we will gather any additional information not contained in the MEL that
will be necessary to achieve maximum system benefit. As needed, HCWD1 will develop a coding system that assigns costs and historical data into groupings required for financial and administrative purposes. HCWD1 will import such data as is available from Fort Knox’s maintenance database to HCWD1’s CMMS to ensure valuable historical maintenance information is available for review. CMMS will have the capability, at a minimum, of:

- Maintaining repair records for each piece of equipment
- Scheduling and monitoring PM activities
- Issuing work orders and purchase orders
- Maintaining spare parts inventories
- Automatically issuing exception reports, equipment status reports, and an equipment repair priority report

The Jobs Plus® software is organized around several modules (depicted in Exhibit I.2-5):

- Work orders
- Maintenance tasks
- Scheduling
- Work order analysis
- Reporting
- Equipment

The Jobs Plus® program has several additional features that will benefit Fort Knox. The HCWD1 staff will be able to easily generate custom reports when requested based on predetermined and customized analysis tools. This will permit generation of summary reports rather than the basic raw data-only type of reports typically provided for monthly reporting. The CMMS will provide concise, easy-to-read equipment reports that detail specific information based on manufacturer, type, location, or operating system and subsystem. This information can include lifecycle costs, maintenance frequencies and histories, and status reports on all maintenance functions. Reports can focus on issues, such as job completion reports, work order status, and manpower utilization.

The maintenance staff will be responsible for obtaining the following data for entry into the CMMS:

- All nameplate data and other pertinent information, such as bearing sizes, total dynamic head (TDH), and flow available for each piece of equipment
- Equipment identification number, equipment description (name), and location

The database will be populated during the transition phase of the project and will continue until all elements of the MEL are incorporated once the users are trained on the program. As maintenance procedures are dynamic in nature (e.g., motors/pumps are repaired and replaced), the database will be continuously updated accordingly.

Service Quality

For this contract, HCWD1 will draft an initial set of benchmarks developed specifically for this project in the form of performance metrics. HCWD1 will establish goals for continuous improvement of the systems. The goal of this process will be to measure our success at delivering continuous service to Fort Knox in the most efficient manner and with the highest degree of customer satisfaction. We track all usable data for the project in the CMMS to measure performance. The CMMS allows for continual archiving and tracking of maintenance data so that reports that contain key
indicators of facility maintenance performance can be generated. Administrative data, such as customer calls and complaints, are recorded, and this data is tracked over time as an indicator of performance. There will be no compromising of quality in order to cut costs.

Communications
Communication is critical to the success of emergency management and day-to-day deployment and coordination of the workforce. The size of Fort Knox makes good communication essential to operations. HCWD1 will equip each work crew in the field, supervisors, and other key personnel with cellular telephones. HCWD1 will have immediate access to each of the work crews in the field and all of the supervisors. Auto dialers will be deployed as a key part of the communications plan. Should any alarm conditions develop, for example, if a pump station goes into alarm, the SCADA system will page and/or phone the supervisor or employee responsible for that station. This is especially beneficial for unmanned facilities and during off-duty hours.

Engineering and Renewal and Replacement Program
HCWD1 has assembled a team of the industry’s best to lead and manage the Fort Knox Water Utility Privatization, specifically the Engineering R&R Program. HCWD1, LWC, and CH2M HILL have unmatched experience in this area. Our approach will provide a Project Engineering Manager, who will be supported by the vast resources of team members. The engineering team will manage:

- Planning and Programming
- Mapping and GIS
- Utility Design Review
- Utility Inspection
- Fire Protection/Hydraulic Modeling
- Renewal and Replacement Planning/Management

Safety/Security
The safety/security of potable water supplies has come under heightened scrutiny since the events of September 11, 2001. The Department of Defense (DoD) and Fort Knox have heightened their safety/security measures since then. The Safety/Security Officer, Mr. David Simmons, will be responsible for the overall safety and security program, as well as for the emergency/disaster operations assistance. During transition, HCWD1 will conduct a preliminary assessment of the physical safety/security and vulnerability/effectiveness of the water distribution and water treatment systems. During the transition period, HCWD1 will seek to review the Vulnerability Assessment to ensure all identified security measures have been completed.

Evaluate Current Physical Protection Effectiveness. The current effectiveness of the physical protection system for each critical asset will be evaluated based on an expected or likely threat scenario and DoD criteria. For a physical protection system to be useful in protecting a critical asset, the following must occur:

- Detection. The facility/station must have proper detection of a hostile act. HCWD1 will review the current security equipment to determine if it is appropriate.
- Delay. Any element of the current security system that causes the threat to take more time to reach its objective is considered a delay. When used properly, delay elements, such as locks, can provide sufficient protection of critical assets. HCWD1 will review existing delay elements.
- Response. Fort Knox Military Police and HCWD1 will provide a coordinated response to security threats.

All three of these elements are needed to determine the Probability of Effectiveness (Pe) of the existing physical protection system. Some of the questions that will be asked to evaluate the probability of effectiveness are:

- How many persons require access to the facility/station by shifts?
- Who is responsible for key control? Are there written procedures?
- Who holds the master keys and is there a list of them?
• Are keys signed for?
• Are any keys lost at this time?
• Are there alarms on any components of the water system?
• Where do the alarms terminate (who answers alarm)?
• Is there perimeter lighting? What type?
• Are all perimeter lights on at night?
• Are lights turned on automatically or manually?
• Who is responsible for lighting maintenance?
• Is there an auxiliary power system for lights?

I.2.1.4 O&M Policies and Procedures

HCWD1 will operate the facilities to accepted standards published by the AWWA, the Water Environment Federation (WEF), and the State of Kentucky Division of Water. The standards include:

• Kentucky Administrative Regulations Title 401 KAR Chapter 8
• CIPRA Handbook
• Factory Mutual Global – FM Approvals
• ASCE
• National Pollutant Discharge Elimination System (NPDES) Permits
• AWWA C700-95
• AWWA C500-93
• National Fire Protection Association and Standards, NFPA-1
• Kentucky Occupational Health and Safety, General Industry Standards
• CIPRA Handbook
• 10 States Standards – Recommended Standards for Waterworks 2007 Edition
• AWWA C700-95
• AWWA C500-93
• National Fire Protection Association and Standards, NFPA-1

HCWD1 has developed an operations program for its water systems, which includes SOPs. This O&M Plan will be encapsulated in an O&M Manual for Fort Knox’s water system—a user-focused, living document that will be updated and revised by the staff.

O&M Manuals

Our O&M Manuals will be developed by the operations staff. Our team of systems experts and engineers review the technical content, but the manuals are written from an experienced operator’s perspective and provide immediate access to the information an operator needs to know, in a logical, practical format.

Typically, the O&M Manual is developed at two levels—the individual component level and the system-wide level. The component-level data, which is provided by manufacturers and equipment vendors, will be assembled and organized in a consistent, indexed format for easy reference. Upon reviewing this information on equipment and systems and developing a basic understanding of their operation—as well as studying the Fort Knox facility design—our operations specialists will extract pertinent data developed by the various disciplines (e.g., operating limits, warnings, notes) and integrate it into an overall O&M Manual.

The purpose of the O&M Manual is to consolidate data on the background, principles, and purpose of each piece of equipment in the system. The Manual will provide the staff with a clear understanding of the system goals and objectives, and will serve as a single reference source for locating all the information and approaches necessary to successfully operate the system. The O&M Manual will be a valuable resource for the staff, especially when faced with operating processes that are not frequently employed, or to refresh their understanding of system operating limitations. For new staff members, the Manual also will serve as a secondary training tool, because it contains all the information necessary to understand the systems.

Standard Operating Procedures

The facility’s O&M Manual includes SOPs that will be updated at least annually and whenever the equipment is modified or changed. We will store SOPs in an online format in the CMMS to provide ready access for reference and field use and updating.

SOPs are the backbone of any water system operational strategy. Equipment SOPs detail the
operation of a single piece of equipment, such as a booster station pump. The SOP is a basic guideline to be followed to ensure proper operation.

SOPs include instructive guidelines for startup, shutdown, and emergency operations. Each SOP includes safety notes, warnings, and cautions. For clarity and to facilitate comprehension, SOPs also include tables, diagrams, and drawings as appropriate. HCWD1 will refine and expand current SOPs as needed for all aspects of Fort Knox’s distribution system.

SOPs provide operators with a quick reference to verify proper procedures. Typically, they are placed in key areas to be easily accessible. With these guides, operators have a quick reference source always available to them.

SOPs are useful in training new associates to operate specific pieces of equipment or perform testing procedures and in reminding associates of the specific procedures to follow before they start a task that they may not have performed recently. However, SOPs do not tell associates why they are performing a certain task or what the outcome will be both short-term and long-term.

Qualifications of Each Staff Position for the Operation of the Utility System

Key members of the project team are HCWD1 employees. Qualifications for key management staff are provided in Exhibit I.2-6. Support staff qualifications and duties are provided in Exhibit I.2-7.

Approach to Ensuring Personnel Are Current in Training and Certifications

HCWD1 management selects and assigns personnel performing work affecting quality who are competent based on applicable education, training, skills, and experience. The following are the responsibilities of HCWD1 management to ensure that personnel remain current in their training and certifications:

- Determine the necessary competence for personnel performing activities affecting quality.
- Provide training or take other actions to satisfy these needs.
- Evaluate the effectiveness of the actions taken.
- Ensure that HCWD1 employees are aware of the relevance and importance of their activities and how they contribute to the achievement of the quality objectives.
- Maintain appropriate records of education, training, skills, and experience.

Training and Certification Required for Each Staff Position

Exhibit I.2-8 provides the training and certifications required for the proposed staff positions.
### Position Qualifications for Key Management Staff Positions

<table>
<thead>
<tr>
<th>Management Staff Credentials</th>
<th>Position Qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Manager – Jim Bruce</strong></td>
<td><strong>General Manager Position Qualifications</strong></td>
</tr>
</tbody>
</table>
| Mr. Bruce’s experience includes 26 years in water and sewer utility management. For the last 14 years, he has been the General Manager of HCWD1 in Radcliff, Kentucky. HCWD1 currently owns four utility systems, which include a water system serving 35,000 people with 4 wholesale customers; 122 square miles of service area with a water treatment facility; and two sanitary sewer systems with two wastewater treatment plants (4 and 6 million gallons per day [mgd]), containing over 200 miles of sewer mains and 30 lift stations serving over 45,000 persons and the wastewater utility on Fort Knox. | • BA/BS degree in Civil Engineering, Environmental Engineering, or Business Administration  
• 7-10 years work-related experience in engineering management  
• Considerable knowledge of principles and practices of civil, mechanical, and electrical engineering, public administration, municipal accounting, and budget procedures  
• Familiarity with water and wastewater plant operations, water and sewer line construction, and maintenance procedures  
• Proficient in management, supervision, and communication  
• Mastery of interpreting local, state, and federal codes, acts and policies, and grant availability concerning water and wastewater  
• Good communication skills (oral and written) |
| **Operations (Alternate) Project Manager – Brett Pyles** | **Operations (Alternate) Manager Project Manager Position Qualifications** |
| Mr. Pyles’ experience includes 22 years in water and sewer utility management. For the last 3 years, he has been the Operations Manager of HCWD1 in Radcliff, Kentucky. HCWD1 currently owns four utility systems, which include a water system serving 35,000 persons with 4 wholesale customers; 122 square miles of service area with a water treatment facility; and two sanitary sewer systems with two wastewater treatment plants (4 and 6 mgd), containing over 200 miles of sewer mains and 30 lift stations serving over 45,000 persons and the wastewater utility on Fort Knox. | • BA/BS degree in Civil Engineering, Environmental Engineering, or Business Administration  
• 5+ years work-related experience in civil or environmental engineering  
• Considerable knowledge of principles and practices of civil, mechanical, and electrical engineering, public administration, municipal accounting, and budget procedures  
• Familiarity with water and wastewater plant operations, water and sewer line construction, and maintenance procedures  
• Proficient in management, supervision, and communication  
• Mastery of interpreting local, state, and federal codes, acts and policies, and grant availability concerning water and wastewater  
• Good communication skills (oral and written) |
| **Engineering Manager – Robert Neath** | **Engineering Manager Position Qualifications** |
| Mr. Neath is a graduate of South Dakota State University with a MS in Environmental Engineering. He is a licensed Professional Engineer with over 17 years of experience. He is currently a Senior Project Manager with CH2M HILL and is currently supervising the engineering staff for the Army Post at Fort Campbell, Kentucky. In this role, he supervises the staff performing the studies and design projects, and serves as the client contact for engineering related topics. | • BA/BS in related occupational field of study  
• 1 - 3 years in similar position or sufficient experience to perform principal duties and responsibilities  
• Considerable knowledge of principles and theories of civil engineering, water and sanitary sewer materials and construction, surveying and design principles and practices, construction estimating, and backflow prevention and installation  
• Proficiency in administering construction contracts; mastery of operating personal computers and using drafting and surveying instruments  
• Good communication skills (oral and written) |
### Exhibit I.2-6

**Position Qualifications for Key Management Staff Positions**

<table>
<thead>
<tr>
<th>Management Staff Credentials</th>
<th>Position Qualifications</th>
</tr>
</thead>
</table>
| **Water Treatment Project Manager – Jim Smith**
  Mr. Smith holds a masters degree in Environmental Engineering from the University of Louisville and a Bachelors degree in Biological Sciences from Indiana University. Mr. Smith’s experience includes over 25 years in water utility operations and management at the LWC. He currently serves as the Director of Infrastructure Planning and Business Development and previously held roles at LWC of Manager of Plant Operations, Manager of Water Quality and Research, Manager of Plant Engineering and Research Engineer. Mr. Smith has been active with AWWA at the national level serving on the Research Advisory Council, Coagulation and Filtration Committee, Disinfection Committee, Technical Publication Committee, and AWWARF Project Advisory Committees. | **Water Treatment Project Manager Position Qualifications**
  • BS in Engineering and 10 years of experience in water supply and treatment, including 7 years of management experience at a public utility or equivalent business
  • Knowledge and experience in water treatment and water supply operations, including fundamental knowledge of water quality regulations and monitoring requirements
  • Knowledge and experience in asset management and infrastructure renewal
  • Knowledge of hydraulic principles and analysis
  • Demonstrated ability in systems planning, capital budgeting, and in performing engineering feasibility studies
  • Demonstrated ability in business management, including operational planning and budget preparation
  • Knowledge of GIS systems, automated mapping, and facility management systems |

| **Plant Maintenance Manager – John Azzara**
  Mr. Azzara received an MS in Mechanical Engineering from the University of Louisville. Prior to joining LWC, he worked in private industry for 11 years in various engineering capacities. He has been with LWC for 6 years, serving as the Process Owner of Filter Plant Maintenance. Mr. Azzara manages a workforce of approximately 17 employees, responsible for providing maintenance for two filter plants, approximately 48 booster pumping stations, and 39 tank sites throughout the City of Louisville and surrounding areas. | **Plant Maintenance Manager Position Qualifications**
  • BS in Engineering (mechanical, electrical, chemical) or related discipline, and 5 years of experience in industrial maintenance, chemical plant maintenance or water treatment plant maintenance
  • Three years of management experience
  • Experience supervising employees covered by a collective bargaining agreement
  • Knowledge and experience with water treatment and pumping operations, and an understanding of the O&M of rotating equipment, power distribution equipment, electrical control and instrumentation system, and chemical processing equipment (including demonstrated knowledge, skills and experience in developing and maintaining predictive and preventative maintenance programs for the listed equipment) |
### Position Qualifications for Key Management Staff Positions

<table>
<thead>
<tr>
<th>Management Staff Credentials</th>
<th>Position Qualifications</th>
</tr>
</thead>
</table>
| **Plant Operations Manager – Kent Horrell**  
Mr. Horrell graduated from the University of Louisville and holds an MS in Electrical Engineering, as well as his class IV Water Treatment License. He has been with LWC for over 25 years, initially as a Maintenance Supervisor for water treatment facilities. Mr. Horrell also managed capital improvement projects for the water treatment and pumping operations of the company, before becoming the Manager of Water Treatment and Pumping Operations in 1997. | **Plant Operations Manager Position Qualifications**  
- BA/BS degree in a technical discipline  
- 5 years in a similar position or sufficient experience to perform principal duties and responsibilities of the position  
- Class IV-A Kentucky Water Treatment License, or ability to obtain within 6 months  
- Possess valid drivers license  
- Considerable knowledge of principles and practices of civil, mechanical, and electrical engineering, public administration, municipal accounting, and budget procedures  
- Familiarity with water plant operations, water line construction, and maintenance procedures  
- Proficient in management, supervision, and communication  
- Mastery of interpreting local, state, and federal codes, acts and policies concerning water  
- Good communication skills (oral and written) |

| **Water Distribution Supervisor – Richard Stranahan**  
Mr. Stranahan’s experience includes 23 years in water, gas, and sewer utility industry. Mr. Stranahan currently holds a Class IV Distribution Certification with the State of Kentucky. For the last 3 years, he has been the Distribution Supervisor of HCWD1 in Radcliff, Kentucky. HCWD1 currently owns four utility systems, which include a water system serving 35,000 persons with 4 wholesale customers; 122 square miles of service area with a water treatment facility; and two sanitary sewer systems with two wastewater treatment plants (4 and 6 mgd), with over 200 miles of sewer mains and 30 lift stations serving over 45,000 persons and a stormwater utility on Fort Knox. | **Water Distribution Supervisor Position Qualifications**  
- Associate Degree or BS highly desirable  
- 5 years in a similar position or sufficient experience to perform principal duties and responsibilities of the position, 3 years in supervision  
- Class IV-D Kentucky Water Treatment License, or ability to obtain within 4 years of employment  
- Possess valid commercial drivers license  
- Considerable knowledge of principles and practices of civil, mechanical, and electrical engineering, public administration, municipal accounting, and budget procedures  
- Familiarity with water distribution system operations, water line construction, and maintenance procedures  
- Proficient in management, supervision, and communication  
- Mastery of interpreting local, state, and federal codes, acts, and policies concerning water distribution systems  
- Good communication skills (oral and written) |
### Position Qualifications for Key Management Staff Positions

<table>
<thead>
<tr>
<th>Management Staff Credentials</th>
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</thead>
<tbody>
<tr>
<td><strong>Safety/Security office – David Simmons</strong></td>
</tr>
<tr>
<td>Mr. Simmons received an MS in Geology from Southern Illinois University in 1988. Since that time, he has worked for Indiana’s Division of Water, Department of Natural Resources, as well as consultants and private industry. In 2002, Mr. Simmons became the Production Safety and Quality Assurance Officer for LWC. In 2007, he assumed the duties of Process Owner of Engineering and Operations Safety. In this capacity, he is responsible for developing and implementing a Health, Safety &amp; Environmental Program designed to ensure employee safety, protect property and the environment, and achieve compliance with OSHA, EPA, and Department of Transportation (DOT) regulations.</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Safety/Security Officer Position Qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>• BA/BS degree in a work-related occupational field of study or equivalent combination of education and experience</td>
</tr>
<tr>
<td>• 3-5 years in a similar position or sufficient experience to perform principal duties and responsibilities of the position</td>
</tr>
<tr>
<td>• Possess valid drivers license</td>
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<tr>
<td>• Knowledge of systems operations in a variety of areas in order to recognize hazards</td>
</tr>
<tr>
<td>• General knowledge of systems operations in a variety of areas in order to recognize hazards</td>
</tr>
<tr>
<td>• Knowledge of relevant federal, state, and local laws, ordinances, and policies applicable to department operations</td>
</tr>
<tr>
<td>• Knowledge of effective training techniques</td>
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<tr>
<td>• Good communication skills, both oral and written</td>
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<tr>
<td>• Skill in observation, detection, investigation, and prevention of occupational health/safety hazards</td>
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<tr>
<td>• Ability to work independently</td>
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</tbody>
</table>
### Exhibit I.2-7  
**Qualifications of the Support Staff**

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Qualifications and Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water Treatment Plant Operator</strong></td>
<td>Must comply with all medical requirements, pass self-contained breathing apparatus (SCBA) respirator exam and capable of wearing a Level A Suit. Must have the ability to read. Must have the ability to write legibly. Must have a high school education or GED. Must have proven driving experience and a valid Kentucky Driver’s License. Attendance and safety record must be very good, as this job requires an individual who is capable of accepting responsibility. Must have a thorough knowledge of plant operations, equipment, rules, and regulations. Must pass necessary departmental test for this position. Must meet all Kentucky Division of Water requirements for Operators Certification. Must possess a Class IV-A Water Treatment Plant Operator's License from the State of Kentucky. Duties: Plant Operator will be responsible for the operation of the plant. His/her duties will include, but are not limited to, being responsible for water; directing and handling operations; in case of an emergency, responding and notifying supervision; making rounds; flushing sludge lines; taking readings, including, when necessary, changes in chemical dosages; keeping a daily log of incoming and outgoing chemical shipments; and changing chlorine tank cars or ton cylinders. All other duties as required.</td>
</tr>
<tr>
<td><strong>Distribution Operator</strong></td>
<td>Must have knowledge of the materials, equipment, and practices used in pipeline construction and maintenance; previous experience with the layout of water lines, including the location of valves and appurtenances; ability to operate power equipment and tools used in pipeline work; ability to read meters and accurately record readings; and ability to work in an independent manner with little supervision. High school diploma or equivalent required. Must work toward obtaining a valid Commercial Driver's License. Must be able to obtain certification for Distribution Operator license Class IV-D or higher within 4 years of employment. Must have 1 year experience in outdoor construction work. This individual must be authorized to drive a HCWD1 vehicle and must operate some small construction equipment. Duties: Maintaining tools and equipment; installing fire hydrants and valves; removing and installing meters; performing water analysis tests; and providing general maintenance of HCWD1 property. Must be available for stand-by duty. This individual must be available when the situation arises that requires overtime. Must also live within a 20-minute drive time from the main gate at Fort Knox. This job description does not necessarily include all duties assigned.</td>
</tr>
<tr>
<td><strong>Equipment Operator</strong></td>
<td>Must have knowledge of the principles of operation of heavy equipment, Division of Water distribution regulations, and occupational hazards and proper safety precautions. Must be able to understand and follow oral instruction. Skill in the operation of assigned construction equipment required. High school diploma or equivalent required. Must have a valid Kentucky Commercial Driver’s License or attain within reasonable time. Must have a valid Kentucky Commercial Driver’s License or attain within reasonable time. Must be a certified Kentucky Division of Water Distribution Operator license Class I-V D or attain within reasonable time. Minimum 3 years experience in the operation maintenance of heavy equipment related to the construction end of the utility industry. Must be able to operate backhoe, trackhoe, dump truck, motor vehicle, dozer, air compressor, boring machine, tapping machine, trencher, tractors, mowers, gas-powered equipment, safety equipment, small hand tools, two-way radio, and valve and line location equipment, and other related equipment.</td>
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</tbody>
</table>
### Qualifications of the Support Staff

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Qualifications and Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administrative Assistant</strong></td>
<td>Performs a variety of administrative functions to support the supervisors of HCWD1. Duties include: operating and maintaining digital phone system; purchasing and maintaining inventory of office supplies; performing daily computer operations, such as data backup; maintaining database and records; composing correspondence and editing other authors for grammar and intent; using word processing and desktop publishing software to prepare documents and publications; maintaining, servicing, and operating copier, facsimile machine, and digital phone PBX system; maintaining records systems, including hard copy, hard disk, and LAN files on server; and maintaining confidential personnel, medical, and payroll files. This job description does not necessarily include all duties assigned. Must have excellent organization skills; previous experience and training using Word Perfect, Microsoft Word, or other Windows-based word processing programs; strong written communication skills; knowledge of office terminology and procedures; ability to maintain records systems. This position may require working overtime or late hours, as needed. Some travel required. High school diploma or equivalent, plus at least 2 years college level course work in Business Administration, Accounting, or Computer Information Systems (or equivalent). Three years increasing experience in professional office supporting management and other departments.</td>
</tr>
<tr>
<td><strong>Water Treatment Maintenance Mechanic</strong></td>
<td>Must have ability to troubleshoot mechanical, electrical, plumbing, and hydraulic problems using appropriate measurement/evaluation tools. Must have working knowledge of breakers, electrical wiring, motors, multiple volt systems, AC/DC, variable frequency drive (VFD), transformers, high voltage switch gear, solenoids, limit switches, and other electrical components, hydraulic controls, pumps, valves, mechanical drive systems, equipment alignments, hydraulic cylinders, chemical feed pumps, pipe systems, general plumbing (drains, gaskets, facets), various valves (gate, rising stem, check etc), plumbing codes, material compatibility, speed control valves, transmitters, tanks, pressure regulators, filter tables and sequences, PRV valves, modulator valves, pneumatic systems and hydraulic control systems, welding, millwright, rigging, and hydraulic lifts. Must have ability to read and interpret electrical schematics and mechanical drawings; understand electrical motor control; solder, thread pipe, glue polyvinyl chloride (PVC), braise pipe, fit pipes and valves, and weld and bolt flanges; understand and follow written and oral instructions and manuals in English; and communicate with coworkers and customers in face-to-face settings to explain repairs made or to discuss repair strategies. Must be aware of job-related OSHA and LWC safety rules (e.g., lock-out tag-out, confined spaces) and be able to understand and follow written and oral instructions and manuals in English. Must comply with all LWC's medical requirements, including respiratory requirements. Must have a high school education or G.E.D (2-year technical school certification with electrical license or HVAC certification preferred). Must have a valid Kentucky Driver's License. Must successfully pass the Maintenance Mechanic written test. Must successfully pass the Maintenance Mechanic evaluation “hands-on” test. Must have a record of very good attendance and safety.</td>
</tr>
</tbody>
</table>
### Exhibit I.2-7
**Qualifications of the Support Staff**

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Qualifications and Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td>GIS Technician</td>
<td>Maintain, expand, and improve GIS Mapping System using GPS Devices and record drawings; Write specifications for new GIS/GPS software and hardware; Provide training to HCWD1 staff on use of GIS Mapping System; Coordinate integrated data exchange of GIS systems with other government, utility organizations; Perform field locates of existing system assets; Review construction plans and write comments for requirements to meet Construction Standards; Develop cost estimates for Main Extension Reimbursement Agreements and Commercial Water Meter Fees; Develop Leak Detection Program and specific planning for locating large leaks using Tim Transit Flow Meter and other leak detection equipment; Develop valve exercising program; Update and revise Standard Construction Specifications; Update and improve for efficiency Meter Reading Routes; Perform field locates of existing utilities; Write specifications and Request for Proposals for Distribution related construction equipment and technical computer hardware and software; Work with professional engineers on hydraulic modeling and analysis for system expansions and improvements; Assist Manager/Supervisor with planning annual work schedule, flushing schedule and other major tasks; Meet with builders and developers for planning future system expansions; Maintain distribution inventory records and Work Order close outs; Assist with Water Quality Sampling Program; Assist Distribution Crews and employees with routine projects and duties in emergencies (List is not inclusive or complete of all duties required or assigned). Knowledge of the materials, equipment and practices used in constructing water systems. Ability to read and interpret construction drawings and contract specifications; Ability to use GIS and CADD computer systems and learn the use of hydraulic modeling programs. Must have experience with writing letters and correspondence to contractors to communicate clearly the requirements of the contract. Associates Degree in Applied Science in Industrial Construction Management or Civil Engineering highly desirable. Must possess or be able to obtain within 3 years a Class III-D Distribution System Operator License from the KY Division of Water; Must understand the design and construction methods used with potable water systems; Understand hydrology and basic water system engineering design.</td>
</tr>
</tbody>
</table>

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### Exhibit I.2-8
**Staff Training and Certifications Required**

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Training and Certification Required</th>
<th>Principal Duties and Responsibilities</th>
</tr>
</thead>
</table>
| Distribution Supervisor | • High school diploma, GED, trade school, or equivalent level of education  
• 5+ years similar experience  
• Valid state operator's/driver's license  
• Kentucky IV-D Certification in Water Distribution System Operator or Wastewater Collection System Operator | • Supervises and coordinates water and/or distribution services crews  
• Installs, repairs, and maintains water mains and lines  
• Makes water taps, lays pipe, and clears water rights-of-ways  
• Reads and interprets blue prints  
• Locates water lines and leaks, turns off water mains  
• Oversees water tank operations  
• Trains designated personnel  
• Hydrant flushing and maintenance  
• Answers service and emergency calls and responds to customer complaints |
<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Training and Certification Required</th>
<th>Principal Duties and Responsibilities</th>
</tr>
</thead>
</table>
| Water Treatment Supervisor             | • BA/BS degree in technical discipline  
• Kentucky Class IV-A Water Treatment Plant Operator License  
• HAZMAT Technician Certification  
• 5+ years similar experience  
• Valid state operator’s/driver’s license | • Directs water treatment, pumping, and storage operations to ensure system and water suppliers meet regulatory and customer requirements  
• Supervises Water Treatment Operator staff  
• Analyzes treatment plant performance and operational production and water quality data  
• Prepares monthly operating reports per KDOW requirements  
• Determines chemical dosages and feed rates  
• Assures operator staff is fully trained and qualified per KDOW and OSHA requirements  
• Answers service and emergency calls and responds to customer complaints |
| Water Treatment Plant Maintenance Manager | • BS degree in Engineering or related discipline  
• Kentucky Class IV-A Water Treatment Plant Operator License  
• HAZMAT Technician Certification  
• 5+ years similar experience  
• 3 years management experience  
• Valid state operator’s/driver’s license | • Assures water treatment, pumping, and storage equipment operates per production needs and is maintained for optimal life cycle performance and cost  
• Supervises Water Treatment Maintenance Mechanic staff  
• Analyzes equipment performance, develops preventative and predictive maintenance plans, and schedules, maintains equipment, and maintenance records  
• Develops and maintains equipment and spare part inventory  
• Assures maintenance trained and qualified per KDOW and OSHA requirements  
• Answers service and emergency calls and responds to customer complaints |
| Heavy Equipment Operator               | • High school diploma, GED, trade school, or equivalent level of education  
• 1-2 years similar experience  
• Valid state operator’s/driver’s license  
• Kentucky Class IV Distribution Certification | • Operates and maintains heavy equipment  
• Repairs and/or replaces defective mechanical equipment and controls  
• Maintains pumping stations and storm water diversion structures  
• Maintains equipment records and reports  
• Loads trucks |
### Staff Training and Certifications Required

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Training and Certification Required</th>
<th>Principal Duties and Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Treatment Plant Operator</td>
<td>• Must possess a Class IV-A Water Treatment Plant Operator’s license for the state of Kentucky.</td>
<td>• Responsible for conducting water treatment, pumping and storage operations to ensure system and water supplies meet regulatory requirements.</td>
</tr>
<tr>
<td></td>
<td>• Must have thorough knowledge of plant operations, equipment, KYDOW rules and regulations.</td>
<td>• Maintains accurate water production/quality information</td>
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<tr>
<td></td>
<td>• Must comply with all medical requirements, pass SCBA respirator exam and be capable of working in</td>
<td>• Answers telephones, takes service calls</td>
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<td></td>
<td>a Level A protective suit.</td>
<td>• Performs laboratory analysis and maintains water quality records</td>
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<tr>
<td></td>
<td>• Must have a high school education or a GED and be able to read and write legibly.</td>
<td>• Measures records of water treatment and amounts of chemicals used.</td>
</tr>
<tr>
<td></td>
<td>• Principal Duties and Responsibilities</td>
<td>• State and KDOW reporting/recordkeeping.</td>
</tr>
<tr>
<td></td>
<td>• Responsible for conducting water treatment, pumping and storage operations to ensure system and</td>
<td>• Makes changes in production rates and chemical feed systems based on water quality and system demand.</td>
</tr>
<tr>
<td></td>
<td>water supplies meet regulatory requirements.</td>
<td></td>
</tr>
<tr>
<td>Engineering Manager</td>
<td>• BA/BS in related occupational field of study</td>
<td>• Administers the CIP Program</td>
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<tr>
<td></td>
<td>• 3-5 years similar engineering experience</td>
<td>• Administers construction standards</td>
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<td></td>
<td>• PE licensing in State of Kentucky</td>
<td>• Evaluates water and sanitary sewer project needs</td>
</tr>
<tr>
<td></td>
<td>• Valid state operator’s/driver’s license</td>
<td>• Maintains current status reports and files; coordinates projects with other agencies</td>
</tr>
<tr>
<td></td>
<td>• HAZMAT Technician certification</td>
<td>• Prepares bid packages</td>
</tr>
<tr>
<td>GIS Technician</td>
<td>• AS degree in applied science in Industrial Construction Management or Civil Engineering</td>
<td>• Performs data entry and conversion</td>
</tr>
<tr>
<td></td>
<td>• 3 years of experience</td>
<td>• Coordinates with Engineering Manager for integration of GIS with CMMS</td>
</tr>
<tr>
<td></td>
<td>• Valid state operator’s/driver’s license</td>
<td>• Maintains accurate water and sanitary sewer information</td>
</tr>
</tbody>
</table>

### I.2.2 Quality Management Plan

HCWD1 has developed this Quality Management Plan in accordance with Section L.4.2 and paragraph C.12 of the RFP. This Quality Management Plan includes the following sections:

- Operating and Maintaining the Utility Systems That will Satisfy Requirements
- Obtaining Customer Feedback and Process Improvements
- System Inspections and Quality Assessment Procedures and Techniques
- Recordkeeping Processes
- Environmental Compliance Plan (Water Treatment System)

- How Performance Standards and/or Specifications Will be Met
- Other Standards and Specifications
- Process for Implementation of Government Requested Facility Expansions
- Compliance with Applicable Environmental, Safety, and OSHA Laws and Regulations
- Safety and OSHA Compliance
- Opportunities for Efficiencies in Utility Operations
- Managing and Accessing Technical Information
- Specialty Skills Training
- Quality Awards and Certifications and Current Operating Standards and Procedures Required by the Kentucky Public Service Commission and the Kentucky Division of Water
I.2.2.1 Operating and Maintaining the Utility Systems That Will Satisfy Requirements

The quality management system proposed is composed of programs and processes that together ensure the elements that are central to customer satisfaction. These include:

- Management Responsibility
- Resource Management
- Product and Service Controls
- Measurement, Analysis, and Improvement

The components of each of these elements are described below.

Management Responsibility

- **Establishing vision, mission, and organization.** Management demonstrating its commitment to the development and improvement of the quality system.
- **Conducting reviews of the system’s performance and providing direction for improvement.** Management reviewing the quality management system at planned intervals to ensure its continuing suitability, adequacy, and effectiveness.
- **Quality Planning.** Ensuring that change is conducted in a controlled manner and that the integrity of the quality management system is maintained during change.

Resource Management

- **Assigning resources necessary for project accomplishment.** Needed to implement and improve the processes of the quality management system and to address customer satisfaction.

Establish training. Identify competency needs for personnel performing activities affecting quality and provide training to satisfy these needs.

Providing facilities and an adequate work environment. Identify, provide, and maintain or manage the facilities and the human or physical factors of the work environment needed to achieve conformity of the product.

Product and Service Controls

- **Planning to Ensure the Completion of the Project.** Identifying and performing the sequence of processes and sub-processes required to achieve the product.
- **Identifying Customer Requirements.** Determining product requirements specified by the customer, as well as those not specified but necessary for the intended or specified use and obligations related to product, including regulatory and legal requirements.
- **Control of Engineering Designs.** Includes determining responsibilities and authorities for design and/or development activities and the review, verification, and validation activities appropriate to each design and/or development stage.
- **Purchasing.** Control of purchasing processes to ensure purchased product conforms to requirements. Evaluate and select suppliers based on their ability to supply products in accordance with our requirements. Ensure supply economy by monitoring purchases and prevention of unnecessary transactions.
- **Operations Control.** Control of production and service operations through the availability of information that specifies the characteristics of the product, where needed, the availability of work instructions, use and maintenance of suitable equipment, monitoring activities, and the implementation of defined processes for release, delivery, and applicable Post delivery activities.
- **Laboratory Certification and Quality Audits.** Identifying, where appropriate, the product by suitable means throughout production and service operations.
Measurement, Analysis, and Improvement

• **Internal Audits.** Audits are performed to determine if the quality management system is implemented and effective. Audits are planned and scheduled based on importance and risk of processes. Auditors are trained and audits are conducted and reported.

• **Inspection Program.** Inspection of product and services will be conducted in accordance with written procedures. Contract requirements will be used as the basis for establishing inspection criteria. Non-conformances will be documented and defect percentages determined. Corrective action will be taken and effectiveness evaluated.

In Section 2.1, we described in detail the procedures that HCWD1 proposes to implement in the O&M of the utility systems in accordance with all applicable federal, state, and local laws/regulations and the most current version of any specific requirements defined in the utility-specific RFP attachments (Section J). The following provides a narrative description of how HCWD1 plans to operate and maintain the utility systems in a manner that will satisfy the RFP requirements.

All activities of the Fort Knox water utility will be governed by the professional standards of performance listed in the M series references of the AWWA. These references are available at HCWD1 offices and are used routinely by the operations and engineering staff. Water quality standards will be maintained in accordance with EPA- and KDOW-established standards for drinking water. Testing of the treated water will be performed by the on-site utility operator, and required compliance testing will be performed by a KDOW certified testing lab. Particular attention will be given to testing for total coliform, bacterial contamination, and chlorine residuals. Other tests will be performed at varied times, as required by the KDOW schedule. Results of the testing will be available by HCWD1 at the project office. Testing results will be reported to the KDOW. Water quality testing and reporting will be added as a separate component to the existing programs.

Water treatment at Fort Knox will be governed by the professional standards imposed by the AWWA and the EPA, as well as the requirements of the KDOW. Treatment plant operators will be certified by the State of Kentucky for their particular duties. Operators will be required to monitor operations of all aspects of the water treatment and distribution system.

It is our intention that water service will not be interrupted, except when necessary maintenance is required or new services are added to the utility. In those instances where an emergency situation arises that disrupts water operations, the on-site utility operator will identify the problem and restore water service as early as practical.

I.2.2.2 Obtaining Customer Feedback and Process Improvements

An overview of the HCWD1 customer feedback and process improvement is presented in Exhibit I.2-9. Monthly meetings with the CO/COTR and other identified stakeholders will be held to review customer satisfaction and metric performance. HCWD1 will submit a suggested agenda to the COTR, at least 1 week prior to each meeting. Minutes will be maintained for the meetings and will be reviewed for status at the ensuing meeting. These meetings and the feedback generated are crucial elements in our goal of Continuous Improvement.

Annually, EPA requires the preparation and mailing of a Consumer Confidence Report (CCR) to all customers of a public water system. HCWD1 has prepared the CCR each year since the requirement was established for their current customers. This single report provides a snapshot of the previous year regarding water quality, results of testing during the year, and any other items of interest to the customers. The CCR has also been used as a method to communicate with our customers about important upcoming events that will affect their utility. Included in the CCR are not only results of water quality tests, but also a section regarding information on the parameters used in the testing, a section informing customers who to call in the event of a problem, and
Customer Feedback and Process Improvement is Built into Our Quality Assurance Process

water conservation tips. HCWD1 will prepare and distribute CCRs in accordance with the KDOW regulations and requirements.

I.2.2.3 System Inspections and Quality Assessment Procedures and Techniques
Inspection schedules and surveillance checklists will be developed for each utility system maintenance and operations element described in the O&M Plan and for each major CIP. An appropriate level of surveillance will be set for the performance requirements based on the number of items to inspect, how critical the Statement of Work is (based on an assessment of the risk associated with failure), and the characteristics of the item to be inspected.
Inspections schedules and checklist criteria will be reviewed and approved by the General Manager prior to implementation. The completion of scheduled inspections will be conducted by an assigned inspector and tracked by the responsible supervisor. Inspections not completed within the timeframe indicated will be reassigned and the reason for not being completed researched and resolved.

Inspectors will be trained and qualified to perform the inspections they are assigned. Qualifications include having the knowledge and experience regarding the equipment or operation they are inspecting, being familiar with the inspection procedure, and having the maturity to perform their tasks in a professional manner. They will review inspection and surveillance schedules and perform assigned inspections accordingly, reporting any discrepancies or nonconformance to the responsible supervisor who will review findings and initiate corrective action as required. O&M inspectors have the authority to stop activities if they feel they violate the health and safety of plant personnel or the efficiency of operations.

Periodic audits and assessments of the utility operations and administrative functions to evaluate the level of effectiveness and implementation of procedures and processes will be established to satisfy requirements. This includes project procedures and plans developed and approved in accordance with contract requirements. Inspectors that serve as auditors will be trained in the audit process and reports of their activities and findings will be provided to the General Manager. Corrective action will be taken on any findings of nonconformance. Inspectors also have the authority to stop any activity that they feel may threaten the health and safety of plant personnel or the efficiency of operations.

Major CIPs’ inspection plans will be reviewed and approved by the General Manager with input from the COTR as to the surveillance level and inspection criteria sought prior to being implemented.

For each definable feature of work established by the General Manager, the following events could be included in the inspection/quality assessment:

1. Confirm that the appropriate technical specifications are incorporated into the project delivery plan and review said specifications with the working foreman.
2. Confirm that the appropriate contract drawings are incorporated into the project plan and review said drawings with the working foreman.
3. Verify with the working foreman that all shop drawings and submittals have been approved by the proper approving authority (including factory test results, when required).
4. Confirm with the working foreman that the testing plan coincides with the delivery plan and that adequate testing is called for to assure quality delivery.
5. Confirm definition of preliminary work required at the work site and examine the work area with the working foreman to confirm required preliminary work has been properly completed.
6. Confirm availability of required materials and equipment. Examine same with the working foreman to confirm compliance with approved submittals. Examine mock-ups and any sample work product to confirm compliance with approved submittals.
7. Review the site safety plan and activity hazard analysis with the working foreman to ensure that safety concerns are adequately addressed and applicable safety requirements have been incorporated into the plan. Confirm that the appropriate Material Safety Data Sheets (MSDSs) have been identified and properly submitted.
8. Discuss with the working foreman construction methods to be employed during the remedial action. Identify checkpoints and areas of evaluation that will allow determination that the appropriate quality of construction is being achieved.

The General Manager will monitor performance of all utility systems under his purview through a review of reports, operating parameters of equipment, work order status and accomplishment of Repair and Replacement projects.
I.2.2.4 Recordkeeping Processes

HCWD1, Fort Knox, regulators, and other parties need timely access to specific utility information. We will implement effective tools and processes to manage information in a variety of formats and media to ensure that accurate, complete, and accessible records are maintained. Exhibit I.2-10 shows the types and formats of information retained. The types of information will evolve and grow from contract award as capital improvement and renewal and replacement projects are designed, constructed, and operated.

EXHIBIT I.2-10
Types and Formats of Information

<table>
<thead>
<tr>
<th>Type Information</th>
<th>Typical Format of Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility system maps</td>
<td>Electronic</td>
</tr>
<tr>
<td>GIS data</td>
<td>Electronic</td>
</tr>
<tr>
<td>Construction drawings</td>
<td>Electronic</td>
</tr>
<tr>
<td>As-built drawings</td>
<td>Hardcopy</td>
</tr>
<tr>
<td>Construction specifications</td>
<td>Electronic</td>
</tr>
<tr>
<td>Shop drawings</td>
<td>Hardcopy</td>
</tr>
<tr>
<td>Maintenance schedule</td>
<td>Electronic</td>
</tr>
<tr>
<td>Utility system reports and studies</td>
<td>Electronic</td>
</tr>
<tr>
<td>Hydraulic and flow models</td>
<td>Electronic</td>
</tr>
<tr>
<td>Cost records and reports</td>
<td>Electronic</td>
</tr>
<tr>
<td>Invoices</td>
<td>Electronic, Hardcopy</td>
</tr>
<tr>
<td>Purchase orders</td>
<td>Electronic, Hardcopy</td>
</tr>
<tr>
<td>Correspondence with regulators</td>
<td>Hardcopy</td>
</tr>
<tr>
<td>Monthly Operations Reports</td>
<td>Electronic</td>
</tr>
<tr>
<td>Customer surveys and feedback</td>
<td>Electronic</td>
</tr>
<tr>
<td>Contract documents, modifications</td>
<td>Electronic, Hardcopy</td>
</tr>
<tr>
<td>Correspondence</td>
<td>Electronic, Hardcopy</td>
</tr>
<tr>
<td>Inspection/Assessment Reports</td>
<td>Electronic, Hardcopy</td>
</tr>
</tbody>
</table>

As a general rule, data will be archived electronically and kept indefinitely. We will maintain backup tapes, compact disks, DVDs, or other similar media at a secure offsite location. Records will be kept in accordance with state and federal requirements, and a minimum of 2 years on-site, and then archived at an offsite storage area. As system upgrades and expansion activities take place, the system inventory and asset valuation will be updated and kept current with renewal or depreciation of the assets. HCWD1 will maintain this database electronically so that the asset value can be tracked on an annual basis, or more often if required.

It is anticipated that our continued maintenance and service of the utility systems will provide additional information on the location of utilities. This information will be put into the GIS, and the resultant maps will be updated periodically so our maintenance crews will have up-to-date information in the field and ensure that the documented system configuration is as accurate as possible. HCWD1 will provide Installation updates to utility maps within 30 days after completion of significant changes, and updated utility maps annually with the Capital Plan or upon reasonable request of the Government. As indicated in RFP Section C.5.1.5, HCWD1 will maintain record drawings for all existing and new facilities installed by HCWD1 within the service area. Upon reasonable request and with reasonable notice, the Government will be allowed to use and copy such drawings. HCWD1 will provide available drawings to the Government in the form of CAD-CAM disks using the latest release software compatible with Government systems. We will provide all updates and changes to utility system maps in both hard copy (full size) and electronic media formats to insure delineation of all contractor facilities within one year of contract award and annually thereafter as necessary.

I.2.2.5 Environmental Compliance Plan

According to the RFP, an Environmental Compliance Plan is required for wastewater treatment systems. The transfer of assets for this proposal does not include a wastewater treatment system. Our approach for the environmental compliance for the water utility system is shown in Section 2.2.9.

I.2.2.6 How Performance Standards and/or Specifications Will be Met

It is our standard procedure to implement verifiable performance measures in providing utility services to our customers. Performance standards and/or specifications for the provision of the proposed utility service are highlighted in Exhibit I.2-11 and include our proposed performance standards based upon RFP Table L-1. Upon award, HCWD1 will develop benchmark standards for those metrics and submit them to the CO/COTR for review and discussion.
### EXHIBIT I.2-11
**Proposed Performance Standards for Water System**

<table>
<thead>
<tr>
<th>MEASURE</th>
<th>PERFORMANCE INDICATOR</th>
<th>PROPOSED STANDARD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quality</strong></td>
<td>System will remain in compliance with the State of Kentucky permit requirements.</td>
<td>Compliance goal, in compliance 100% of the time.</td>
</tr>
<tr>
<td><strong>Reliability</strong></td>
<td>Provide water distribution services to all customers 24/7.</td>
<td>Restore temporary water service within 24 hours (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).</td>
</tr>
<tr>
<td><strong>Recurring and Preventative Maintenance</strong></td>
<td>Percentage of preventive maintenance work orders completed versus scheduled.</td>
<td>Spend more time on PM work to decrease CM work. &gt;90% completed as scheduled.</td>
</tr>
<tr>
<td><strong>Sampling/Analysis</strong></td>
<td>QA/QC compliance; Performance evaluation testing utilizing blind samples.</td>
<td>100% pass rate with all sample results within the specified recovery percentile.</td>
</tr>
<tr>
<td><strong>Maintaining System Pressure</strong></td>
<td>Deliver water at the systems normal operating pressure and according to Kentucky Public Service Commission (KPSC).</td>
<td>Continuous pressure monitoring at the water treatment plant. Within KPSC standards.</td>
</tr>
<tr>
<td><strong>Demand and Distribution Capacity</strong></td>
<td>Water hydrant flushing, establish annual valve exercise program, establish PM program for pumps.</td>
<td>Hydrants and valves will be tested at least once every 2 years. Annually perform vibration testing, performance analysis, and lubricate within manufacturer’s recommended standards.</td>
</tr>
<tr>
<td><strong>Water Storage Requirements</strong></td>
<td>Storage tank water elevation report.</td>
<td>Storage tank water elevation consistently maintained above fire storage level.</td>
</tr>
<tr>
<td><strong>Fire Flow Capacity/Duration</strong></td>
<td>Provide at the system’s normal operating pressure and KPSC standards.</td>
<td>Consistent water pressure to meet fire demands.</td>
</tr>
<tr>
<td><strong>Corrosion Control (To Include Cathodic Protection)</strong></td>
<td>Corrosion control system kept in working order (if applicable) Metal loss on coupons placed at strategic locations in system.</td>
<td>Check anode test stations as needed.</td>
</tr>
<tr>
<td><strong>Minimization of Leaks and Losses</strong></td>
<td>Leak and/or burst length of line, number per 10 miles.</td>
<td>10% unaccounted for water with annual reductions as pipe is replaced.</td>
</tr>
<tr>
<td><strong>Minimization of Water Use</strong></td>
<td>Accuracy of meter readings.</td>
<td>&lt;5% rereads per month.</td>
</tr>
<tr>
<td><strong>Service Connection Standards and Specifications</strong></td>
<td>Service connections installed in accordance with standards.</td>
<td>Compliance with Army, Fort Knox, AWWA, WEF, State of Kentucky standards.</td>
</tr>
<tr>
<td><strong>Exterior Backflow Prevention</strong></td>
<td>Backflow Prevention System kept in working order. Compliance with state regulations.</td>
<td>State of Kentucky Cross Connection Control Regulations.</td>
</tr>
<tr>
<td><strong>Water and Sewer Line Separation</strong></td>
<td>Water and Sewer line separation in accordance with State of Kentucky (KDOW) requirements.</td>
<td>Compliance with State of Kentucky requirements 100% of the time.</td>
</tr>
<tr>
<td><strong>New Construction Standards</strong></td>
<td>Standards drafted and adopted.</td>
<td>Compliance with Army, Fort Knox, AWWA, WEF, State of Kentucky standards.</td>
</tr>
<tr>
<td><strong>Commissioning Standards</strong></td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td><strong>Color Identification and Markings</strong></td>
<td>Color coding or marking of plant piping according to Industry standards.</td>
<td>Meet industry standards 100% of time.</td>
</tr>
<tr>
<td><strong>System Inspections</strong></td>
<td>Standards drafted and adopted.</td>
<td>System inspected annually.</td>
</tr>
</tbody>
</table>
### EXHIBIT I.2-11

**Proposed Performance Standards for Water System**

<table>
<thead>
<tr>
<th>MEASURE</th>
<th>PERFORMANCE INDICATOR</th>
<th>PROPOSED STANDARD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Meter and Equipment Calibration</strong></td>
<td>Meters and equipment operational within KPSC specs.</td>
<td>Calibration of major meters and equipment within manufacturer’s specification.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Require annual service and calibration performed by certified technician.</td>
</tr>
<tr>
<td><strong>Service Interruption Frequency</strong></td>
<td>Provide water distribution services to all customers 24/7.</td>
<td>Provide water distribution services to all customers 24/7.</td>
</tr>
<tr>
<td><strong>Operating Permits</strong></td>
<td>Operated under appropriate permits.</td>
<td>Operated under appropriate permits. Zero violations.</td>
</tr>
<tr>
<td><strong>Employee Certifications</strong></td>
<td>Training and certifications.</td>
<td>Meet Qualifications and Certifications required by the State of Kentucky 100% of the time.</td>
</tr>
<tr>
<td><strong>Disaster Recovery</strong></td>
<td>Priority restoration of service.</td>
<td>Meet response requirements. Work continues until service restored.</td>
</tr>
</tbody>
</table>

#### I.2.2.7 Other Standards and Specifications

The following standards and specifications (not established in the RFP) are applicable to the utility services that HCWD1 will apply in providing utility services to Fort Knox:

- Kentucky State Plumbing Law, Regulations & Code
- Kentucky Building Code

#### I.2.2.8 Process for Implementation of Government-Requested Facility Expansions

HCWD1 will provide water service to any facility as requested by the Army at Fort Knox. The process flow chart that describes how HCWD1 will implement expansions to the utility systems is shown in Exhibit I.2-13.

The primary drivers for facility expansion are upgrades to the system to serve new Army-requested facilities. HCWD1 staff will meet regularly with Fort Knox planning and engineering staff to coordinate and account for new facilities that are planned for construction and any new service connections or disconnections required. When Fort Knox adds a new project to the 5-Year Master Plan for the Post, HCWD1 will categorize each project to determine whether it can be managed by the on-site operations staff or whether the size of the project warrants initiating a full-scale capital upgrade project team. The two size categories include the following:

1. **Single Unit Project.** Requests for new connections will be handled by our engineering and operations staff. HCWD1 staff will review each application and provide approval once a checklist is completed that provides information on where the new service will attach to; when construction will take place so a HCWD1 inspector can be on-site to inspect the work by the contractor; and what proposed materials of construction, backfill, and restoration plans are needed for existing sidewalks, curbs, gutters, and paving sections. The operations staff will be responsible for interacting with the contractor and making the service connection to the existing system. Depending upon if the tenant is Fort Knox or a private contractor, time spent by operations staff on new connections projects will be tracked for compensation.

2. **Multi-unit or “Development” Project.** When Fort Knox undertakes a major development, such as a new barracks complex or a set of office buildings, HCWD1 will engage a capital upgrade project team to facilitate expansion of the utility systems. New construction projects will be accounted for by periodic reviews of the Fort Knox Master Plan for both short- and long-term planning horizons. HCWD1 staff will meet regularly with Army planning and engineering staff at the base to receive the latest information on
the construction schedules for new facilities. HCWD1 will design the new utility facilities and manage the construction with an on-site supervisor. HCWD1 will coordinate with the Master Planning department and the general contractor for the multi-unit project to obtain drawings, develop cost estimates, and share information. The process flowchart in Exhibit I.2-12 shows the three phases of project development, including defining scope, design, and finalizing cost.

We understand that the Government will provide us with an annual update to the 5-Year Master Plan for the Post. Such improvements will require a separate a contract modification. Changes in the use of facilities or new facilities at Fort Knox will drive the need for expanded utility system capacity. In addition to design and construction of new utility facilities, HCWD1 will estimate water demands to size any new service infrastructure based on projected construction data provided by Fort Knox. The Plan then will include these projects to accommodate the future uses due to the expansion, alteration, and upgrade of the facilities at Fort Knox. New demands and new sources will be added to the water hydraulic models, respectively, to determine the effect of multi-unit projects.

HCWD1 will make the provision of utility service to Fort Knox as invisible as possible. We understand that Fort Knox will periodically identify a new requirement, such as a service connection, that we have not priced into our proposal. In these cases, we will use our partnering relationship with Fort Knox to continue meeting its mission requirements—working to define requirements, designing, financing, and constructing such connections through our annual planning process. HCWD1 will seek cost-effective ways to provide system enhancements, while ensuring the availability and reliability of high-quality services.

New service connections and special requirements will be provided and directly billed to the Army or the new user as requested. New connection charges will include actual costs for the installation of any service.

I.2.2.9 Compliance with Applicable Environmental, Safety, and OSHA Laws and Regulations

HCWD1 will oversee the environmental and safety component with qualified and trained personnel to ensure compliant day-to-day operations. The key objectives of our environmental and safety program include compliance, environmental stewardship, and sustainability. HCWD1 will provide policies and procedures to support these environmental objectives.

Environmental Compliance

Upon award of the contract, we will develop a comprehensive regulatory strategy plan that will identify all state and local regulatory and policy issues that may impact the utility privatization, along with the specific approaches to effectively address and manage these issues.

The operator certification for both the water treatment and water distribution systems will be in accordance with the KDOW operator certification program for the state of Kentucky. The system rating will determine the level of certification the operators must possess. It is our policy that all operators working on the water treatment or distribution system will attain and maintain their required certifications as a condition of employment. Periodic continuing education credits are required and those training sessions are reported and approved by the KDOW.

Drinking water standards will be maintained in accordance with EPA and KDOW guidance on drinking water. Routine testing of water quality will be performed by the assigned treatment plant operators, as well as testing by a state-accredited lab. Water quality will be monitored by HCWD1 and that information will be provided to the Government representatives at Fort Knox. An annual water quality report (CCR) will be prepared and distributed to all water consumers at Fort Knox, as required by the EPA.
EXHIBIT I.2-12
New Connection Process Flowchart

HCWD1 and Fort Knox attend master planning meeting and any meetings for new construction on-post

Fort Knox identifies location of facility expansion

Multi-unit Project
Define project scope and estimate cost to construct expansion

Army approval

YES

HCWD1 to develop drawings with master planning staff and/or building contractor.

- Operations Review
- Constructability Review
- Utility Capacity Check

NO

Single-unit Project
Operations staff to perform

Estimate level of effort for operations staff modify and/or provide new service

Submit Construction Estimate

Estimate level of effort for operations staff to modify and/or provide new service

Develop cost estimate for design/build.

Army approval of configuration
Other Environmental Conditions
Our approach to other environmental conditions includes asbestos containing materials (ACM) and lead-based paint (LBP), and accidental spills and releases are described below:

Asbestos Containing Materials and Lead-Based Paints. Any ACM or LBP contained in the privatized buildings, structures, equipment, or appurtenances designated for transfer under this contract will be addressed in accordance with personnel health and safety requirements. The ACM and LBP abatement activities and the management of wastes generated during the abatement activities will be conducted in accordance with the applicable regulations.

Accidental Spills and Releases. We will take precautions to prevent oil and hazardous material spills or releases due to our activities associated with the O&M of the utilities. We will also conduct any response action and reporting in accordance with the Post Spill Prevention Control and Countermeasures (SPCC) Plan, and applicable regulations. We will comply with all Emergency Planning and Community Right-to-Know Act (EPCRA) and will submit all requested information to Fort Knox’s compliance office.

I.2.2.10 Safety and OSHA Compliance
HCWD1 brings a strong commitment to safety. The physical and procedural safety standards and systems currently employed at Fort Knox were not seen during our site visit. During transition, we will conduct a review of current procedures. At this time, we are recommending to adopt Fort Knox’s safety systems. Our safety procedures comply with the most stringent regulations.

The safety strategy recommended in this section consists of several distinct activities:

- Implement a comprehensive safety management program.
- Develop a site-specific Health and Safety Plan, with safety procedures and systems to support HCWD1’s safety program.
- Train employees at all levels in regards to OSHA requirements (29 CFR 1910 General Industry and 29 CFR 1926 Construction).
- Promote individual responsibility for Health and Safety standards in every task.

Safety Management
HCWD1 is committed to sound safety management principles that promote a zero accident philosophy inherent in all phases of work. The objective of safety management is to integrate health, safety, and environmental protection into all work practices at all levels of the job task. The approach to a sound safety management program must include integrating safety into all aspects of the work. HCWD1 will accomplish this objective by:

(1) Ensuring that employees take complete ownership of the Health and Safety Program
(2) Involving employees in the work planning process, development of the Health and Safety Program, and development and updating of procedures.

The Health and Safety Program will be tailored to site-specific activities and is essential to the success of this project. The program is used as a resource to help us accomplish our mission while integrating it into all levels of management and work practices to ensure the protection of workers, the public, and the environment.

Safety leadership starts with the total commitment to safety. With this commitment, HCWD1 will achieve excellence in all health and safety areas. It is imperative that employees take ownership of the Health and Safety Program in order to obtain zero accidents and zero environmental incidents. Each member of our team is accountable for protecting the environment and the health and safety of every worker at the site. The health and safety of workers and the public are protected by identifying, analyzing, and mitigating hazards and implementing effective work practices. We will not compromise safety for the sake of any other objective.
HCWD1 has the following responsibilities to its employees:

(1) The first responsibility is to involve all employees in the task or job, including planning, hazard identification, pre-job hazard briefing, and all aspects of the task or job performance.

(2) The responsibility of management is to ensure that all employees (labor, planners, supervisors, QA, and Health and Safety) are involved in all aspects of the job or task at hand. Management ensures that all work is performed within the controls that have been identified and continually reviews the job for any new hazards. Management will assign only qualified and appropriately trained personnel to perform the job or task.

(3) The responsibilities of Health and Safety personnel are to review implementation of the safety program, to provide guidance on the selection and use of safe work practices, and to help identify, analyze, and mitigate hazards. Health and safety personnel will be vigilant in providing oversight of work activities and will provide technical support and professional knowledge to the personnel performing the job.

There are several avenues that HCWD1 will use in order to accomplish improvements in our safety program:

- Initial walk down of work site to understand what issues are present.
- The generation of a site-specific Health and Safety Plan that is tailored to the needs of the Fort Knox work site and the implementation of revisions to the Health and Safety Plan that may be needed to address new or unrecognized work activities.
- The training of employees on the requirements and information included in the Health and Safety Plan, as well as other mandated training.
- Regularly scheduled site/work area inspections that can lead to quick hazard identification and therefore control of these hazards.
- The hazard abatement Job Hazard Analysis/Pre-Job Hazard Briefing (JHA/PJHB) process, which will need the input of all persons involved in the work being planned.
- Gathering and utilizing employee feedback to continually improve our processes.
- Employee empowerment-employees have stop work authority if safety or gross violations of work requirements occur.

By using the above-mentioned procedures, HCWD1 strives to continuously improve working conditions for employees, lower operating costs for employers, and maintain a workplace that is socially responsible.

Health and Safety Plan

We will develop a complete site-specific Health and Safety Plan during transition, before transfer of full O&M responsibility from the Government. The Health and Safety Plan will establish the work practices necessary to ensure the safety of all personnel throughout the contract and will include provisions for accident prevention strategies consistent with Army (applicable sections of USACE Health and Safety Requirements Manual No. 385-1-1), OSHA, and Kentucky OSHA Program requirements. Risk issues will be identified and included in our preliminary safety action plan and will be further developed during operations. This safety action plan will identify deficiencies, assign responsibilities, and mandate timelines for completion. We will maintain our Health and Safety Plan current throughout the contract and submit updates annually as they occur to the CO.

All project operations will be performed in accordance with applicable sections of OSHA Standards, 29 CFR 1910 and 29 CFR 1926, DOD, United States Army Regulations, and all other applicable policies and procedures incorporated into the contract for this work activity. All personnel, subcontractors, and visitors will be required to comply with the requirements of the Health and Safety Plan.

At a minimum, the Health and Safety Plan will include a discussion of:

- Safety Requirements and Systems
- Hazard Assessment and Control
• Personal Protective Equipment
• Personnel Medical Surveillance
• Project Appearance and Housekeeping

Safety Requirements and Systems

The General Manager will select a Project Safety Team Lead from the onsite staff. This individual will have sufficient experience and desire to train and enforce HCWD1’s safety program. This position will be a part-time responsibility encompassing approximately 10 to 20 percent of one position. Typically, a senior O&M person on staff will fill the Project Safety Team Lead role. Duties of the Project Safety Team Lead include leading a safety team composed of representatives from the O&M staff, preparing safety tailgate briefings, conducting monthly safety audits of the water facilities, assisting with job hazard analyses, following up on any unsafe conditions cited, investigating safety-related incidents, and coordinating with the Health and Safety Manager for project oversight and accountability of the project safety program. The Project Safety Team Lead is required to stop any activity conducted by the HCWD1 staff that does not conform to our safety standards. Additionally, the Project Safety Team Lead has the authority to recommend disciplinary actions to the General Manager for staff who do not comply with our safety standards.

The project safety team will consist of the Project Safety Team Lead and at least two or three volunteer members that represent a cross-section of the project team. They will determine trends, review and investigate incidents/accidents, schedule training, review unsafe acts and conditions, and conduct monthly project walkthrough inspections.

The Fort Knox utility systems will be required to comply with all regulatory health and safety laws and any other local administration agency rules. We will develop specific safety requirements in each of the following areas, at a minimum:

• Confined space procedures and training
• Asbestos training
• Machine guarding

• Hazard communications
• Inspections of safety and emergency equipment
• Personal protective equipment
• Walking and working surfaces
• Electrical Safety
• Security monitoring at booster and lift stations
• Housekeeping
• Bloodborne pathogens
• Control of hazardous energy
• Excavation safety
• Welding, burning, and hotwork
• Hazardous material safety
• Fall protection
• Fire protection
• Material handling and storage
• Hand and powered portable tools
• Compressed gases

Prior to start of work, the supervisor will complete a pre-job hazard briefing with all employees who are involved in the work activities. This briefing will be used to discuss the work to be performed, to identify the hazards, and to discuss the controls (e.g., procedures, permits, PPE) involved with the safe performance of work. This briefing will also serve as a forum for which employees can provide additional input on safe work performance by discussing lessons learned from prior experiences.

Because hazards contribute to accidents, injuries, and occupational illnesses, it is important to identify all hazards. Examples of hazards commonly associated with jobs are the following:

• The worker can be struck by, or strike against, or otherwise make harmful contact with an object.
• The worker can be caught in, by, or between objects.
• The worker can slip or fall.
• The worker can strain a muscle or joint by pushing, pulling, lifting, bending, or twisting.
• The worker can be exposed to toxic gases, vapors, fumes, or particulates.

It is the responsibility of every HCWD1 employee to identify and aid in the correction of all work area physical and behavioral hazards. Because each employee brings a unique set of skills and
experiences to the work area, various employees can identify different potential hazards. Only through working together and combining all areas of expertise can we truly eliminate hazardous environments and behaviors. It is beneficial to look beyond the obvious hazards—at the entire environment—to discover every conceivable hazard that might exist. Note the importance of examining health hazards as well, even though the harmful effects may not be immediate (e.g., the harmful effect of inhaling a solvent or chemical dust over a long period of time).

Personal Protective Equipment

During new employee orientation, our employees will be provided initial PPE along with introductory training on the required PPE and how to use and maintain it in a sanitary and reliable condition. The General Manager and Project Safety Team Lead will ensure that each individual has the proper PPE and is trained in its use. HCWD1 requires that annual refresher training be conducted on the proper wear and care of the PPE. In accordance with OSHA’s published proposed rule (64 FR 15402), we provide all required PPE, including footwear.

Typical PPE used by our staff for utility operations includes the following: hard hats, eye protection, face protection, steel-toed shoes and rubber boots, level ‘B’ chlorine protective suits, ear protection, uniforms (long sleeve), rain suits, rubber gloves, electrical gloves, and rubber aprons.

We assume that no safety-related equipment will be provided by the Government. Therefore, we intend to purchase the following equipment, as a minimum, for the Fort Knox facility:

- Excavation/trench safety,
- PPE as mentioned above,
- Fall protection,
- Traffic control equipment (cones, barricades),
- Site-specific training tools (videos, training courses), and

Project Appearance and Housekeeping

One of the key issues in ensuring a safe and orderly work place is to maintain the facilities in a manner that always promotes safety. A work place that lacks proper housekeeping invites accidents and poor performance to standards. In HCWD1, proper housekeeping is required so that facilities are free of debris and equipment is properly maintained to minimize the potential for on-site accidents. Because even office environments are the sites of frequent safety incidents, our program emphasizes proper housekeeping there, as well.

At a minimum, HCWD1 will implement the following training programs at Fort Knox:

- Confined space training
- Machine guarding
- Hazard communications
- Inspections of safety and emergency equipment
- Personal protective equipment
- Walking and working surfaces
- Electrical safety
- Housekeeping
- Bloodborne pathogens
- Control of hazardous energy
- Excavation safety
- Hazardous material safety
- Fall protection
- Fire protection
- Material handling and storage
- Hand and powered portable tools
- Compressed gases
- Health and safety plan
- First aid/CPR training
Health and Safety Training

Prior to commencement of site activities, the Health and Safety Manager will ensure that all new employees are informed of the nature and degree of exposure to hazards that are likely to result from performance of work activities. HCWD1 will accomplish this by ensuring that prior to performing any work activities, all personnel entering the site have received the applicable OSHA and project-specific training required.¹

As an integral part of the overall training program for the utility systems, general and site-specific safety training courses, will be introduced. Specialized courses such as CPR/first aid, hazardous materials handling, confined space entry, and others will be held to ensure that a safe, accident-free work environment exists. The emphasis will be on results, not training for training’s sake. At least quarterly, drills will be held regarding the use of SCBA, and gas detection equipment. "Mock disasters" will be held periodically to test each employee’s role in responding to specific types of emergencies, such as floods, earthquakes, fires, explosions, or chemical leaks. These drills will be coordinated with Post Emergency Response organization.

Because safety must be a continuous part of every employee’s daily activities, it is integrated into every part of the training program. In addition to the specialized courses and drills already described, safety tips, warnings, and recommendations will be common elements of our SOPs. Special maintenance training will be held as assurance that proper tools and techniques are used at all times to avoid accident and injury.

Responsibility for Health and Safety

Each employee is directly responsible for ensuring their own safety, as well as the safety of other team members. Employees will be dedicated to establishing a safe environment in which work is performed without injury or illness to employees, visitors, or the public by complying with all Army, federal, state, and local safety requirements, legislation, and regulations. However, the formal Health and Safety team begins with the Project Safety Team Lead who provides input into implementing HCWD1’s safety program, including procedures, policies, QA/QC, and planning and measurement systems.

A key aspect of our safety program is the oversight of the project by our Health and Safety Manager. The Health and Safety Manager is responsible for periodic safety assessments of the facility and follow-up reviews to ensure that all issues have been identified and addressed. He has the authority to enforce safety requirements for HCWD1 staff and facilities. During the transition to privatization, a detailed safety review will be conducted, and the necessary safety equipment and facility improvements will be identified and acquired. The Health and Safety Manager will be directly involved in the startup of the project, development of the Health and Safety Plan, and training of the employees.

As part of our standard practice, we will conduct annual safety reviews of the facility. This review will cover training records, site-specific safety plans, work environment, and work practices. A corrective action plan matrix will be finalized for a systematic approach to mitigate safety concerns in order to meet all Army, OSHA, federal, state, and local requirements for the project.

I.2.2.11 Opportunities for Efficiencies in Utility Operations

To ensure efficient operation of the utility systems and compliance with regulatory requirements, HCWD1 will establish process optimization goals for Fort Knox’s utility systems. During preparation of this proposal, HCWD1 identified a substantial cost savings associated with replacing the capacity of the Central WTP with a commodity water supply from LWC.

¹ For purposes of startup at Fort Knox, we will initially assume that incumbent personnel have received this training until we discover otherwise.
I.2.2.12 Managing and Accessing Technical Information

Technical information management will be critical in providing timely access to specific utility information. Proper record-keeping and reporting are vital to enable all parties to make knowledgeable decisions regarding capital replacement or other matters that could impact rates. Our MIS is designed to keep current and past records secure yet accessible. The types of information stored in the MIS will evolve and grow from contract award as capital improvement and renewal and replacement projects are designed, constructed, and operated.

During the transition period, we will review our approach to managing technical information with the Post to ensure it supports the mission and the Post’s technical requirements. HCWD1 has established proven record and data management systems that we will provide for Fort Knox.

HCWD1 will minimize hardcopy information that must be maintained on-site. Existing information that we receive from Fort Knox will be scanned and stored electronically to the maximum extent possible. As a general rule, data will be archived electronically and kept indefinitely. Hardcopy records will be kept in accordance with state and federal requirements, and then archived at an offsite storage area for at least the remainder of the contract period. Record drawings will be maintained for all existing and new facilities. As system upgrades and expansion activities take place, the system inventory and asset valuation will be updated and kept current with renewal or depreciation of the assets. HCWD1 will maintain this database electronically so that the asset value can be tracked on an annual basis, or more often if required.

It is anticipated that our continued work on the utility systems will provide additional information on the location of utilities. This additional information will put into the GIS, and the resultant maps will be updated periodically so our maintenance crews will have up-to-date information in the field. Maps will be maintained and provided to the Post.

I.2.2.13 Specialty Skills Training

As part of our quality management approach, all employees are expected to attain the highest level of certification possible on the system they operate and maintain that level of certification through continuing educational credits. Periodic training for all operators will be scheduled. In addition to seasonal construction topics, classes in such matters as confined space training, competent man training, first aid/ CPR, PPE, and hazardous communication training will be offered to Fort Knox operators.

In general, the Fort Knox Utilities employees will be certified and/or qualified operators and/or craftsmen under the KDOW operator certification. The operators will be required to not only maintain their certifications and/or qualifications as a condition of employment, but also attain the periodic continuing education credits necessary to retain their certificates or qualifications. The cost of training will be greatly reduced due to the larger pool of operators that may take advantage of the classes.

Because of the types of duties the utility workers perform, they will each be required to obtain and maintain First Aid and CPR certificates. The training will be provided by the Red Cross or other certified agency and retraining will be scheduled to prevent certificates from lapsing.

HCWD1 selects and assigns personnel who are competent based on applicable education, training, skills, and experience. The following are the General Manager’s responsibilities to ensure that personnel remain current in their training and certifications:

- Determine the necessary competence for personnel performing activities affecting quality.
- Provide training or take other actions to satisfy these needs.
- Evaluate the effectiveness of the actions taken.
- Ensure that employees are aware of the relevance and importance of their activities and
how they contribute to the achievement of the quality objectives.

- Maintain appropriate records of education, training, skills, and experience.

HCWD1 will ensure that training and certification are part of the employee’s job description, annual performance review, and personal development goals.

LWC will have full responsibility to operate the Fort Knox water treatment system. All water treatment operators will be licensed through certification by the KDOW. LWC also has a well-trained resource of highly experienced employees that will serve as mentors and technical resources for LWC personnel working at Fort Knox. The availability of a large pool of highly skilled operators provides a synergistic impact to the skills of the on-site operators at Fort Knox.

I.2.2.14 Quality Awards and Certifications and Current Operating Standards and Procedures Required by the State Utility Regulatory Commission

Industry leadership is evidenced by an organization that achieves results. Results are best verified and validated by a group of peers. HCWD1 has been recognized as an industry leader by several state and national peer organizations. The following is a brief summary of these recognitions:

- 2008 Award of Excellence by AWWA Kentucky/Tennessee Chapter
- 2007 Finalist for Wooden Bucket Award, U.S. Department of Agriculture
- 2007 Recognized as having a "Totally Optimized Water Plant" by KDOW
- 2005 Selection as one of the Top 3 "Best Tasting Water" in Kentucky by the Kentucky Rural Water Association
- 2004 Nominee for Public Water System Excellence Award by EPA Region 4
- 2003 Award of Excellence for Safety by the AWWA Kentucky/Tennessee Chapter
- 2002 First Place Award for Internal Relations by AWWA Kentucky/Tennessee Chapter
I.3 Initial System Deficiency Corrections and Initial and Renewals and Replacements Plan

HCWD1 has developed an Initial System Deficiency Corrections (ISDC) and Renewals and Replacements (R&R) Plan that will result in a water system that (1) meets required standards; (2) protects the system from degradation; and (3) protects the Government from potential cost increases that might result from inadequate maintenance and consequent EPA fines. The approach used for identifying, characterizing, prioritizing, and programming these projects follows the HCWD1 proven methodology, which is based on the team’s extensive knowledge of conditions unique to the Fort Knox area. The proposed system improvements resulting from application of the HCWD1 approach will yield dramatic benefits in system performance within the initial years of the contract and will provide long-term reliability and quality into the future. The ISDC and R&R Plan will enhance the reliability of the Army’s water system and reduce unscheduled O&M needs. HCWD1 is confident that the continuing application of our proven methodology for future R&R will serve the Army well through the duration of this contract, providing a water distribution system that meets the Army’s needs for quality, reliability, and cost-effectiveness.

A preliminary inventory and assessment of the water system condition was one of the components that formed the basis for the ISDC and R&R projects presented herein. Our preliminary inventory and condition assessment was developed based on the limited information provided in the J Attachment in the RFP and from observations during the July 2008 site visit. Although the documentation and site visits provided a solid general understanding of the overall capacity, age, condition, and appearance of some of the facilities, this information and the length of field observations were not sufficient to provide a detailed condition assessment of all system components, identify all deficiencies, or develop options for correcting all deficiencies. Assumptions have been noted with this Technical Proposal (see Attachment 1).

The Fort Knox Water System is comprised of raw water supplies, water treatment facilities, and distribution piping systems. Raw water is supplied from four sources, including Otter Creek, McCracken Spring, the West Point Well Field, and the HCWD1 Well Field. Raw water is treated at either the Central WTP or the Muldraugh WTP. Finished water is conveyed to customers in the main cantonment area and the range area through approximately 162.7 miles of pipe. The water system is technically defined as all components from the supply points to the points of demarcation as defined in RFP Section J1.2.1.2.

The primary sources of raw water supply to the Central WTP come from Otter Creek and McCracken Spring. Small impoundment dams on the creek and the spring feed water to the Otter Creek (low lift) Pump Station, which in turn pumps the raw water to the Central WTP for treatment.

The primary sources of raw water supply to the Muldraugh WTP come from the 13 Government-owned wells located in the West Point Well Field and the 3 leased wells from HCWD1. The wells are located in an alluvium adjacent to the Ohio River. The well depths range from 82 to 134 feet below ground surface and typically produce 1.1 to 1.4 mgd.

The Central WTP is a 3.5 mgd facility located in the “central area” of the main cantonment. Treatment processes include flocculation, sedimentation, filtration, and chlorination. Finished water is stored in either a 2.0 million gallons (MG) or 0.5 MG clear well and is pumped into the distribution system from the Central WTP high lift pump station.

The Muldraugh WTP is a 7.0-mgd facility located on the northwest side of the Post near the town of Muldraugh, Kentucky. Treatment processes include aeration, flocculation, sedimentation, filtration, and chlorination. Finished water is stored in a 1.0 MG clear well, and pumped into the distribution system from the Muldraugh WTP high lift pump station.

The distribution system consists of pipes, valves, hydrants, meters, elevated storage tanks, and a
booster pump station. Including both the main cantonment and range areas, the distribution system consists of approximately 162.7 miles of pipe ranging in size from ¾ inch to 24 inches. Existing pipe materials include cast iron, transite, ductile iron, polyvinyl chloride (PVC), and polyethylene (PE). The system contains a reported 1,935 valves and 875 fire and flush hydrants. There are eight elevated steel storage tanks ranging in volume from 250,000 gallons to 500,000 gallons, with a total storage capacity of 3.55 MG to equalize system pressures and provide adequate flow for peak demands and fire flows. The distribution system also contains the Voorhis Booster Pump station, which is equipped with three pumps (rated 175 gpm each) and one fire protection pump (rated at 2000 gpm).

This ISDC and R&R Plan was developed by tailoring the existing HCWD1 project planning methodology to reflect key criteria for the Fort Knox facilities. The Plan identifies projects that will provide optimum timing for upgrading the water system. These projects will provide the best balance between reliability and length of service life.

The guidelines and requirements listed in RFP Section L.4.3 Subfactor 3: Initial System Deficiency Corrections and Initial Renewals and Replacements Plan, were used to develop the purpose, scope and costs of the ISDC and R&R Plan. The information is presented in the following subsections:

- **ISDC and R&R.** This section summarizes the ISDC and R&R projects that are designed to renovate existing water system facilities and pipelines that have already reached or exceeded their useful lives.

- **Long-Term R&R Methodology.** This section presents the conceptual methodology we used to schedule R&R for the duration of the contract. The proposed methodology provides an efficient level of service over the long term.

The proposed ISDC and R&R Plans will improve the operations and reliability of the water system at Fort Knox to bring these systems into compliance with the existing requirements. These initial projects are required to renew and replace system components that have failed or have reached the end of their useful lives. Our Plan was developed from the following information sources:

- Observations of the water facilities during the site visit in July 2008
- Review of the supporting documentation for the RFP and amendments to the RFP
- Review of responses to questions submitted by us and other contractors

Our intent is to allow for revisions to our Plan by using information developed from the system characterization studies that we will complete during the first years of contract operations. We will examine in detail both the condition and the capacity of the water distribution system by performing condition assessment, leak detection, mapping, and modeling studies. HCWD1 will also review any existing studies to confirm that efforts are not being duplicated. The results of these studies will enable us to develop, confirm, and prioritize a list of upgrades. The most appropriate improvements can then be designed and constructed.

The ISDC and R&R projects were priced based upon the information that was available to HCWD1 at the time of the proposal submittal. The price estimate is considered a Class 5 estimate that was prepared in accordance with the guidelines of the Association for the Advancement of Cost Engineering (AACE) International. The Class 5 estimates are prepared based on some limited information, where the preliminary engineering is from 0 percent to 2 percent complete.

Order of magnitude estimates are prepared for a number of purposes, including, but not limited to, detailed strategic planning, business development, project screening, alternative scheme analysis, confirmation of economic and or technical feasibility, and preliminary budget approval or approval to proceed to the next stage. Some examples of estimating methods we used include equipment or system process factors, scale-up factors, and parametric and modeling techniques. Our estimates were based primarily on historical data, MEANS, Richardson, and data from similar project estimates.
where practical, or on allowances when the actual scope was unknown.

All upgrades/replacements proposed by HCWD1 are based on one or more of the following specific and clearly defined drivers:

- Regulatory compliance, including drinking water quality standards and all applicable codes, including health and safety codes
- Performance and service requirements specified in the RFP
- Operational efficiencies resulting in lower costs for Fort Knox
- Repair or replacement of aging or failing components for system dependability and reliability

Potential projects not driven by at least one of the above criteria are not considered beneficial and are therefore not proposed in HCWD1’s work plan.

A partial list of the codes and standards typically considered in developing upgrades is provided below:

- OSHA
- ADA
- Federal Codes and Regulations including CFR 141 and 143
- EM 38 3-1.1 USACE Safety and Health Requirements Manual
- Standards for Water Facilities Industry
- AWWA Recommended Practices
- Federal EPA and KDOW Regulations
- U.S. Public Health Service Standards
- Army and Fort Knox Regulations
- NFPA Codes and Standards
- Great Lakes Upper Mississippi River Board of State Public Health & Environmental Managers Recommended Standards for Water Works

The ISDC and R&R Plans provided in this proposal address these codes to the extent that we are aware of the current condition of the facilities. All new facilities identified in the capital improvement plans will be designed and constructed to meet these applicable standards.

The HCWD1 Project Manager will provide an oversight and strategic planning role. The Project Manager will:

- Develop the Annual Plan and the Budget and Expenditure Report before submission to the Contracting Officer for approval.
- Make recommendations and review strategies for R&R.
- Identify new technologies and management initiatives.
- Conduct management and environmental compliance reviews based on performance metrics
- Review overall project performance and customer satisfaction
- Participate in regular meetings with Fort Knox leadership

### I.3.1 Initial System Deficiency Correction Plan

The ISDC plan is summarized in Exhibit I.3-1 and discussed in detail in this section. The projects listed represent upgrades/replacements that the Government has recognized and that HCWD1 believes need to be completed soon after transfer of ownership, as indicated in the exhibit.

The immediate timing of these projects is required to allow HCWD1 to comply with regulatory and service requirements or to maximize operational cost savings. We understand the constraints (both legal and budgetary) within which Fort Knox must operate, so we do not expect that HCWD1 will be permitted to construct any projects before transfer of ownership. Therefore, these projects are expected to be implemented after transfer of ownership, unless they are implemented by Fort Knox before that time.
## Initial System Deficiency Corrections Summary

<table>
<thead>
<tr>
<th>Project</th>
<th>Project Name</th>
<th>Contract Completion Year</th>
<th>Project Basis</th>
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</thead>
<tbody>
<tr>
<td>ISDC#1</td>
<td>System Survey/Assessment and Re-Map the Utility System</td>
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<tr>
<td>ISDC#2</td>
<td>Leak Detection Survey</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#3</td>
<td>Hydraulic Model</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#4</td>
<td>Master Flow Meters at the WTPs</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#5</td>
<td>20-inch Valves</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#6</td>
<td>New Raw Water from the Muldraugh WTP to the 16-inch Raw Water Line Between Otter Creek PS and Central WTP</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#7</td>
<td>Otter Creek PS</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#8</td>
<td>Muldraugh HLPS</td>
<td>1</td>
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</tr>
<tr>
<td>ISDC#9</td>
<td>Central WTP</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#10</td>
<td>Central WTP Clear Well</td>
<td>1</td>
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</tr>
<tr>
<td>ISDC#11</td>
<td>Fire Hydrants</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#12</td>
<td>Water Storage Tank No. 3</td>
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</tr>
<tr>
<td>ISDC#13</td>
<td>Water Storage Tank No. 5</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#14</td>
<td>Automatic Transfer Switches</td>
<td>2</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#15</td>
<td>Pipe between Otter Creek PS and Central WTP</td>
<td>2</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#16</td>
<td>Water Storage Tank No. 6</td>
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<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#17</td>
<td>Water Storage Tank No. 8</td>
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<td>ISDC#18</td>
<td>Water Storage Tank No. 7</td>
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<td>ISDC#19</td>
<td>SCADA System</td>
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<td>ISDC#20</td>
<td>Distribution System Pipe and Valves</td>
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<td>ISDC#23</td>
<td>Distribution System Pipe and Valves</td>
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</tr>
</tbody>
</table>

Improvements to Fort Knox’s water systems are described in this section. The improvements range from performance of studies to construction of piping improvements.

**ISDC#1 – System Survey/Assessment and Re-Map the Utility System.** HCWD1 will complete a system survey/assessment and re-map of the potable water distribution system, complete with GIS coordinates. A comprehensive survey of the water distribution system will be conducted. The survey will use GPS to provide X,Y coordinates and approximate ground elevation at visible water system features in the system, including hydrants, valves, meters, and water storage tanks. Updated maps and hydrant coordinate database shall be provided to the CO for use by the fire department. Naming conventions used in the database will support linking with other physical attributes and condition attributes prepared for the water system GIS and hydraulic models.

In order to establish what information already exists and what new information needs to be collected, a gap analysis will be performed on the current GIS database. Existing GIS files will be analyzed for content, and known CAD drawings will be converted into GIS and populated with attributes. The water system GIS database will be populated with the new inventory and field survey data. This task will incorporate new location and elevation data from the field survey with other data previously collected for the water system. This task also includes the development of an accurate computerized model of the system.

The project is anticipated to be completed within the first year after the contract start date.
ISDC#2 – Leak Detection Survey. HCWD1 will conduct a leak detection survey of the entire potable water system lines within the main cantonment area and the range areas, as well as the raw water lines. The project is anticipated to be completed within the first year after the contract start date.

ISDC#3 – Hydraulic Model. HCWD1 will develop a hydraulic model of the entire potable water utility system. This model will be used during the design and replacement of the existing potable water distribution system.

The water distribution system hydraulic model will be created with the inventory data and used to model the flows in the water distribution system. All electronic input files (inventory, system water demands, fire flows, etc.) will either be used from an existing water system hydraulic model (if one exists), or the files will be built based on water demand, inventory, and fire flow data. The model input files will be updated based upon the new inventory and GPS/GIS data for all main water pipes that are 6-inch diameter and larger.

A non-proprietary software-based water distribution system hydraulic model will be created with the inventory data and used to model the flows in the water distribution system. The system will be modeled for existing flow demands and for a design fire flow condition. Upon completion of the updates and verification of model results, the updated hydraulic model will be used to identify the location and size of improvements necessary to the water distribution system. These improvements will be sized to maintain the needed pressure and flow capacity for average day, maximum day, minimum hour plus tank replenishment, and fire flow conditions.

The model will be used to evaluate the system and identify the size and location of new infrastructure necessary for the water system. The model will be used to simulate the system’s performance. We will then develop a system upgrade program to address the defects of each segment and to evaluate the cost of renewal and replacement of the pipelines. The results will be used to identify projects for the annually updated R&R Plan.

The project is anticipated to be completed within the first year after the contract start date.

ISDC#4 – Master Flow Meters at the WTPs. The finished water master meter at the Muldraugh WTP pump house is well beyond the useful design life and will be replaced with a new magnetic flow meter or similar meter. The finished master water meters at the Muldraugh and Central WTPs will also be calibrated to allow for more accurate measurement and totalization.

The project is anticipated to be completed within the first year after the contract start date.

ISDC#5 – 20-inch Valves. The original 20-inch valves on the 24-inch cast iron pipe from the West Point well fields to the Muldraugh WTP are the original valves and are not operable, so they will be replaced in kind with fully body valves.

The project is anticipated to be completed within the first year after the contract start date.

ISDC#6 – New Raw Water from the Muldraugh WTP to the 16-inch Raw Water Line between Otter Creek PS and Central WTP. HCWD1 will design and construct a new 16-inch raw water line (approximately 15,480 LF) from the Muldraugh WTP to the raw line connecting the Otter Creek PS to the Central WTP. This line is critical since the raw water lines from the West Point well field are utilized when the raw water from McCracken Spring and Otter Creek is not suitable to treat at the Central WTP. Fort Knox has indicated that its lease of the three wells and the 14-inch line from HCWD1 will terminate once Fort Knox’s potable water utility system is privatized. This 16-inch-diameter pipe will be constructed of Ductile Iron pipe.

The project is anticipated to be completed within the first year after the contract start date.

ISDC#7 – Otter Creek PS. To prevent further erosion and consequential damages, HCWD1 will repair the creek side of the Otter Creek PS where the bank of the creek has been severely eroded. We will also install new windows and doors and replace the roof.
The project is anticipated to be completed within the first year after the contract start date.

**ISDC#8 – Muldraugh HLPS.** HCWD1 will install new windows and doors, paint the exterior face of the concrete block façade, and replace the roof.

The project is anticipated to be completed within the first year after the contract start date.

**ISDC#9 – Central WTP.** HCWD1 will replace the roof of the Central WTP.

The project is anticipated to be completed within the first year after the contract start date.

**ISDC#10 – Central WTP Clear Well.** HCWD1 will replace the roof, coat the tank interior, and replace the tank vents located at the Central WTP 2.0 MG clear well.

The project is anticipated to be completed within the first year after the contract start date.

**ISDC#11 – Fire Hydrants.** To improve fire protection reliability, HCWD1 will replace roughly 600 fire hydrants identified by the Fort Knox Fire Department. In as much as is practical, the installation of the new hydrants will be completed to coincide with distribution system piping improvements projects.

The project is anticipated to be completed within the first year after the contract start date.

**ISDC#12 – Water Storage Tank No. 3.** HCWD1 will completely renovate Tank No. 3 to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tank, a new rectifier on the outside of the tank, and a new altitude valve.

The project is anticipated to be completed within the first year after the contract start date.

**ISDC#13 – Water Storage Tank No. 5.** HCWD1 will completely renovate Tank No. 5 to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tank, a new rectifier on the outside of the tank, and a new altitude valve.

The project is anticipated to be completed within the third year after the contract start date.

**ISDC#14 – Automatic Transfer Switches.** To improve electrical system reliability, HCWD1 will design and install automatic transfer switches at the Otter Creek PS, the Central WTP facility, and the Muldraugh HLPS. The operation and monitoring of the switches will be tied into the new Supervisory Control and data Acquisition (SCADA) system.

The project is anticipated to be completed within the second year after the contract start date.

**ISDC#15 – Pipe between Otter Creek PS and Central WTP.** HCWD1 will design and construct the replacement of approximately 14,437 LF of 16-inch cast iron raw water pipe between the Otter Creek WTP and the Central WTP. The 16-inch diameter pipe will be replaced with Ductile Iron pipe.

The project is anticipated to be completed within the second year after the contract start date.

**ISDC#16 – Water Storage Tank No. 6.** HCWD1 will completely renovate Tank No. 6 to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tank, a new rectifier on the outside of the tank, and a new altitude valve.

The project is anticipated to be completed within the second year after the contract start date.

**ISDC#17 – Water Storage Tank No. 8.** HCWD1 will completely renovate Tank No. 8 to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tank, a new rectifier on the outside of the tank, and a new altitude valve.

The project is anticipated to be completed within the second year after the contract start date.

**ISDC#18 – Water Storage Tank No. 7.** HCWD1 will completely renovate Tank No. 7 to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tank, a new rectifier on the outside of the tank and a new altitude valve.

The project is anticipated to be completed within the third year after the contract start date.
ISDC#19 – SCADA System. HCWD1 will design and install a comprehensive SCADA system to assist in monitoring and controlling the utility water system components, including the raw water wells and pumps and other critical system features. The design and installation will be coordinated with the Post’s Directorate of Information Management. The selection of the SCADA upgrade will also seek to allow integrated implementation of the new water meters.

The project is anticipated to be completed within the third year after the contract start date.

ISDC#20 – Distribution System Pipe and Valves. HCWD1 will replace approximately 23,462 LF of transite pipe ranging from 1 inch to 10 inch. This pipe is located in the North Dietz Housing area. All pipes that are 10 inches and smaller in diameter will be replaced with PVC pipe. The transite pipe will be abandoned in place.

- 834 LF of 1-inch
- 1,988 LF of 1.5-inch
- 3,726 LF of 2-inch
- 284 LF of 3-inch
- 4,231 LF of 6-inch
- 6,472 LF of 8-inch
- 5,927 LF of 10-inch

The project is anticipated to be completed within the third year after the contract start date.

ISDC#21 – Distribution System Pipe and Valves. HCWD1 will replace approximately 73,735 LF of ductile iron pipe ranging from 1 inch to 14 inches. This pipe is located in the Van Voorhis Housing area. Pipe that is 10 inches and smaller in diameter will be replaced with PVC pipe. Pipe that is 12 inches and larger in diameter will be replaced with Ductile Iron pipe.

- 180 LF of 1-inch
- 7,076 LF of 1.25-inch
- 4,293 LF of 1.5-inch
- 11,436 LF of 2-inch
- 1,115 LF of 3-inch
- 25,835 LF of 6-inch
- 18,034 LF of 8-inch
- 4,677 LF of 10-inch
- 897 LF of 12-inch
- 192 LF of 14-inch

The project is anticipated to be completed within the third year after the contract start date.

ISDC#22 – Distribution System Pipes and Valves. HCWD1 will replace approximately 4,237 LF of 8-inch pipe at the site of the new Human Resource Center. This pipe will be replaced with PVC pipe.

The project is anticipated to be completed within the third year after the contract start date.

ISDC#23 - Distribution System Pipe and Valves. HCWD1 will replace approximately 136,740 LF of cast iron pipe ranging from 1-inch to 14-inch. Pipe that is 10 inches and smaller in diameter will be replaced with PVC pipe. Pipe that is 12 inches and larger in diameter will be replaced with Ductile Iron pipe.

- 994 LF of 1-inch
- 29 LF of 1.25-inch
- 759 LF of 1.5-inch
- 3,720 LF of 2-inch
- 483 LF of 2.5-inch
- 4,280 LF of 3-inch
- 3,754 LF of 4-inch
- 61,582 LF of 6-inch
- 38,255 LF of 8-inch
- 17,066 LF of 10-inch
- 4,153 LF of 12-inch
- 1,665 LF of 14-inch

The project is anticipated to be completed within the fourth year after the contract start date.

I.3.2 Offeror Recommended Additional Upgrades

In addition to the Government Recognized ISDC Upgrades, HCWD1 has also identified a few other system deficiencies that we recommend for improvement based on our site visits. Those additional upgrades and corresponding schedule for improvement are as follows:
Use of this sheet is subject to the restriction on the title page of this proposal.

<table>
<thead>
<tr>
<th>ISDC#</th>
<th>Project Name</th>
<th>Contract Completion Year</th>
<th>Project Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISDC#24</td>
<td>Water Storage Tank No. 1</td>
<td>3</td>
<td>Interior/Exterior spot cleaning, surface preparation, epoxy priming enamel finish</td>
</tr>
<tr>
<td>ISDC#25</td>
<td>Water Storage Tank No. 2</td>
<td>3</td>
<td>Interior/Exterior spot cleaning, surface preparation, epoxy priming enamel finish</td>
</tr>
<tr>
<td>ISDC#26</td>
<td>Water Storage Tank No. 4</td>
<td>3</td>
<td>Interior/Exterior spot cleaning, surface preparation, epoxy priming enamel finish. Install new 8” overflow pipe</td>
</tr>
<tr>
<td>ISDC#27</td>
<td>West Point Well Field</td>
<td>1</td>
<td>Rehabilitate Well Platforms</td>
</tr>
<tr>
<td>ISDC#28</td>
<td>Van Voorhis Pump Station</td>
<td>1</td>
<td>Rehabilitate Pump House</td>
</tr>
<tr>
<td>ISDC#29</td>
<td>Decommission Muldraugh WTP</td>
<td>5</td>
<td>Purchase Off-Post Water</td>
</tr>
</tbody>
</table>

**ISDC#24 – Water Storage Tank No. 1.** HCWD1 will perform a partial renovation of Tank No. 1 to include interior and exterior spot cleaning followed by surface preparation/epoxy priming/enamel finish coating. The project is recommended to be completed during the third year after the contract start date.

**ISDC#25 – Water Storage Tank No. 2.** HCWD1 will perform a partial renovation of Tank No. 2 to include interior and exterior spot cleaning followed by surface preparation/epoxy priming/enamel finish coating. The project is recommended to be completed during the third year after the contract start date.

**ISDC#26 – Water Storage Tank No. 4.** HCWD1 will perform a partial renovation Tank No. 4 to include interior and exterior spot cleaning followed by surface preparation/epoxy priming/enamel finish coating. In addition, HCWD1 will also install a new 8-inch-diameter overflow pipe. The project is recommended to be completed during the third year after the contract start date.

**ISDC#27 – West Point Well Field.** HCWD1 will perform a partial renovation of each of the well platforms to include spot-blasting and application of top coat finish. The project is recommended to be completed during the first year after the contract start date.

**ISDC#28 – Van Voorhis Pump Station.** HCWD1 will perform a partial renovation of the pump station to include spot-blasting and application of top coat finish. The project is recommended to be completed during the first year after the contract start date.

**ISDC#29 – Decommission Muldraugh WTP.** The Army is planning to replace the potable water capacity at the Muldraugh WTP with purchased water from a local municipality within 5 years. HCWD1 will perform demolition of above-ground facilities to an elevation just below grade and decommission the operation of the facility. The project is recommended to be completed during the fifth year after the contract start date.

In addition to the HCWD1 ISDC, HCWD1 has also priced an O&M building as an R&R in Year 1 of this proposal. The O&M building will provide the necessary space for staff to work and store tools, equipment, materials, records, and vehicles. Dedicated space for our water utility is essential to providing a safe, healthy, and efficiently work environment to best serve Fort Knox.

**I.3.3 Conceptual Plans for, Including Methods for Monitoring the Effectiveness of, Energy Efficiencies and Conservation**

As evidenced by the in-place Conservation Plans and continuing improvement of Standards of Operation, HCWD1 has set the goal of developing “Benchmark” energy- and water-efficient systems. Procedures now in place for the Fort Knox water system will be
strengthened and ultimately incorporated into the HCWD1 operations plan.

HCWD1 will work with the Government to facilitate any future energy- and/or water-savings projects determined to reduce the Government’s costs, while still meeting their service requirements. Current HCWD1 water conservation programs encourage system efficiency within the service area and may be applied to the Government’s facilities.

Water Conservation

Unaccounted-for-water (UAW) is defined as the difference between the total amount of water pumped into the water system from the treatment facilities and the amount of (metered) use by the customers of the water system expressed as a percentage of the total water pumped into the system. UAW generally includes system leakage, inaccurate meters, accounting errors, and unmetered use, such as fire fighting, line flushing, broken water mains, etc. A standard industry goal of 10 percent UAW in municipal systems the size of Fort Knox’s is optimal.

The current UAW for Fort Knox is unknown because the system is largely not metered. To immediately address conservation objectives, HCWD1 will initiate the first defined meter installation projects during the transition period to improve measurement of water use and more clearly understand water losses. This effective approach to water conservation will incorporate the Fort Knox Service Area, enabling more accurate measurement of water use. This also assists maintenance personnel identify potential problem areas with unusual water use/loss before they develop into major losses.

HCWD1 will undertake the following steps to decrease water loss in the Fort Knox Service Area:

- Respond to customer requests about leaking pipes, hydrants, and other visible leaks in the water system. Maintenance is performed on components that are found faulty by the Leak Detection Crew.
- HCWD1 will incorporate the Fort Knox water distribution system information into our current maps (ArcView system), including all pipes. This will reduce time and money spent for leak detection and system maintenance.
- The water storage tanks will be monitored on the SCADA system. SCADA allows for all water level information to be monitored at a central location by HCWD1 system operators. If the tank level becomes too high and is detected early enough, water wastage is significantly reduced.
- HCWD1 has several programs in place pertaining to water loss and conservation. Although not all would apply to Fort Knox services, HCWD1 will work with Fort Knox to investigate what improvements could be made to conservation measures currently in place in the Fort Knox service area. Some of these might include:
  - Leak Detection and Meter Maintenance Programs
  - Plumbing Fixture Replacement
  - Plumbing Retrofit Programs
  - Residential Water Use
  - Landscaping Programs
  - Educational Programs (school and community)

Raw water supplies will also be measured in order to monitor losses during the treatment processes.

Energy Conservation

When UAW is minimized, pumping and treatment energy use is reduced. Greater diligence in finding and correcting distribution system failures that cause wasted water not only improves system performance, but also conserves energy. The approach noted above will facilitate this conservation. For the water system, HCWD1 will perform an assessment during initial site characterization studies to assess energy efficiency with regard to motors, heating, venting, and air conditioning (HVAC) and lighting. The energy supplier will be invited to participate in these reviews. Operational procedures will also be reviewed as compared with actual application. HCWD1 will develop a water production energy management plan and facility-specific energy management plans.
I.3.4 Description of the Contractor’s Conceptual Methodology for Scheduling R&R for Contract Duration

Each year, HCWD1 will develop an Annual Capital Upgrades and R&R Plan (Annual Plan) that will serve as the mechanism for communicating scope, schedule, and estimated cost for known deficiencies. The path to the preparation of the first and subsequent Annual Plans is shown in Exhibit I.3-2. Note that the first Annual Plan will be predominantly developed based on the initial system characterization studies that will be performed to establish the baseline condition of the water system. Developing hands-on specific knowledge of system condition will result in “just-in-time” annual R&R to allow the water system to be maintained in a reliable and sustainable condition.

HCWD1 consistently practices a “just-in-time” approach to system renewal, such that the right amount of system investment is applied at the right time. This suggests that no more renewal investment is made in the systems than is required. HCWD1 does not intend to replace the entire water system in the early years of this project. However, it is common utility practice and to be expected that over 75 years, a majority of each system will be renewed due to age and condition.

Our current projected R&R schedule is shown in Exhibit I.3-3. It is based on the inventory, estimated ages, and projected replacement years for system components, as included in Exhibit I.3-3, and these inventory and projected replacement years was adjusted based on the site visits and extensiveness of the ISDC identified during the solicitation process. The R&R schedule is intended to be updated during system characterization studies conducted during the transition period in the initial year of the contract.

I.3.4.1 Identifying Deficiencies and Defining Scope of Upgrades and Replacements

A list of capital renewals and upgrades will be developed based on periodic studies, collection of routine O&M data, requests for new utility connections or disconnections, and knowledge of new regulatory requirements, and then correlated through our annual planning process.

I.3.4.2 Annual Plan

After the completion of the system characterization study, transition period, and project definition studies that will initially bring the available data on the systems up to date, HCWD1 will consistently and frequently assess the condition and performance of the utility systems on an annual basis. We will conduct periodic studies on a regular basis and produce an Annual Plan with the results. This plan will be updated and submitted annually to Fort Knox as not only a work plan, but also a vehicle to facilitate partnering to meet our mutual goals, define our course for the coming years, and set a reasonable budget for reliable service and asset management. The plan will include ownership issues, O&M, upgrades, modifications, expansions, planned replacements, and overall changes from the previous year. We will break down costs and will describe the methodology to arrive at the proposed costs.
## Exhibit I.3-3
Renewal and Replacement Schedule - Base

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE.

<table>
<thead>
<tr>
<th>Item and Size</th>
<th>Quant</th>
<th>Unit</th>
<th>First Expected Replacement Date</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Second R&amp;R</th>
<th>Third R&amp;R</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Raw Water Sources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>McCracken Spring Intake</td>
<td>1</td>
<td>Each</td>
<td>2014</td>
<td>Same as existing</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CI Line to Otter Creek PS - 16&quot;</td>
<td>2,500</td>
<td>LF</td>
<td>2014</td>
<td>Ductile Iron Pipe</td>
<td>75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Otter Creek PS (Facility No. 9213) - Structure</td>
<td>1,701</td>
<td>SF</td>
<td>2015</td>
<td>Same as existing</td>
<td>75</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Intake /Mechanical Screen</td>
<td>1</td>
<td>Each</td>
<td>2014</td>
<td>Same as existing</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pump Controls and Telemetry</td>
<td>1</td>
<td>Each</td>
<td>2015</td>
<td>Same as existing</td>
<td>20</td>
<td>2035</td>
</tr>
<tr>
<td></td>
<td>Pump No. 4 - 1,200 gpm, 150 HP</td>
<td>1</td>
<td>Each</td>
<td>2017</td>
<td>Same as existing</td>
<td>30</td>
<td>2047</td>
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<tr>
<td></td>
<td>Pump No. 9 - 2,100 gpm, 230 HP</td>
<td>1</td>
<td>Each</td>
<td>2017</td>
<td>Same as existing</td>
<td>30</td>
<td>2047</td>
</tr>
<tr>
<td></td>
<td>Pump No. 10 - 2,100 gpm, 250 HP</td>
<td>1</td>
<td>Each</td>
<td>2038</td>
<td>Same as existing</td>
<td>30</td>
<td></td>
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<tr>
<td></td>
<td>Emergency Generator - 350 KW</td>
<td>1</td>
<td>Each</td>
<td>2016</td>
<td>Same as existing</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>CI Line to Central WTP - 16-inch</td>
<td>11,963</td>
<td>LF</td>
<td>2017</td>
<td>Ductile Iron Pipe</td>
<td>75</td>
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<tr>
<td>Central WTP (Facility No 1205) - 3.5 MGD</td>
<td>1</td>
<td>Each</td>
<td>2022</td>
<td>Same as existing</td>
<td>75</td>
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<td>Central WTP (Facility No. 1205) - Structure</td>
<td>6,799</td>
<td>SF</td>
<td>2012</td>
<td>Same as existing</td>
<td>75</td>
<td>2012</td>
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<tr>
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<td>Chemical Feed Systems (value included in Central WTP cost)</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clarifier - 3.5 MG</td>
<td>1</td>
<td>Each</td>
<td>2023</td>
<td>Same as existing</td>
<td>75</td>
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<td></td>
</tr>
<tr>
<td>Multi-Media Filters - 1 MG</td>
<td>3</td>
<td>Each</td>
<td>2023</td>
<td>Same as existing</td>
<td>75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Filter Back Wash Tank - 150,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>2053</td>
<td>Same as existing</td>
<td>75</td>
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<td></td>
</tr>
<tr>
<td>Clear Well No. 1 - 0.5 MG</td>
<td>1</td>
<td>Each</td>
<td>2021</td>
<td>Same as existing</td>
<td>75</td>
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</tr>
<tr>
<td>Clear Well No. 2 - 2 MG - 1945</td>
<td>1</td>
<td>Each</td>
<td>2035</td>
<td>Same as existing</td>
<td>75</td>
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<tr>
<td><strong>Central WTP High Lift</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump No. 1 &amp; Controls - 4,850 gpm, 250 HP</td>
<td>1</td>
<td>Each</td>
<td>2014</td>
<td>Same as existing</td>
<td>30</td>
<td>2044</td>
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</tr>
<tr>
<td>Pump No. 2 &amp; Controls - 1,000 gpm, 70 HP</td>
<td>1</td>
<td>Each</td>
<td>2014</td>
<td>Same as existing</td>
<td>30</td>
<td>2044</td>
<td></td>
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<tr>
<td>Pump No. 3 &amp; Controls - 1,400 gpm, 60 HP</td>
<td>1</td>
<td>Each</td>
<td>2014</td>
<td>Same as existing</td>
<td>30</td>
<td>2044</td>
<td></td>
</tr>
<tr>
<td>Filter Back Wash Pump &amp; Controls - 5,400 gpm</td>
<td>1</td>
<td>Each</td>
<td>2024</td>
<td>Same as existing</td>
<td>30</td>
<td>2054</td>
<td></td>
</tr>
<tr>
<td>Emergency Generator - 750 KW</td>
<td>1</td>
<td>Each</td>
<td>2023</td>
<td>Same as existing</td>
<td>35</td>
<td>2058</td>
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<tr>
<td><strong>West Point Well Field</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Well No. 1. Pump/Controls - 750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>2048</td>
<td>Same as existing</td>
<td>50</td>
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<tr>
<td>Well No. 2. Pump/Controls - 750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>2054</td>
<td>Same as existing</td>
<td>50</td>
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<td></td>
</tr>
<tr>
<td>Well No. 3. Pump/Controls - 750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>2054</td>
<td>Same as existing</td>
<td>50</td>
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</tr>
<tr>
<td>Well No. 5. Pump/Controls - 750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>2052</td>
<td>Same as existing</td>
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<tr>
<td>Well No. 6. Pump/Controls - 500 gpm, 75 HP</td>
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<td>Each</td>
<td>2050</td>
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<td>Well No. 7. Pump/Controls - 750 gpm, 125 HP</td>
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<td>Each</td>
<td>2035</td>
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<tr>
<td>Well No. 8. Pump/Controls - 750 gpm, 125 HP</td>
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<td>Each</td>
<td>2048</td>
<td>Same as existing</td>
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<td>Well No. 9. Pump/Controls - 750 gpm, 125 HP</td>
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<td>Each</td>
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<td>Same as existing</td>
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<tr>
<td>Well No. 10. Pump/Controls - 750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>2049</td>
<td>Same as existing</td>
<td>50</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Exhibit I.3-3

**Renewal and Replacement Schedule - Base**

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

<table>
<thead>
<tr>
<th>Item and Size</th>
<th>Quant</th>
<th>Unit</th>
<th>First Expected Replacement Date</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Second R&amp;R</th>
<th>Third R&amp;R</th>
<th>Expected Subsequent Replacement Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well No. 11. Pump/Controls - 750 gpm, 125 HP</td>
<td>1 Each</td>
<td></td>
<td>2005</td>
<td>Same as existing</td>
<td>50</td>
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<tr>
<td>Well No. 12A. Pump/Controls - 750 gpm, 125 HP</td>
<td>1 Each</td>
<td></td>
<td>2012</td>
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<td>50</td>
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<td>Well No. 12B. Pump/Controls - 750 gpm, 125 HP</td>
<td>1 Each</td>
<td></td>
<td>2012</td>
<td>Same as existing</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Well No. 13. Pump/Controls - 750 gpm, 125 HP</td>
<td>1 Each</td>
<td></td>
<td>2012</td>
<td>Same as existing</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Well Field Header - 16-inch</td>
<td>3,960 LF</td>
<td></td>
<td>2015</td>
<td>Ductile Iron Pipe</td>
<td>75</td>
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<td></td>
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<tr>
<td>CI Line to Muldraugh WTP - 24 inch</td>
<td>15,840 LF</td>
<td></td>
<td>2019</td>
<td>Ductile Iron Pipe</td>
<td>75</td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Muldraugh WTP (Facility No. 3009) - 7.0 MGD</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Muldraugh WTP (Facility No. 3009) - Structure</td>
<td>14,860 SF</td>
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<td>2014</td>
<td>Decommission</td>
<td>75</td>
<td></td>
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</tr>
<tr>
<td>Chemical Feed Systems (value included in WTP cost)</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clarifier No. 1 - 5.0 MG</td>
<td>1 Each</td>
<td></td>
<td>2012</td>
<td>Decommission</td>
<td>75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clarifier No. 2 - 2.0 MG</td>
<td>1 Each</td>
<td></td>
<td>2012</td>
<td>Decommission</td>
<td>75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-Media Filters - 1 MGD</td>
<td>7 Each</td>
<td></td>
<td>2012</td>
<td>Decommission</td>
<td>75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Filter Back Wash Tank - 150,000 gallons</td>
<td>1 Each</td>
<td></td>
<td>2012</td>
<td>Decommission</td>
<td>75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clear Well - 1.0 MG</td>
<td>1 Each</td>
<td></td>
<td>2012</td>
<td>Decommission</td>
<td>75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sludge Lagoons</td>
<td>4 Each</td>
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<td>2012</td>
<td>Decommission</td>
<td>75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Muldraugh High Lift (Facility No. 3008) - Structure</strong></td>
<td>1,840 SF</td>
<td></td>
<td>2014</td>
<td>Same as existing</td>
<td>75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump A &amp; Controls - 3,500 gpm, 250 HP</td>
<td>1 Each</td>
<td></td>
<td>2014</td>
<td>Same as existing</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump B &amp; Controls - 4,850 gpm, 350 HP</td>
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## Exhibit I.3-3
Renewal and Replacement Schedule - Base

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

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<thead>
<tr>
<th>Item and Size</th>
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<th>Unit</th>
<th>First Expected Replacement Date</th>
<th>New Item</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Second R&amp;R</th>
<th>Third R&amp;R</th>
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**Zussman Range (Mt.Eden) - Valves**

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<th>New Item</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Second R&amp;R</th>
<th>Third R&amp;R</th>
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**Yano Range - Valves**

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**Pressure Reducing Valves**

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<td>Included with pipe</td>
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## Exhibit I.3-3
### Renewal and Replacement Schedule - Base

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

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<td>Tank No. 4 &amp; cathodic protection - 500,000 gallons</td>
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<td>Each</td>
<td>2035</td>
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<td>Tank No. 5 &amp; cathodic protection - 300,000 gallons</td>
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<td>2027</td>
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<td>75</td>
<td>2052</td>
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<td>Tank No. 6 &amp; cathodic protection - 500,000 gallons</td>
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<td>Tank No. 8 &amp; cathodic protection - 500,000 gallons</td>
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<td>Each</td>
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### Exhibit I.3-3
Renewal and Replacement Schedule - Base

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

<table>
<thead>
<tr>
<th>Item and Size</th>
<th>Quant</th>
<th>Unit</th>
<th>First Expected Replacement Date</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Second R&amp;R</th>
<th>Third R&amp;R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tank No. 7 &amp; cathodic protection - 500,000 gallons</td>
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<td>Tank No. 8 &amp; cathodic protection - 500,000 gallons</td>
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**DISTRIBUTION PIPE - CAST IRON**

<table>
<thead>
<tr>
<th>Diameter</th>
<th>Length (LF)</th>
<th>Expected Replacement Date</th>
<th>New Material</th>
<th>Service Life</th>
</tr>
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**DISTRIBUTION PIPE - DUCTILE IRON**

<table>
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<th>Diameter</th>
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<th>Service Life</th>
</tr>
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<td>DISTRIBUTION PIPE - TRANSITE</td>
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<td>DISTRIBUTION PIPE - PVC</td>
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</tr>
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<td>PVC</td>
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<td>PVC</td>
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<tr>
<td>Zussman Range (Mt.Eden) - Pipe Material - PVC</td>
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<td>2072</td>
<td>PVC</td>
</tr>
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### Exhibit I.3-3
Renewal and Replacement Schedule - Base

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

<table>
<thead>
<tr>
<th>Item and Size</th>
<th>Quant</th>
<th>Unit</th>
<th>First Expected Replacement Date</th>
<th>New Item</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Second R&amp;R</th>
<th>Third R&amp;R</th>
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<td>PVC</td>
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<td>Yano Range - Pipe Material - PVC</td>
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<td>Basham's Corner - Pipe Material - PVC</td>
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<td><strong>FIRE HYDRANTS</strong></td>
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<td>Same as existing</td>
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<td>2054</td>
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<td><strong>Operation &amp; Maintenance Building</strong></td>
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<td></td>
<td>1</td>
<td>Each</td>
<td>2010</td>
<td>Same as existing</td>
<td>75</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
I.3.4.3 Periodic Studies

HCWD1 will conduct periodic system studies consistently and frequently to assess the condition and performance of the utility systems. For example, we will conduct water distribution system studies periodically to comply with the Safe Drinking Water Act and other regulations. We will update the study plan annually and propose additions, changes, or deletion of studies. The studies will define the system condition in terms of age and functional state, and verify the current adequacy of the system in terms of capacity, flow, dynamic characteristics, environmental compliance, and system failure protection. This involves updating mathematical models to define and characterize the current critical system parameters. The studies will also serve to identify requirements for system expansion/modifications including upgrades necessary to meet Fort Knox’s current and future needs and any new regulatory compliance requirements.

Proposed studies and their frequency include the following:

- Hydraulic Modeling – Every 5 years
- Inventory and GIS Updates – Annually
- Mapping Updates – Annually
- Leak Detection Studies – Every 5 years
- Hydrant Flow Testing – Every 5 years

Hydraulic Modeling

A hydraulic model for the water system will be updated to identify capacity limitations and properly size system upgrades. System deterioration over time, system reconfiguration, extensions to the system, and the addition of new zones (system expansions) may also necessitate a hydraulic evaluation. The model input files will be updated based on new inventory and GPS/GIS data for main water pipes. The hydraulic evaluation will determine the adequacy of the existing water distribution to meet current and future needs. Based on the computer model, we will use network analyses to identify deficiencies in the systems and to develop the most cost-effective improvements.

GIS and Inventory Updates

After the completion of the site characterization phase, transition period, and project definition studies, the existing inventory will be brought up to date and new data due to equipment replacement, system rehabilitation, etc. will be added to the inventory at least annually throughout the life of the contract. Additional physical and condition attributes will be added to the inventory as required to meet the needs of the O&M crews.

The GIS database will be populated with new inventory and survey data collected during each year. The GIS will then be updated periodically during the year and submitted annually to show changes in the systems.

Mapping Updates

After the completion of the site characterization phase, transition period, and project definition studies, the existing maps will be brought up to date, and maps of the water system will be updated annually to reflect changes in the water system. New utility lines constructed during the year will be added to the maps. Lines not previously mapped will be added as encountered and located.

Leak Detection Studies

Leak detection studies are proposed to be performed every 5 years to determine water losses in the system due to unidentified leaks in pipes. High losses are generally associated with older water systems where leakage, no meters, or faulty meters are more commonplace than in new systems. Leak detection studies will identify leaks in the system and help make appropriate recommendations to reduce system leakage.

Hydrant Flow Testing

Flow testing will provide the necessary flow parameters for calibrating the periodic hydraulic model update. Every 5 years, a combination of flows will be measured in order to calibrate and update the hydraulic model so that the model is representative of what is in the system.
I.3.5 Procedures for Identifying, Financing, and Scheduling Long-Term Capital Removals and ISDC/Upgrades

Of primary importance when considering the urgency and timing of improvement are compliance, health and safety, and customer needs—followed closely by cost budgets. This section presents the methodology we used to schedule capital upgrades and R&R over the duration of the contract. Our overall asset management strategy is to provide a well-conceptualized, comprehensive, and flexible plan to provide modernization, technological improvement, and improved functionality, reliability, and appearance.

Each year, an Annual Plan will be developed. The first Annual Plan will rely upon information developed as part of the system characterization studies, as diagrammed in Exhibit I.3-4. Subsequent Annual Plans will be developed and delivered according to the process presented below.

The Contract Year 2 and subsequent Annual Plans will place an ongoing reliance on the performance of periodic studies and learned O&M data to develop and prioritize improvements meant to maintain regulatory compliance and meet system expansion requirements. The Annual Plan will also reflect on staffing and O&M procedures, upgrades, modifications, expansions, planned replacements, and overall changes from the previous year. It is intended to serve as a tool to facilitate communication between all parties, define our path for upcoming years, and set a reasonable budgeted cost for reliable service and asset management. The Annual Plan will provide cost budgets for recommended projects, including the basis of estimate. Each Annual Plan will be submitted for CO review and approval prior to implementation.

I.3.5.1 Pricing Review
HCWD1 will develop a basis of estimate for each project specific to its location and installation requirements. Subsequently, we will proceed with financing and implementation of approved projects in accordance with the Public Service Commission (PSC) regulated model.

I.3.5.2 Technical Review
HCWD1 proposes to establish overall technical direction associated with the Annual Plan by convening a Senior Advisory Panel. This advisory panel would consist of senior HCWD1 staff and senior representatives from LWC and CH2M HILL to review the Annual Plan documents and comment on the prioritization and schedule of capital improvements projects. These strategic planning “checkpoints” will ensure that the water system is being operated, maintained, and managed consistent with Government expectations.

I.3.6 Process for Responding to Government Requests for System Enhancements, Including Financing and Installation Arrangements

Most projects will be programmed and implemented as part of our annual planning process, which will take into consideration the R&R schedule, recommendations from completion of periodic studies, and coordination with Post Master Plans. In this fashion,
most of the Government-requested system enhancements can be integrated into improvements planning. For those projects that are not identified early on in the planning process, we will work with the Government to define the scope of the work and re-evaluate the entire project prioritization. Collectively, we can then determine if it is in the best interest of the Installation to either add a project to the list of projects that have already been programmed or to move a programmed project to a lower priority so that a new, more mission-critical project can be inserted. Either way, we will make system improvements to meet the immediate and ongoing needs of the Installation.

Similar to programmed projects, HCWD1 will develop each project’s scope of work and the basis of cost estimate. We will proceed with financing and implementing the approved projects in accordance with the PSC regulated model.
I.4 Operational Transition Plan

The transition of the Fort Knox Water Systems from the Department of the Army to HCWD1 will take place over a 120-day period defined as the transition period. To achieve a smooth transition from Fort Knox's operations to HCWD1’s, without risk of degrading the quality or reliability of the utility service, both parties must plan for the transition. This plan recommends the implementation of tasks prior to and during the transition period.

HCWD1 proposes a transition period beginning at contract award and not to exceed 120 days. The transition period will be phased to be as effective as possible. HCWD1 will relieve the Department of the Army from as many O&M responsibilities as early in the transition period as possible, while we conduct our remaining transition activities. At the end of the 120-day transition period, we will assume full ownership responsibility for the utility systems.

During the transition period, we will update our knowledge of the system and develop a foundation of utility system documents from current records. Effectively completing this activity is not only vital to the overall success of the privatization of the Water Utility Systems at Fort Knox, but ultimately to the effective and efficient O&M of the system by HCWD1. The tasks accomplished during the transition period will include:

- On-site Familiarization
- Human Resource Transition
- Administrative Transition
- Safety and Security Transition
- System Operations Transition
- System Maintenance Transition
- Ownership Transfer
- Perform Purchasing Requirements
- Prepare Work Plans for Initial Capital Upgrade Projects

By selecting the HCWD1 team, the Government gets an experienced, local supplier of water utility services with a working knowledge of Fort Knox and the issues related to startup and transition of government utility systems.

Immediately upon taking over operation and maintenance responsibilities, HCWD1 will assume all emergency calls 24/7. Inventories and transfers of equipment, tools, materials, and records are proposed to take place in the 120-day transition period. All personnel will be in place and trained prior to the end of the transition and transfer of O&M responsibilities. After that time, we will ensure the utility systems remain in continuous operation. Our proposed transition and startup schedule is shown on Exhibit I.4-1.

I.4.1 On-site Familiarization

On-site familiarization would occur during the transition period. During this time, HCWD1 will update the knowledge base for long-term O&M of the water systems and develop a foundation of utility system planning documents based on that information. Effectively completing this activity is not only vital to the overall success of the privatization of the water systems at Fort Knox, but ultimately to the effective and efficient O&M of the systems by the Government or by HCWD1. HCWD1’s objectives for on-site familiarization are to gather the information needed to develop a better understanding of the water utility systems at Fort Knox.
Exhibit I.4-1 Transition Schedule

Fort Knox Transition Schedule

Date: Wed 10/1/08

<table>
<thead>
<tr>
<th>Task Name</th>
<th>Duration</th>
<th>Start</th>
<th>Finish</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-Site Familiarization</td>
<td>86 days</td>
<td>Sun 11/1/09</td>
<td>Mon 1/25/10</td>
</tr>
<tr>
<td>First Meeting with Army</td>
<td>1 day</td>
<td>Sun 11/1/09</td>
<td>Sun 11/1/09</td>
</tr>
<tr>
<td>Legal Due Diligence</td>
<td>61 days</td>
<td>Thu 11/5/09</td>
<td>Mon 1/4/10</td>
</tr>
<tr>
<td>Contact Regulatory Agencies</td>
<td>12 days</td>
<td>Thu 11/5/09</td>
<td>Mon 1/4/10</td>
</tr>
<tr>
<td>Joint Inventory of facilities &amp; fixed equipment</td>
<td>26 days</td>
<td>Thu 11/8/09</td>
<td>Mon 1/25/10</td>
</tr>
<tr>
<td>Joint Inventory of non-fixed equipment</td>
<td>30 days</td>
<td>Thu 13/5/09</td>
<td>Mon 1/4/10</td>
</tr>
<tr>
<td>Inventory of manuals and records</td>
<td>26 days</td>
<td>Thu 12/17/09</td>
<td>Mon 1/11/10</td>
</tr>
<tr>
<td>Initial joint meter reading</td>
<td>26 days</td>
<td>Thu 12/31/09</td>
<td>Mon 1/25/10</td>
</tr>
<tr>
<td>HR Transition</td>
<td>96 days</td>
<td>Thu 11/5/09</td>
<td>Mon 2/8/10</td>
</tr>
<tr>
<td>Clearances, special access, badges</td>
<td>12 days</td>
<td>Thu 11/5/09</td>
<td>Mon 1/16/10</td>
</tr>
<tr>
<td>Evaluate Existing Employees for Employment</td>
<td>27 days</td>
<td>Thu 12/3/09</td>
<td>Tue 12/29/09</td>
</tr>
<tr>
<td>Initial meetings with all interested employees</td>
<td>5 days</td>
<td>Thu 12/31/09</td>
<td>Mon 1/4/10</td>
</tr>
<tr>
<td>Interviews</td>
<td>12 days</td>
<td>Thu 1/7/10</td>
<td>Mon 1/11/10</td>
</tr>
<tr>
<td>Contact New Employee Training &amp; Orientation</td>
<td>26 days</td>
<td>Thu 1/14/10</td>
<td>Mon 2/6/10</td>
</tr>
<tr>
<td>Administrative Transition</td>
<td>40 days</td>
<td>Thu 1/17/09</td>
<td>Mon 2/8/10</td>
</tr>
<tr>
<td>Install and startup accounting/financial system</td>
<td>26 days</td>
<td>Thu 1/17/09</td>
<td>Mon 2/8/10</td>
</tr>
<tr>
<td>Setup monthly billing</td>
<td>10 days</td>
<td>Thu 1/17/09</td>
<td>Mon 2/8/10</td>
</tr>
<tr>
<td>Setup monthly reporting Service Interventions, train</td>
<td>12 days</td>
<td>Thu 1/17/09</td>
<td>Mon 2/8/10</td>
</tr>
<tr>
<td>Purchasing</td>
<td>10 days</td>
<td>Thu 2/1/10</td>
<td>Mon 2/15/10</td>
</tr>
<tr>
<td>Purchase Required Equipment and Material</td>
<td>10 days</td>
<td>Thu 2/1/10</td>
<td>Mon 2/15/10</td>
</tr>
<tr>
<td>Safety and Security</td>
<td>25 days</td>
<td>Mon 2/1/10</td>
<td>Thu 2/15/10</td>
</tr>
<tr>
<td>Safety instruction and training with equipment</td>
<td>25 days</td>
<td>Mon 2/1/10</td>
<td>Thu 2/15/10</td>
</tr>
<tr>
<td>Transition of System Operations</td>
<td>54 days</td>
<td>Thu 2/1/10</td>
<td>Mon 2/22/10</td>
</tr>
<tr>
<td>Transition to Joint Use</td>
<td>40 days</td>
<td>Thu 2/1/10</td>
<td>Mon 2/22/10</td>
</tr>
<tr>
<td>Transition to Joint Activity</td>
<td>20 days</td>
<td>Thu 2/1/10</td>
<td>Mon 2/22/10</td>
</tr>
<tr>
<td>Final Joint Meter Reading</td>
<td>5 days</td>
<td>Thu 2/1/10</td>
<td>Mon 2/22/10</td>
</tr>
<tr>
<td>Transition of System Maintenance</td>
<td>67 days</td>
<td>Thu 2/1/10</td>
<td>Sun 3/13/10</td>
</tr>
<tr>
<td>Implement Maintenance Management System</td>
<td>26 days</td>
<td>Thu 2/1/10</td>
<td>Mon 3/1/10</td>
</tr>
<tr>
<td>Develop Preventive Maintenance Tasks and Activities</td>
<td>12 days</td>
<td>Thu 2/1/10</td>
<td>Mon 3/1/10</td>
</tr>
<tr>
<td>Identify hazardous material and replacement requirements</td>
<td>12 days</td>
<td>Thu 2/1/10</td>
<td>Mon 3/1/10</td>
</tr>
<tr>
<td>Update inventory current system</td>
<td>12 days</td>
<td>Thu 2/1/10</td>
<td>Mon 3/1/10</td>
</tr>
<tr>
<td>Assume Maintenance Responsibility</td>
<td>2 days</td>
<td>Sat 2/1/10</td>
<td>Sun 2/2/10</td>
</tr>
<tr>
<td>Transfer Ownership</td>
<td>1 day</td>
<td>Sat 2/2/10</td>
<td>Sun 2/2/10</td>
</tr>
<tr>
<td>Water</td>
<td>1 day</td>
<td>Sat 2/2/10</td>
<td>Sun 2/2/10</td>
</tr>
<tr>
<td>Prepare Workplan for Initial Capital Upgrade Projects</td>
<td>103 days</td>
<td>Mon 11/16/08</td>
<td>Fri 2/25/10</td>
</tr>
<tr>
<td>Prepare Workplan for Studies</td>
<td>80 days</td>
<td>Mon 11/16/08</td>
<td>Fri 2/25/10</td>
</tr>
<tr>
<td>Prepare workplan for initial capital upgrades</td>
<td>94 days</td>
<td>Mon 11/16/08</td>
<td>Fri 2/25/10</td>
</tr>
</tbody>
</table>
The HCWD1 General Manager, Mr. Jim Bruce, will be assisted in mobilization efforts by a Startup Support Team consisting of the Operations Manager (Brett Pyles), O&M specialists, human resources, safety, computer systems, and communications professionals. The on-site familiarization will address the following issues, as required by the RFP:

- Contract Start Date
- Implementing New Connections
- Implementing New Meter Requirements
- Approach and Time Schedule for obtaining any required operating permits
- Inventory and Transfer of Utility Assets (Fixed and Non-Fixed) Manuals and Records
- Initial Meter Readings
- Authorized Personnel and Points of Contact

This section provides a description of each element of the on-site familiarization.

**I.4.1.1 Contract Start Date**

The transition period will begin when HCWD1 is given the Notice to Proceed (NTP) and will end not more than 120 days later. Contract award is anticipated to occur around September 28, 2009, and we have assumed that the notice to proceed for the transition period will start on November 1, 2009. All HCWD1 actions will be in compliance with the RFP and with the resulting Contract.

Upon the receipt of the NTP, HCWD1 will plan weekly meetings during the transition period with the CO or designated representative. Weekly meetings will serve as an opportunity to discuss the implementation of the transition plan. This will also serve to coordinate with Fort Knox functions, to communicate with the Department of the Army entities, and to discuss other issues that may affect the transition process.

HCWD1 plans to assume all O&M responsibilities 120 days after award of the contract. Immediately upon taking over O&M responsibilities, we will assume all emergency response tasks 24/7. Inventories and transfers of equipment, tools, materials, and records will take place within the first 4 to 5 weeks of transition. All HCWD1 personnel will be in place and trained prior to the 120-day transfer of O&M responsibility.

HCWD1’s mobilization process establishes the systems and procedures for smooth operations over the life of the contract. Responsibility for O&M of the water utility systems is scheduled to transfer not later than 120 days after NTP. This will allow time for HCWD1 to:

- Mobilize
- Hire staff
- Acquire equipment and materials
- Perform any operations testing or environmental testing
- Become familiar with the systems
- Conduct inventories with the Government and initiate preliminary repairs or improvements required for operation of the systems

This will also provide the opportunity for Fort Knox to terminate or complete any existing contracts related to the water utilities.

**I.4.1.2 Implementing New Connections**

Section J of the RFP indicated that there are no service connections or disconnections required upon system transfer.

**I.4.1.3 Implementing New Meter Requirements**

HCWD1 proposes to replace the existing water meters with 50 new radio read meters. Assuming preventive maintenance is completed on schedule, the meters are estimated to last for 20 years when they will be replaced as part of the renewals and replacement schedule.

**I.4.1.4 Approach and Time Schedule for Obtaining Any Required Operating Permits**

HCWD1 will work with the KDOW to change over the water use permit from the Government to HCWD1.
I.4.1.5 Inventory and Transfer of Utility Assets (Fixed and Non-fixed), Manuals, and Records

To facilitate transfer of all facilities, fixed and non-fixed equipment, and specialized tools, a comprehensive joint inventory will be conducted. The joint inventory will be used to update the maps of the water facilities and to support the easement document that will support the bill of sale for the transfer of assets.

Inventory and Transfer of Facilities and Fixed Equipment

A joint inventory and transfer of all fixed equipment for the water systems will be completed. The inventory and transfer will include all facilities and installed equipment as identified in the RFP.

Inventory and Transfer of Non-Fixed Equipment and Specialized Tools

If any property, such as tools, equipment, or spare parts, is transferred with the utility systems, a joint inventory will occur with Fort Knox and HCWD1 transition staff. Any material or equipment not wanted by HCWD1 will be disposed of in accordance with Army policy.

Transfer of Manuals and Records

HCWD1 needs to acquire all operating manuals, as-built drawings, plans and specifications, maintenance records, and other such documents for the water utility systems. This inventory and transfer should occur as early within the transition period as possible to enhance the transition of O&M. Ownership of the water systems will be transferred to HCWD1 as soon as the Bill of Sale and appropriate contract documents are completed and executed. HCWD1 and the Government will negotiate a date for ownership transfer. It is proposed that ownership transfer occur as shown on the transition schedule.

Joint Inventory

HCWD1 will perform a joint inventory during the transition phase. System inventory will be used to update the inventory database and assess the value of the existing facilities. The inventory will be used in the initial system studies to locate system deficiencies related to capacity, compliance, and current and projected reliability. The equipment inventory will define the exact pieces of equipment and tools to be transferred with the utility systems. Each inventory item will be listed down to the major component level (e.g., pump, motor, valve, and age). The inventory will also be used to prepare updated current utility maps for the water system. The updated inventory and maps will support the easement document that will be used to facilitate transfer of the water utility systems. The end result will be an itemized listing of assets to be attached to the Bill of Sale. This listing will include all assets that HCWD1 will own and assume responsibility for. The inventory of system equipment will be entered into the CMMS for tracking and monitoring. The types of inventory data that will be collected during the on-site familiarization phase are highlighted in Exhibit I.4-2.

Exhibit I.4-2
Types of Inventory of Data to be Collected during On-Site Familiarization

<table>
<thead>
<tr>
<th>Pipes (Water)</th>
<th>Mainline Valves</th>
<th>Fire Hydrants</th>
<th>Pumping/Treatment Stations</th>
<th>Water Storage Tanks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research record drawings and maps</td>
<td>Research record drawings and maps</td>
<td>Research record drawings and maps</td>
<td>GPS X,Y</td>
<td>GPS X,Y at tank locations</td>
</tr>
<tr>
<td>ID #</td>
<td>ID #</td>
<td>ID #</td>
<td>ID #</td>
<td>ID #</td>
</tr>
<tr>
<td>Upstream node #</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Downstream node #</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Diameter</td>
<td>Size</td>
<td>Z</td>
<td>Z</td>
<td>Z</td>
</tr>
<tr>
<td>Length</td>
<td>Valve Box Diameter</td>
<td>Size</td>
<td>Design Head (ft)</td>
<td>Diameter</td>
</tr>
<tr>
<td>Material</td>
<td>Number of Turns</td>
<td>Type</td>
<td>Design Flow (gpm)</td>
<td>Initial Level (ft)</td>
</tr>
<tr>
<td>Building or facility served</td>
<td>Location (pavement/grass)</td>
<td>Location (pavement/grass)</td>
<td>Description</td>
<td>Min Level (ft)</td>
</tr>
<tr>
<td>Closest Building</td>
<td>Closest Building</td>
<td>Digital Photo</td>
<td>Max Level (ft)</td>
<td></td>
</tr>
</tbody>
</table>
I.4.1.6 Initial Meter Readings

HCWD1 will assign one technician to go with the Fort Knox Meter Reader to read and locate the meters. HCWD1 will have a map prepared showing which buildings and facilities are metered and will then collect a GPS location reading on each meter. The initial meter reading will be completed within 9 weeks of contract award.

I.4.1.7 Authorized Personnel and Points of Contact

Exhibit I.4-3 shows the individuals that hold authority to sign for the final transfer of operations and property as indicated.

Exhibit I.4-3
Signature Authority

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Authority</th>
<th>Limit of Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Bruce</td>
<td>General Manager, HCWD1</td>
<td>Transfer of Operations and Property</td>
<td>As directed by Board</td>
</tr>
</tbody>
</table>

I.4.2 Human Resources Transition

HCWD1 recognizes the value of the existing Fort Knox staff’s experience, knowledge, and “institutional memory” concerning water systems on the installation, and we will include them as key members of our transition team. It is our anticipation that, prior to system ownership transfer, HCWD1 will be collecting and reviewing data on staffing of the various functions (planning, engineering, O&M, budgeting and accounting, personnel, and contracting) and preparing a staffing plan for service to Fort Knox.

I.4.2.1 Employee Transition

The existing employees will be offered positions with either HCWD1 or LWC, depending on their qualifications and future work assignments. HCWD1 and LWC routinely hire qualified personnel. Our team offers excellent benefit packages and competitive wages. We also offer opportunities for advancement and assignment to other HCWD1 and LWC facilities, if desired. HCWD1 and LWC anticipate the need to fill the positions identified in Exhibit I.4-4 for this project.

I.4.2.2 Evaluation of Existing Employees for Employment

FAR 52.207-3 (November 1991), Right of First Refusal of Employment, will be part of our contract with the Government. This clause requires that we offer positions created as a result of this new contract to qualified Government employees who are adversely affected, prior to offering those positions to other applicants. This procedure does not guarantee employment for displaced Government employees, but it does give them priority consideration over other applicants. The key factor is qualifications.

We anticipate that development of the staffing plan will be complete by the beginning of the transition period, with job offers made and accepted prior to system transfer. Analyses of employee training needs will be completed by the third month after system transfer. HCWD1 will apply a proven process to transition the affected workforce, as follows:

- **Step 1, Host introduction workshops.** HCWD1 will work with Fort Knox to prepare public announcements. This announcement package will communicate important information about the project and the transition process, as well as important information about HCWD1 and LWC. Along with this, each employee will receive a schedule for informational workshops. These workshops, for employees and spouses, will provide an orientation to HCWD1’s and LWC’s culture and to compensation and benefits programs.

- **Step 2, Interview and assess potential associates.** HCWD1 will send out a processing schedule to every potential new associate. The first item on this schedule will be employee interviews. In these interviews, we will discuss each
employee’s personal history, job experience, and specific ideas to improve the performance of the project. This is our first opportunity to show incoming employees that we listen to their concerns. This interactive process will allow individuals to ask any specific questions that they may have regarding HCWD1 and LWC, their jobs, and compensation potential. Our goal is to eliminate employees’ uncertainty about their futures and establish a positive foundation for their careers with HCWD1 and LWC.

- **Step 3, Make offers of employment.** Each qualifying candidate selected will receive a specific job offer clearly detailing the appropriate job title, pay rate, exempt or nonexempt status, and a complete position description. HCWD1’s and LWC’s human resources and benefits specialists will provide benefits enrollment packages and assist associates in completing the enrollment.

- **Step 4, Implement contract startup and orientation.** During the startup period of the contract, new associates will work closely with their supervisors and the Transition Team members. They will be oriented to HCWD1 operating procedures and new expectations of the positions. Capitalizing on their experience and knowledge, we will develop a team to review procedures and help revise, rewrite, and implement best-of-practice site-specific standard operating procedure formats to be used in their work areas.

- **Step 5, Initiate project training program.** HCWD1 and LWC recognize and build upon the value of continuous learning and development. The project training plan will be developed and implemented, with an initial target for every new associate to receive approximately 32 hours of training within the first year and every year thereafter.

- **Step 6, Implement ongoing training and development.** HCWD1 training includes leadership skills, health and safety, operations/technical and administrative procedures, quality management, certification, and other courses designed to improve associate skills on an ongoing basis.

### I.4.2.3 Integration of Employees

HCWD1 employees will integrate into the procedures and operating environment of Fort Knox as expeditiously as possible. In conjunction with the hiring process, HCWD1 will obtain all necessary security passes and identification required by Fort Knox. HCWD1 will develop a roster of personnel and emergency contact numbers, and provide this to the COTR and the Fort Knox DPW emergency desk.

### I.4.3 Administrative Transition

To complete the transition of administrative functions, HCWD1 will set up and install the project accounting and financial system, set up the monthly billing, and establish the monthly reporting systems required by the RFP. HCWD1 will meet with the COR and other stakeholders as deemed appropriate by the Government, to deploy the communication procedures for client service. Procedures for requesting service (work orders), excavation permitting, and HCWD1 contact information will be disseminated. Written outlines of each of these procedures will be made available to the stakeholders.

### I.4.4 Purchasing

The necessary tools, equipment, and vehicles will be obtained, or HCWD1’s existing equipment will be utilized during the transition period. HCWD1 will establish and use purchasing agreements with local vendors. HCWD1 also will use existing contracts to maximize quantity discounts when possible.

### I.4.5 Safety and Security

Integrating the Army facilities into existing HCWD1 safety and security practices and procedures will be a critical element of transition. The site visits conducted in August 2008 enabled the HCWD1 to formulate initial recommendations on safety and security upgrades for the Army facilities. Ground-truthing of these observations and development of safety plans still must take place during the transition period. Security must also be addressed during the transition period. Activities in the transition process related to safety and security include:
• **Conduct safety inspection/evaluation and develop priority list of changes.** In conjunction with on-site familiarization activities, HCWD1 staff will tour the acquired facilities and note specific safety issues to be corrected or addressed through operating procedures. HCWD1 will prepare a prioritized list of recommended safety changes and upgrades and review the list with the Army. For any capital upgrades needed to respond to safety issues that were not identified during the initial site visits, a determination will be made as to whether to add these projects to the Capital Upgrades Plan.

• **Review safety procedures and hold training sessions.** Safety procedures specific to the Army facilities will be developed as needed and integrated into existing HCWD1 safety plans. Staff will be trained on these procedures in sessions held at each installation.

All required safety and emergency response plans and procedures will be developed upon contract award. HCWD1 will ensure all personnel have appropriate safety and health training upon employment. A survey of all utility system facilities will be conducted early in the transition phase to identify any deficiencies.

### I.4.6 Transfer of System Operations

A period of joint operation with Fort Knox personnel is desired for the water system during the transition period. HCWD1 will assume full responsibility for training employees and this is built in to the transition schedule. As part of the operational transition, HCWD1 will develop or update SOPs specific to the Fort Knox water systems. These SOPs will be a major component of the employee training program. HCWD1 will review and validate all existing data, and develop laboratory procedures and schedules. During transition, HCWD1 will develop a comprehensive Process Control Strategy and a Water Sampling and Analysis Plan. All employees will be trained to become familiar with these plans. Process control meetings will be held with employees initially on a bi-monthly basis and monthly afterward. These meetings will allow for the open discussion of current process control strategies, and allow for a high level of communication between all employees. This communication strategy will be a key element in the provision of the highest quality water and service to our Fort Knox customers.

### I.4.7 Transfer of System Maintenance

Transfer of system maintenance activities will coincide with the startup of the CMMS. Job plans for maintenance activities will be developed and added to the CMMS, and work orders will be used to document maintenance activities. PM activities will be developed, and equipment repair and replacement requirements will be documented. Inventory controls will be developed and used to track spare parts and critical equipment replacement parts for high-risk water system utility components.

### I.4.8 Transfer of Ownership

Transfer of ownership will occur at the end of the transition period, which is 120 days after NTP. During the transition period, HCWD1 will work closely with the COR, the Fort Knox Contracting Office, and other associated Government entities to facilitate the development, review, and execution of the necessary instruments to ensure a smooth and timely transfer of ownership at the end of the transition period.

### I.4.9 Prepare Work Plans for Initial Capital Upgrade Projects

Work plans will be developed for the initial capital upgrade projects, including the system survey assessment project, the leak detection survey, and the hydraulic modeling project. Since many of the initial capital upgrade projects need to be completed in the first year of performance, the work plans will be used to secure the necessary resources to begin the capital upgrade projects immediately after the transition period.
1.4.10 Tasks to be Completed by the Government Prior to Transition

In order to make this transition as smooth and effective as possible, we have assumed that Fort Knox will perform the following tasks prior to the transition period:

- Complete actions required related to adversely affected staff (RIF notices).
- Review Program Objectives Manual to determine availability of funds for transition process, contract management costs, and the new utility contract costs.
- Assign COTR at Fort Knox as HCWD1’s primary contact during transition.
- Initiate modification or cancellation of existing permits and ensure transfer of existing permits.
- Modify any host-tenant agreements.
- Review real estate documents and identify explosive-safety quantity zones, airfield clearance zones, or other restrictions affecting utility operations.
- Collect relevant drawings, documents, and manuals for transfer.
- Inventory and identify Government items to be transferred.
- Identify Government equipment to be removed.
- Identify Fort Knox personnel for points of contact.
- Ensure all existing contracts for the utility systems are terminated upon start of performance.
- Ensure all recurring service contracts for the utility systems terminate upon start of performance.
- Identify whether temporary transition office space will be available for HCWD1 personnel.
I.5 Financial Strength

HCWD1 is a well run utility system with a strong balance sheet and operating margins that allow it to maintain long-term financial integrity. The success of HCWD1 has been recognized by others in the industry and community through a number of awards it has won.

Established in 1952 with 125 water accounts, HCWD1 has a 56-year history of growth, financial stability, and quality customer service. Its stability is enhanced by the regulation of the KPSC, which has the responsibility to review HCWD1’s operations to ensure service meets quality standards and costs are prudently incurred. It also has the responsibility to approve HCWD1 rates that cover prudently incurred costs, thereby providing a basis for HCWD1’s strong financial integrity.

Since 2000, HCWD1’s awards have included:

- 2000 First Place Award for Marketing and Customer Relations, American Water Works Association Kentucky/Tennessee Chapter
- 2000 Design Honor Award for Ft. Knox Interconnected Pump Station, American Council of Engineering Companies/Kentucky Council of Engineering Companies
- 2001 Recognition for Excellent Customer Service by the Kentucky Senate
- 2001 Second Place Award for Marketing and Customer Relations, American Water Works Association Kentucky/Tennessee Chapter
- 2002 First Place Award for Internal Relations by American Water Works Association Kentucky/Tennessee Chapter
- 2003 Award of Excellence for Safety by the American Water Works Association Kentucky/Tennessee Chapter
- 2004 Nominee for Public Water System Excellence Award by EPA Region 4
- 2005 Selection as one of the Top 3 “Best Testing Water” in Kentucky by the Kentucky Rural Water Association
- 2007 Recognized as having a “Totally Optimized Water Plant” by KY Division of Water
- 2007 Finalist for Wooden Bucket Award, U.S. Department of Agriculture
- 2008 Award of Excellence by American Water Works Association Kentucky/Tennessee Chapter

HCWD1’s acquisition of the City of Radcliff sanitary sewer system earlier in the year. At the same time that its capitalization was significantly increasing, HCWD1 was able to reduce dramatically its debt to capital ratio. That ratio decreased from 56 percent in 2003 to 31 percent in 2007. The ratio is projected to further decrease to only 24 percent in 2008. These changing ratios and other financial ratios requested in the RFP are provided in Exhibit I.5-1.

The relative reduction in debt and build up in system equity reflected in the reduced debt to capital ratio resulted in part from operating margins. As shown in Exhibit I.5-1, interest coverage and the ratio of funds from operation (FFO) to interest have both been high over the past 5 years and are projected to continue at high levels in 2008. The particularly high FFO to interest ratio of 7.3 projected for 2008 reflects the fact that HCWD1 was granted a water rate increase at the end of 2007 and a sewer rate increase in mid 2008.

HCWD1 accesses capital for major plant investments through internally generated capital and revenue bonds. It also uses its line of credit for shorter term capital requirements. It will use these sources to fund R&R and ISDC projects at Fort Knox. Since the proposed purchase price is $1.00 and HCWD1 is not subject to Federal income tax, it will not have a need to finance the purchase price or any potential CIAC tax.

HCWD1’s latest bond issue (Series 2005, $6.860 million) was rated “Aaa” by Moody’s Investors Service. It was also the first water district in Kentucky to use variable rate, weekly indexed, tax exempt

<table>
<thead>
<tr>
<th>Financial Strength Ratio</th>
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<tbody>
<tr>
<td>1. Interest Coverage</td>
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<tr>
<td>2. Funds from Operation (FFO) to Interest Ratio</td>
</tr>
<tr>
<td>3. FFO to Total Debt Percentage</td>
</tr>
<tr>
<td>4. Total Debt to Total Capital Ratio</td>
</tr>
<tr>
<td>5. Disaster Recovery Ratio</td>
</tr>
</tbody>
</table>

HCWD1’s acquisition of the City of Radcliff sanitary sewer system earlier in the year. At the same time that its capitalization was significantly increasing, HCWD1 was able to reduce dramatically its debt to capital ratio. That ratio decreased from 56 percent in 2003 to 31 percent in 2007. The ratio is projected to further decrease to only 24 percent in 2008. These changing ratios and other financial ratios requested in the RFP are provided in Exhibit I.5-1.
bonds. HCWD1 has used this funding instrument twice, with both issues rated “VMIG-1” by Moody’s. Moody’s description of this rating is:

“This designation denotes best quality. There is present strong protection by established cash flows, superior liquidity support or demonstrated broad-based access to the market for refinancing.”

A local bank also provides a pre-approved line of credit for $2.5 million, which HCWD1 can access for any reason at any time. Finally, as a special sub-district of the Commonwealth of Kentucky, HCWD1 is also able to receive local, state, or federal grants for construction projects, from a variety of agencies and programs. Currently, HCWD1 has received approval for and is using $5 million of grants for current water construction projects.

In the event of a natural disaster, HCWD1 has the resources and capability to immediately begin restoration and sustain the restoration for timely completion and resumption of normal operations. HCWD1 has included provision for $28 million in property insurance for assets at Fort Knox beyond the insurance HCWD1 has on its existing water system and two sewer systems. In addition to our financial resources and insurance, as a Government sub-district, HCWC1 is eligible for emergency funding from the county Government, the state Government, and the federal Government through Federal Emergency Management Administration (FEMA) funding. HCWD1 has experience accessing funds from these sources to cover costs related to storms and damages, including clean-up costs.

In addition to HCWD1’s financial strength, we can bring to this contract the financial stability and competence of our two team subcontractors, as described below.

**Louisville Water Company**

Exhibit I.5-2 presents LWC’s financial performance indicators from the past 5 years.

LWC has low debt levels and has the capacity to quickly and efficiently raise additional funds when necessary. LWC maintains favorable debt service coverage of more than 2 times the maximum annual debt service. The bond ratings for LWC long-term debt are among the very highest in the industry: AA+ for Standard and Poor’s Corporation and Aa1 for Moody’s Investors Service. In addition, as a municipally owned utility, LWC is eligible for publicly funded grants and low-interest loans.

LWC has relatively low water rates as a result of efficient operations. LWC continues to focus on optimizing the value of water service to its customers. LWC’s average O&M cost per customer of $170 is one of the lowest in the water industry, and our rates are one of the lowest in the region.

LWC has maintained its infrastructure to meet long-term requirements. LWC uses a 5-year Capital Improvement Program (CIP) that is updated annually. The current CIP emphasis is on renewal of buried infrastructure, renovation of WTP facilities, improvements to storage and boosted pressure systems, and investments in information technology architectures. Capital improvement program plans also include significant investment in advanced treatment technology to improve water quality and ensure future regulatory compliance.

**CH2M HILL**

CH2M HILL’s financial strength is driven by our employee-owners’ dedication to delivering high-quality services that establish long-term client relationships. With gross revenues of $5.8 billion in 2007, CH2M HILL maintains an enviable financial position in the industry.

CH2M HILL’s steady increase in staff and annual revenues provide one of the most stable firms in the world, assuring a team with the financial responsibility, stability, and strength to integrate and package the full spectrum of services required for this contract. We posted our most profitable year ever in 2007. In an industry comparison of leading companies, our 0.2 debt-to-capital ratio, the leading indicator of overall financial strength, was the lowest. Our financial capacity is also proven by an annual growth rate of nearly 20 percent per year over the past 5 years.
Exhibit I.5-2
**LWC Financial Performance Indicators**

<table>
<thead>
<tr>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>$132.1 million</td>
<td>$114.1 million</td>
<td>$115.2 million</td>
<td>$103.5 million</td>
<td>$97.7 million</td>
</tr>
<tr>
<td>Revenues in Excess of Expenses</td>
<td>$40.6 million</td>
<td>$30.7 million</td>
<td>$34.7 million</td>
<td>$28.6 million</td>
<td>$24.6 million</td>
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<tr>
<td>Gallons Sold</td>
<td>41.1 billion</td>
<td>37.0 billion</td>
<td>40.0 billion</td>
<td>38.2 billion</td>
<td>38.0 billion</td>
</tr>
<tr>
<td>Capital Improvements in System</td>
<td>$62.3 million</td>
<td>$61.7 million</td>
<td>$61.7 million</td>
<td>$52.4 million</td>
<td>$60.4 million</td>
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<tr>
<td>Total Assets</td>
<td>$907.1 million</td>
<td>$870.3 million</td>
<td>$751.3 million</td>
<td>$723.1 million</td>
<td>$694.7 million</td>
</tr>
<tr>
<td>Long Term Debt as a Percentage of Total Assets</td>
<td>19.8%</td>
<td>21.6%</td>
<td>14.8%</td>
<td>16.3%</td>
<td>17.8%</td>
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<tr>
<td>Debt Service Coverage Times</td>
<td>3.02</td>
<td>2.74</td>
<td>3.48</td>
<td>3.03</td>
<td>2.79</td>
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</table>
Assumptions Used for Technical Approach and Costing Purposes

The following assumptions have been made for the purpose of establishing a baseline for developing and pricing this proposal, and will be confirmed during the system characterization phase. Notes and assumptions specific to our calculations in the Price Proposal are included in the supporting documentation files and spreadsheets. This proposal was developed based on limited information to bidders during the proposal solicitation process.

General

1. Water system components and services are currently in compliance with all federal, state, and local laws, and environmental, OSHA, and applicable utility regulatory requirements, and will continue to be in compliance at the time of transition.

2. The installed dates for system components are accurate as provided in the RFP or in answers to questions provided during the proposal solicitation.

3. Ownership of the utility will be transferred to HCWD1 between January 1, 2009, and January 1, 2010.

4. Components are in condition that will last as long as design life estimated by HCWD1.

5. The facilities visited during the site tour are representative of the condition of all facilities in the system. All other components of the water distribution system are in the condition stated in the Army’s data.

6. A Vulnerability Assessment has already been completed. Current security measures at pump stations, storage tanks, and other utility service points are adequate and compliant.

7. Soil conditions of all underground facilities satisfactorily meet design requirements of the facilities.

8. The American Federation of Government Employees will not raise any significant issues affecting the cost of providing water utility services.

9. For purposes of pricing, HCWD1 assumes that growth at Fort Knox is negligible and will result in no increase in costs.

10. Air permitting for new and existing generators will be under the Fort Knox Title V permit.

11. Once ownership of the utility systems has been transferred, access to the systems components will be granted without any legal or other cost to HCWD1.

12. Any generators to be installed will be emergency generators, which are exempt sources under Clean Air Act Title V regulations. All pumps will be electric and will not require amendment of permits.

13. No existing exclusive water easements will require maintenance by HCWD1.

14. The Army will maintain all access roads to and from pump stations, storage tanks, treatment plants, lagoons, and other system locations. HCWD1 will not be responsible for maintaining any on-base roads.

15. If previously unknown differences are discovered between the Army-provided inventory and the actual water system and appurtenances, HCWD1 will be allowed during the post-selection process to adjust its purchase price and the projects and associated costs in its ISDC and R&R Plans.
16. HCWD1 will be allowed to adjust its utility service charge if previously unknown inventory and system differences are identified that lead to additional labor or other operating costs.

17. Land, space, or both will be available at no cost to HCWD1 for on-base offices and storage, as identified in the proposal, specifically for the Fort Knox operations base.

18. Temporary space will be available at each respective construction location for construction trailers and laydown areas to support construction of renewal, upgrade, and enhancement projects.

19. Employees will not organize; but if they do, the collective bargaining agreement labor rates will be the basis for an adjustment during the following price redetermination.

20. Given adequate notice and coordination, Army management, engineering, and operations personnel will be available for interview during site characterization regarding utility system operations, prior contamination, and environmental status.

21. Given adequate notice and coordination, the Army will provide all existing water utility information that may be reasonably requested by HCWD1. All applicable reports, correspondence, maps, drawings, and any other documentation related to the utility systems or the environmental condition of the property will be readily available to HCWD1 for review during site characterization.

22. We assume that Fort Knox has exclusive legislative jurisdiction.

23. All water valve locations are known, mapped, and are readily accessible.

24. All Federal taxes will be removed from our proposal for purposes of the evaluation of benefit to the Government.

25. We assume that access to utility systems will be granted with no legal or other cost to HCWD1.

26. For proposal purposes, we assume that system renovation and upgrade projects, as identified in the RFP, are still required by the Government.

27. We assume that no special requirements will be necessary for UXO identification/removal during excavation of utility systems.

28. Capital improvements proposed by HCWD1 will be included in the Government “should cost.”

29. The Government “should cost” will reflect industry standards for operation, maintenance, and recapitalization of the water system.

30. The current Governmental exemption for property taxes will be extended to HCWD1 for all transferred assets.

31. Annual/periodic studies will begin after Year 1.

32. The Army will be responsible for any agreements with Government and non-Government tenants. HCWD1 will hold no separate agreements with current or future tenants.

33. HCWD1 will submit a single, monthly bill for all charges directly to the Army. The Army will bill tenants for utility charges based on monthly meter readings by HCWD1, where applicable. All charges will be paid within 30 days of invoice. Any payment delay will result in interest charges at HCWD1’s normal rate of interest for late payment.

34. Utilities, such as electricity and water, that are supplied to HCWD1 by the Government or a Government contractor will be paid directly by the Government.
35. A new facility for HCWD1 O&M staff will be constructed and the cost shall be reimbursed by the Government.

36. HCWD1 will recover, and the Army will pay for, uninsured property losses or that portion of insurance claims that exceed limits required by the utility service contract between HCWD1 and the Army.

37. The Army will maintain an ongoing water conservation program.

38. The Army will be responsible, at no cost to or regulatory effort by HCWD1, for the disposal of any contaminated soil or groundwater encountered during excavations.

39. HCWD1 will not be considered in default of contract should response times be impacted/exceeded due to limited or restricted access to the installation. Should unforeseen installation closure occur, HCWD1 will be allowed to reschedule routine work for accomplishment on any day requested by HCWD1 and approved by the Government; however, emergency work will be continued.

40. All water system components planned for completion or replacement by the Army between the date of this proposal and the date the water utility system is transferred to HCWD1 will in fact be completed or replaced and transferred to HCWD1 with other utility system assets. The scope of these projects will be as assumed in the Technical Proposal.

**Water System**

41. We assume that the elevated water tanks originally installed in the 1990s are OSHA compliant and lead abatement on the tanks will not be required.

42. HCWD1 assumes that there are no issues of noncompliance in any of the water systems (not identified in the RFP), or that any current violations/noncompliance will be corrected prior to contract start.

43. HCWD1 assumes the Government-provided inventory is accurate, unless otherwise indicated in our proposal.

44. Adequate flow records and level of detail are available to reasonably estimate demand, peaking factors, and system needs.

45. Under the terms of this privatization, HCWD1 will have no responsibility for the water source beyond monitoring and testing quality and capacity, and making recommendations regarding protection, expansion, and use of the water resource.

46. No cathodic protection system currently exists on the water system, other than the water tanks.

**Environmental Baseline Study**

47. The EBS will be provided to the HCWD1 by the Government during transition.

48. No EBS will be conducted by HCWD1, unless specifically requested by the Government. Compensation will be in accordance with the Price Proposal.

49. All pre-existing environmental conditions will remain the responsibility of the Government, and the Government will retain any liability for such conditions whether known or discovered in the future.

50. No asbestos exists in any water facilities except for the asbestos cement pipe.

51. Documented restrictions on activities in areas near endangered species, streams, wetlands, etc. will be provided to HCWD1 during transition.
52. SWMUs will remain the responsibility of the Government, and actions with regard to water activities in the vicinity of SWMUs will be negotiated with the Government.

**Environmental Assessment (EA)**

53. For proposal purposes, no EAs will be required for the transfer of utility system assets to HCWD1 as the New Owner.

**Environmental Impact Statement (EIS)**

54. For proposal purposes, no EIS will be required for the transfer of utility system assets to HCWD1 as the New Owner.

**Staffing**

55. HCWD1 will maintain only the grounds and facilities enclosed by the fences at the storage tanks, treatment facilities, and pump stations.

56. The sizes of the identified meters, pressure-reducing stations, pressure-reducing valves, and backflow preventers are unknown and will be determined during site characterization.

57. No shut-off valves (demarcation) will be required to be installed at facilities.

58. The Government will be responsible for any costs associated with security clearance for HCWD1 staff at Fort Knox.

59. Escorts to secure areas will be provided by the Government at no additional cost to HCWD1.
<table>
<thead>
<tr>
<th>Activity Name</th>
<th>Original Duration</th>
<th>Start Date</th>
<th>Finish Date</th>
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<tr>
<td>Contract Award</td>
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<td>30-Dec-09</td>
<td>31-Dec-14</td>
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<td>System Survey/Assessment and Re-Map the Utility Systems</td>
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<td>28-Sep-10</td>
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<td>1306d</td>
<td>01-Mar-10</td>
<td>29-May-10</td>
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<td>New Raw Water from Muldraugh WTP to 16-in. Raw Water Line Between Otter Creek PS &amp; Central WTP</td>
<td>1306d</td>
<td>01-Feb-10</td>
<td>27-Oct-10</td>
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<td>Otter Creek PS</td>
<td>1306d</td>
<td>01-Jun-10</td>
<td>29-Aug-10</td>
</tr>
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<td>Muldraugh HLPS</td>
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<td>29-Aug-10</td>
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<tr>
<td>Central WTP</td>
<td>1306d</td>
<td>01-Jun-10</td>
<td>29-Aug-10</td>
</tr>
<tr>
<td>Central WTP Cleanwell</td>
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<td>01-Jul-10</td>
<td>27-Dec-10</td>
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<td>Water Storage No. 3</td>
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<td>35-Jun-10</td>
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<td>Automatic Transfer Switches</td>
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<td>12-May-11</td>
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<td>Line Between Otter Creek PS &amp; Central WTP</td>
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<td>02-Jan-12</td>
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<td>Well Platforms - Rehab (6)</td>
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<tr>
<td>Van Voorhis Pump House</td>
<td>1306d</td>
<td>01-Jul-16</td>
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<td>Decommission Muldraugh WTP</td>
<td>1306d</td>
<td>01-Apr-14</td>
<td>31-Dec-14</td>
</tr>
<tr>
<td>Decommission Muldraugh WTP</td>
<td>1306d</td>
<td>01-Jun-14</td>
<td>31-Dec-14</td>
</tr>
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PARTNERSHIP AGREEMENT

This Agreement, made this 15th day of July, 2008 (hereinafter the “Effective Date”) by and between the Louisville Water Company (hereinafter “LWC”); and the HARDIN COUNTY WATER DISTRICT No. 1 (hereinafter “DISTRICT”), shall confirm the intent of the parties to coordinate and partner in the management and operation of the Fort Knox Public Water Treatment and Distribution System (hereinafter “System”) and jointly pursue a wholesale water supply for the District and Ft Knox.

WHEREAS, the United States Government Department of Defense (“Government”) operates a military base near Radcliff, Kentucky known as Fort Knox (hereinafter “Ft. Knox”) which has its own independent public water supply system; and

WHEREAS, the Defense Energy Support Center (DESC) has issued a Request for Proposals (RFP) on July 1, 2008 for the private operation and maintenance of the System; and

WHEREAS, LWC is a municipally-owned water company operating pursuant to KRS Chapter 96 and owns and operates the public water supply system throughout Jefferson County and in parts of Oldham and Bullitt Counties; and,

WHEREAS, District is a water district operating pursuant to KRS Chapter 74 and owns and operates the public water supply system for a portion of Hardin County, including the City of Radcliff on a retail basis and the City of Vine Grove and Meade County Water District on a wholesale basis, and owns and operates the sanitary sewer systems of Radcliff and Ft. Knox; and

WHEREAS, both parties have the technical, managerial and financial capacity to provide services necessary to the management and operation of the System; and

WHEREAS, the cooperation and collaboration of the parties on a joint response to the RFP (the “Project”) will likely provide the most viable option for selection by the DESC;

NOW THEREFORE, in consideration of the terms and conditions set forth below, the parties agree to the following terms and conditions which will govern their relationship during the period leading up to the executing of documents which would effectuate the Project:

I. Both parties agree that this Agreement sets forth broad parameters of the partnership. The actual scope of work may be refined over the course of the Project and subsequent negotiations with the Government. The relationship currently expects the District to assume ownership of the System, in order to provide the Government with a regulated, tariff-based proposal, with LWC providing operations of a portion of the System, and LWC providing a treated water source to the Government and to the District, and the District providing operations of other aspects of the System.

II. LWC and District agree to exclusively, collaboratively and jointly pursue an operations contract for the System, upon issuance of the privatization RFP.

A. LWC will finance the costs of developing the RFP, including selecting and hiring any additional entities it deems necessary. In the event the District-LWC proposal is
accepted, the full cost to develop the proposal will be recovered over 5 years through the monthly management fee charged to the Government. If unsuccessful, each party will pay its own external costs (i.e. its own contractual costs for engineering, construction, legal or financial analyses) associated with the project as well as their own internal labor and non-labor costs.

B. LWC will be the lead partner in preparing all documents for submission in response to the RFP. The District will assist with providing any information requested, data and information needed, and any other pertinent information that is required or would be beneficial in the preparation of the proposal documents, and to assist with authoring sections of the proposal documents as requested by LWC. The final submittal and pricing will require the mutual agreement of both parties.

III. District plans to provide operation and maintenance services for the distribution facilities (distribution pipes, hydrants, valves, and service lines). District will provide, through its own forces or future subcontractors selected by District, all GIS mapping requirements in the RFP to facilitate the mapping of the system, in a manner consistent and compatible with the existing sanitary storm sewer GIS systems of Ft. Knox, which the District has also developed. LWC will provide GIS resources where needed.

IV. LWC will provide operation and maintenance services of the production facilities (well field, water treatment plants, pumping stations, and storage tanks) for a period of at least 5 years. It is anticipated the Muldraugh Water Treatment Plant will be replaced within 3 years with a new transmission supply from LWC along Dixie Highway (Hwy 31W) at Westpoint, Kentucky. The Ft. Knox Central Water Treatment Plant will remain in operation for the foreseeable future. However, the parties may agree to expand or replace the Ft. Knox Central Water Treatment Plant in the future by mutual agreement.

V. LWC and District agree to jointly develop a capital improvement plan as required to fulfill the Ft Knox Privatization RFP.

VI. LWC and District agree to collaborate to design, construct and install a transmission main to District and the System in connection with or independent of the Ft. Knox Privatization RFP. In furtherance of this objective, LWC and District agree to enter into a wholesale water supply contract to obtain from LWC a reliable, abundant and redundant source of supply from the same pipeline and facilities that LWC will deliver water to System and/or the District. The term of the wholesale supply contract will be either a standard wholesale term of 40 years or for the same time period of the Government's privatization of the System.

VII. LWC is willing to pursue a partnership with District at a later date to facilitate various benefits to LWC, the District and the Government. It is envisioned that this partnership will provide the following benefits or services among LWC, the District and the Government.

A. The parties agree to collaborate on purchasing initiatives for the purposes of incurring lower costs for the provision of operation and maintenance services to the District and/or include but not limited to, joint fuel purchases, operations and maintenance of main breaks, main replacements or other utility operations.
B. LWC will provide additional engineering, technical, capital program management and other support services to the District for an agreed cost of service and based on LWC resource availability, for projects related to the System, or to the District’s other utility systems.

VIII. All other aspects of work or tasks required by the Government and set forth in the RFP will be provided and divided between the parties at a future date, based on factors which will provide the parties with the best competitive advantage to be selected by the Government.

IX. The Term of this Agreement shall be from the Effective Date and shall expire (1) upon the successful award of the Privatization RFP to District in collaboration with LWC or upon the District not being determined as the successful respondent to the RFP; or (2) upon this Agreement being superseded by written agreements that specifically cover the activities governed herein; or (3) upon ninety (90) days’ advanced written notice by either party to the other party.

X. This Agreement contains the entire agreement between the parties with regard to the intent to form a partnership for the Ft. Knox privatization RFP.

LOUISVILLE WATER COMPANY

BY: [Signature]
Mr. Gregory C. Heitzman, President

Approved as to Legality and Form:

[Signature]
Barbara K. Dickens
Vice President, General Counsel
Louisville Water Company

HARDIN COUNTY WATER DISTRICT No. 1

BY: [Signature]
Mr. William J. Rissel, Chairman

Approved as to Legality and Form:

[Signature]
Mr. David T. Wilson, III
Legal Counsel
Hardin County Water District No. 1
Ms. Mattox:

The Hardin County Water District No. 1 (HCWD1) is pleased to submit this proposal for assuming the ownership and operation of the Fort Knox potable water system. HCWD1 is the agency designated to provide utility services in the northern part of Hardin County, around Fort Knox. As a regulated utility by the Public Service Commission, HCWD1 serves 10,000 residential and commercial customers and acts as a regional water supplier to two other water systems. The transfer of the utilities at Fort Knox is an unprecedented opportunity for Hardin County and one that would follow the trend of Fort Knox and the local government working together toward well planned and managed water and sewer utilities.

HCWD1 has been involved in a number of endeavors with Fort Knox over the past few years, including ownership and operation of the Fort Knox wastewater and stormwater systems. HCWD1 has also participated with Fort Knox and other water suppliers in Hardin County to carry out long-range water supply planning. This proposal is a natural extension to those efforts to better coordinate water and sewer utilities by placing control of those facilities with Hardin County.

Under our proposal, HCWD1 will be the owner and manager of the potable water system serving Fort Knox. Although many of HCWD1’s staff have water experience, we have formed a team of professionals to handle the ownership transition, immediate system improvements, and operation of the water distribution system. Joining with HCWD1 in this project will be Louisville Water Company (LWC) and CH2M HILL, Inc.

HCWD1 believes that our management expertise and local knowledge, combined with national experts, can provide the best option for Fort Knox to privatize its potable water system. We have conducted an extensive due diligence and field reconnaissance of the water utility and have developed a plan that offers \textbf{long-term economic benefit and reduction in costs, which are specific goals} identified in the Solicitation. Our proposal is presented in four volumes, plus two alternate proposals in two other volumes. This document is Volume IV, Price Proposal - ALTERNATE.
This Proposal remains a valid offer for 300 days from the date of submittal, and we are prepared to work with you to extend this period should it be required. I will remain your primary point of contact for HCWD1 and our Team during the Proposal and bid period, and can be contacted as follows:

Mr. Jim Bruce, General Manager  
Hardin County Water District No. 1  
1400 Rogersville Road, Radcliff, Kentucky 40160  
Telephone: 270.351.3222  
Mobile: 270.268.4069  
Fax: 270.352.3055  
Mail: Jbruce@HCWD.com

We look forward to your review of our Proposal, and I invite you to contact me should you have any questions or need any additional information.

Sincerely,

Jim Bruce  
General Manager  
Hardin County Water District No. 1
Volume IV. Price Proposal - ALTERNATE

Prepared by:

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

Hardin County Water District No. 1 agrees with all terms, conditions, and provisions included in the solicitation except as highlighted in Volume III, Contract Documentation and agrees to furnish any or all items upon which prices are offered by Hardin County Water District No. 1 in this proposal at the price set opposite each item.

This proposal includes data that shall not be disclosed outside the Government.

Person(s) Authorized to Negotiate:  Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

Person(s) Authorized to Sign Proposal:  Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government’s right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are clearly marked with the proprietary legend in the side margin of the page.
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List of Acronyms

AACE  Association for the Advancement of Cost Engineering

CAS  Cost Accounting Standards

G&A  General and Administrative

HCWDI  Hardin County Water District No. 1

ISDC  Initial System Deficiency Correction

NARUC  National Association of Regulatory Commissioners

O&M  Operations and Maintenance

PSC  Public Service Commission

R&R  Renewals and Replacement

WTP  Water Treatment Plant
### Cross Reference Matrix for Section L

<table>
<thead>
<tr>
<th>Description/Specifications, Section L of RFP</th>
<th>Proposal Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule B1 and Price Data Sheets</td>
<td>Section 1</td>
</tr>
<tr>
<td>Cost Proposal, Introduction, and Pricing Assumptions</td>
<td>Section 2</td>
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<tr>
<td>General Estimating Methodology</td>
<td>Section 3</td>
</tr>
<tr>
<td>Cost Risk Assessment</td>
<td>Section 4</td>
</tr>
</tbody>
</table>
Section 1—Price Schedule B-1

Hardin County Water District No. 1 (HCWD1) proposes to provide water utility service to Fort Knox. As allowed in DESC RFP SP0600-08-R-0803, HCWD1 has submitted both a “Base” proposal that is directly responsive to all aspects of the RFP and this “Alternate” proposal. In this Alternate Proposal, HCWD1 proposes to reduce water utility costs to the Government at Fort Knox by replacing water produced at the Central Water Treatment Plant (WTP) with water HCWD1 will procure from off-Post from Louisville Water Company (LWC). Details of the alternative water supply arrangement are provided in Volume I of this proposal.

As a water and wastewater utility within the Commonwealth of Kentucky, all of HCWD1’s operations are regulated by the Kentucky Public Service Commission (PSC). In this role, the Kentucky PSC also regulates all tariffs charged for utility service by HCWD1. Accordingly, HCWD1 proposes to provide water utility service to Fort Knox under the regulated tariff option provided in the RFP. Consistent with the RFP requirements, HCWD1 is therefore submitting its proposed pricing through Price Schedule B-1.

HCWD1’s Alternate Proposal improves Fort Knox water quality and reduces the Government’s 50-year life-cycle cost for water service at Fort Knox by 23 percent compared to the utility’s Base Proposal.

As allowed by the RFP, the tariff is being offered subject Kentucky PSC approval. That approval is expected within 90 days of contract award.

Schedule B-1

Schedule B-1 for this proposal is provided on the following page. The schedule includes 4 CLINs. Each is discussed below.

CLIN 0001 — Applicable Tariff

CLIN 0001 includes a provision for a Utility Service Charge and a Monthly Credit as Payment for
SCHEDULE B-1 REGULATED TARIFF\textsuperscript{a}
Payment by the Government for Utility Service
Fort Knox, Kentucky

<table>
<thead>
<tr>
<th>CLINs</th>
<th>Supplies/Services</th>
<th>Tariff/Schedule/Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Applicable Tariff(s)\textsuperscript{a} (see B.5.1)</td>
<td>$___ Rates FKW$</td>
</tr>
<tr>
<td></td>
<td>Monthly Credit as Payment for Purchase Price (see B.5.2)</td>
<td>$___ 1.00 $</td>
</tr>
<tr>
<td></td>
<td>$___ 1.00 Monthly Credit</td>
<td>$___ 1.00 $</td>
</tr>
<tr>
<td></td>
<td><strong><strong>1</strong></strong> # months</td>
<td><strong><strong>0%</strong></strong> Interest Rate</td>
</tr>
<tr>
<td></td>
<td>TOTAL FOR CLIN 0001</td>
<td>$___ see Rate FKW $</td>
</tr>
<tr>
<td>0002</td>
<td>Initial System Deficiency Corrections/Connection Charges\textsuperscript{b} (see B.5.3 and B.7.4 (Schedule 3). This amount should not be included in the price offered for CLIN 0001).</td>
<td>$ see Rate FKW $</td>
</tr>
<tr>
<td>0003</td>
<td>Recoverable Portion of Purchase Price\textsuperscript{b} (see B.5.4 and B.7.5 (Schedule 4). This amount should not be included in the price offered for CLIN 0001).</td>
<td>$ 0.00 $</td>
</tr>
<tr>
<td>0004</td>
<td>Transition Period</td>
<td>$ see Rate FKW $</td>
</tr>
</tbody>
</table>

\textsuperscript{a}Utility system to be filled in by the Offeror. A B-1 must be completed for each utility system offered. Utility systems are shown in Schedule A paragraph B.3, \textit{System to be Privatized}. Offerors shall provide a comprehensive description of proposed tariffs in their Price Proposals. See B.5.1.

\textsuperscript{b}CLINs 0002 and 0003 are required only if the tariff provides for separate identification of initial system deficiency corrections, connection charges and the recoverable portion of the purchase price. If separate identification is not provided, it will be assumed tariff rate includes these costs.

\textbf{NOTE:}

The Purchase Price, Recoverable Portion of the Purchase Price, interest rate and amortization period are proposed by the Offeror.

Note: Schedule B-1 was taken directly from the RFP and completed for HCWD1’s regulated price proposal. Actual tariff prices are shown in HCWD1’s Rate Schedule FKW on the next page. While RFP Schedules 1 through 4 are not required in support of Schedule B-1, tables providing essentially the same information as RFP Schedules 1 through 3 are provided in Tables IV-1, IV-2, and IV-5, respectively. Since there is no recoverable portion of the purchase price, a table similar to RFP Schedule 4 is not included in this proposal.
CLASSIFICATION OF SERVICE:
RATES, SURCHARGES AND MONTHLY CHARGES

Rate Schedule FKW—Water Service within Fort Knox, Kentucky

Terms and conditions for water utility service to Fort Knox are as provided in the service agreement between the U.S. Army and Hardin County Water District No. 1.

The following rates are hereby prescribed for water supply and distribution services provided within Fort Knox, Kentucky military reservation:

- Monthly Service Charge: $391,876 per month
- Initial System Deficiency Correction Surcharge: $414,786 per month for 60 months*
- Transition Surcharge: $534,757 per month, for one month only*

* From the effective date of this tariff

DATE OF ISSUE: August 31, 2009
DATE EFFECTIVE: December 31, 2009

ISSUED BY: /s/ David L. Armstrong
TITLE: Chairman

1 The executed contract from the Government to HCWD1 would also become part of HCWD1’s Tariff applicable to Fort Knox Water.
Purchase Price. Each of these provisions is discussed below.

Utility Service Charges
The Kentucky PSC requires that charges for the service it regulates be established through a public process and that charges approved by the Kentucky PSC be published in a tariff sheet. HCWD1’s proposed tariff sheet for water service to Fort Knox is provided on the page following Schedule B-1. That tariff sheet contains HCWD1’s Rate Schedule FKW—Fort Knox Water. This is the “applicable tariff” that would apply to water utility service within Fort Knox.

The FKW rate schedule includes a Monthly Service Charge, an Initial System Deficiency Correction (ISDC) Surcharge and a Transition Surcharge. Together, these constitute the utility service charges specified in Schedule B-1. The charges are guaranteed not to change for 2 years and are expected to decrease over the long term.

The Monthly Service charge covers all normal operations and maintenance (O&M) expenses, as well as the cost of normal renewals and replacement (R&R) of plant and equipment for the Fort Knox water utility system. As shown in the FKW rate schedule, the charge will be $391,876 per month for the first 2 years of the contract. These rates will decrease as water treatment plants are decommissioned at the end of Contract Years 1 and 5. Details of these reductions are presented in Section 2. Methods used to estimate O&M costs and capital costs, including costs for R&R and ISDCs, are described in Section 3.

The ISDC Surcharge will recover all ISDC costs based on a uniform monthly charge during the 5-year period when the ISDC projects are to be completed. This surcharge will be in effect for 60 months and then be removed from the rate tariff. During the first 2 years, the surcharge will be $414,786 per month ($4,977,429 per year). The bases for the ISDC Surcharge are discussed in Section 2.

The Transition Surcharge will last 1 month and then no longer be charged. In effect, this will simply be a single payment of $534,757 for the costs HCWD1
will incur during the transition period and those costs required to be able to begin operations on the initial day of operations.

Each of these rates is based on the direct cost of service for providing water utility service to Fort Knox, plus a 3.8 percent markup to cover an apportionment of HCWD1 overhead costs. As such, the rates are no less favorable to Fort Knox than any other HCWD1 rate is to any other HCWD1 customer. Details regarding this tariff are provided in Section 2 of this alternate price proposal.

Credit as Payment for Purchase Price
HCWD1 will have to recover 100 percent of the purchase price paid for the Fort Knox water system through a separate charge to the Post through CLIN 0003. Since this charge would be equal to the monthly credit as payment for the purchase price, the charge and the credit would equally offset, resulting in a zero net transfer of funds. Accordingly, as was done when Fort Knox and HCWD1 contracted to privatize the Post’s wastewater system in 2004, HCWD1 is proposing to transfer ownership of the Post’s water system to HCWD1 for $1.00. This will simplify the transaction and eliminate the needless accounting for equally offsetting charges and credits. Since, as a public agency, HCWD1 does not pay any Federal income taxes, it would therefore not be subject to potential CIAC taxes from the $1.00 transaction.

CLIN 0002—Initial System Deficiency Corrections/Connection Charges
As mentioned above, Rate Schedule FKW includes a surcharge that is designed to recover the cost of ISDCs over a 60-month period. The basis for this surcharge is described in Section 2.

CLIN 0003— Recoverable Portion of Purchase Price
Because HCWD1 proposes to pay only $1.00 to transfer ownership of the water system, there is in effect no purchase price to recover. Accordingly, the price included in Schedule B-1 for this CLIN is $0.00.

CLIN 0004—Transition Period
As mentioned above, Rate Schedule FKW also includes a 1-month surcharge for HCWD1 costs incurred during the transition period and those costs required to be able to begin operations on the initial day of operations.
Section 2—Price Proposal, Introduction, and Pricing Assumptions

This section provides a description and documentation of the cost basis for HCWD1’s alternate price proposal, presents a projection of the total costs over the course of the 50-year contract, and outlines key pricing assumptions. Other long-term costs and benefits are also discussed in the context of commodity supply relationships with third parties that are able to deliver water supplies to Fort Knox.

Bases for Proposed Prices

The cost bases for HCWD1’s Alternate Price Proposal provided in Schedule B-1 and Rate Schedule FKW are provided below. For each Rate Schedule FKW charge, costs were estimated in terms of 2008 prices using methodologies described in Section 3. Costs for each charge were then escalated to 2009 price levels for input to RFP Schedule 5 (Table IV-8 of this proposal) and to 2010-11 price levels for inclusion in the original version of Rate Schedule FKW, which has guaranteed rates for 2010 and 2011. Costs were escalated conservatively, based on an assumed inflation rate of 2.5 percent.

Specific cost bases for the Monthly Service Charge, the ISDC Surcharge, and the Transition Surcharge are provided below.

Monthly Service Charge

The Monthly Service Charge covers HCWD1’s cost of providing O&M and R&R for the Fort Knox water utility system. It is applicable in each of the 600 months of the contract term. The Monthly Service Charge shown in Rate Schedule FKW is based on the summation of the following O&M and R&R costs (2010-2011 dollars):

<table>
<thead>
<tr>
<th>Cost Component</th>
<th>Annual</th>
<th>Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td>O&amp;M Costs</td>
<td>$2,504,641</td>
<td>$208,720</td>
</tr>
<tr>
<td>R&amp;R Costs</td>
<td>2,197,869</td>
<td>183,156</td>
</tr>
<tr>
<td>Total</td>
<td>$4,702,510</td>
<td>$391,876</td>
</tr>
</tbody>
</table>

The O&M and R&R cost components are discussed below.

O&M Costs

HCWD1 has estimated the annual cost to operate and maintain the Fort Knox water system given the different requirement for four different phases of operation:

- Transition period
- Year 1 (2010)
- Years 2-5 (2011-2014)
- Years 6-50 (2015-2059)

The estimated O&M cost in each of these periods is shown in Table IV-1. The transition period is projected to last 4 months at the end of 2009. O&M costs in 2010 include the cost of operating both the Central WTP and the Muldraugh WTP. With the closure of the Central WTP at the end of Year 1 (2010), O&M costs will decrease. Labor and other direct expenses reductions will offset the cost of water from off-Post. As noted below, R&Rs and ISDC costs will also be reduced.

When the Muldraugh WTP is closed at the end of Year 5, (2014), costs will be further reduced. Given that the Government will replace Muldraugh water with supplies from an off-Post source, HCWD1 costs will decrease by savings associated with the Muldraugh closure.

Savings from closing both the Central and Muldraugh are built into the Monthly Service Charge shown in Rate Schedule FKW.

The cost estimates for the four phases of operation are provided in Table IV-1 in terms of 2008, 2009, and 2010-2011 dollars. The differences reflect the general inflation rate of 2.5 percent per year. Details to the summary labor costs and other direct expenses shown in this table in 2008 dollars are provided in Attachment IV-1. HCWD1’s general and administrative (G&A) expenses are equal to 3.8 percent of all O&M and capital costs. Accordingly, the direct O&M costs shown in Table IV-1 were marked up to provide a 3.8 percent G&A allowance.
Table IV-1, 1 page
The cost basis for the O&M component of the Monthly Service Charge shown in Rate Schedule FKW is the average of 2010 and 2011 costs \([\frac{2,611,399 + 2,397,884}{2} = 2,504,641]\). This annual cost was divided by 12 to determine the O&M component of the Monthly Service Charge.

R&R Costs

Section B.7.1 of the RFP requires that the Offeror:

1. “Establish a 50-year schedule for renewals and replacements of major system components.”

2. Show the 50-year schedule “in current dollars.”

3. “Clearly establish a direct correlation between the applicable J-section inventory, the 50-year schedule for renewals and replacements and the renewals and replacements component of the Utility Service Charge.”

In order to comply with these requirements, HCWD1 created an R&R plan for each Fort Knox water utility inventory component included in RFP Section J1 Table 5. That plan is summarized in Table IV-2\(^2\). Among other details, Table IV-2 shows the expected replacement date(s) for each system component, the items that will be used for each R&R, the planned life for each R&R, and the cost (in 2008 dollars) of each R&R. As noted above, with the closure of the Central WTP in this Alternate Proposal, a number of R&R projects (and their costs) can be eliminated. Those projects are noted in Table IV-2 as “Decommissioned” in the “First Expected Replacement Date” column.

R&R costs shown in Table IV-2 are directly transferred to the R&R cash flow presented in Table IV-3. This table also shows the “residual value”, or undepreciated value, of each R&R project at the end of the 50-year contract term. The total annual cash flow for all R&Rs is shown at the bottom of Table IV-3 with the addition of a 3.8 percent G&A allowance. That annual cash flow is transferred to Column 2 (Project Costs 2008$) of Table IV-4. In Column 4 of Table IV-4, the R&R project costs are translated into current year dollars using an assumed inflation rate of 2.5 percent per year.

The purpose of Table IV-4 is to establish a uniform R&R charge component to the Monthly Service Charge that recovers exactly all R&R costs over the 50-year contract period. The R&R charge component is shown in the Column 3 of the table as “R&R Revenues”. These charges are assumed to increase at the same rate as general inflation after 2011. No inflation is applied to 2011 since the initial rate is guaranteed for 2 years (2010 and 2011).

Net revenues (R&R revenues less R&R costs) are shown in Column 5. Columns 6 through 10 show the calculation of the cumulative balance of net revenues over the 50-year contract period. It is assumed that HCWD1 can earn 3.5 percent in interest on investments of surplus balances and pay 6.2 percent interest on deficit balances. Beginning fund balances for each year are shown in Column 6 and ending balances are shown in Column 10.

As shown at the bottom of Column 10, with the R&R revenues and costs included in the annual cash flows, the ending balance of the R&R fund in Year 50 (2059) is $0. The R&R revenues shown for 2010 and 2011 are the annual amounts that constitute the R&R component of the Monthly Service Charge calculated above. The monthly component was determined by simply dividing the annual amount of $2,197,869 by 12.

Table IV-3 also provides a calculation of the residual value for each inventory item. This was calculated in 2008 dollars by reducing the RCN value of each component by the amount depreciation on the component between the time it was last installed and the end of the fiftieth year of the contract. Specifically, the RCN value was multiplied by \(1-A/L\), where \(A\) equaled the age of the item at the end of Year 50 and \(L\) equaled the service life of the item.

**ISDC Surcharge**

The ISDC Surcharge covers the cost of completing the ISDCs identified in Table 12 of RFP Section J1.
Table IV-2 – 6 pages

Page 4 of 6
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Table IV-3 – 20 pages
Page 1 of 20
Table IV-3 – 20 pages

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Table IV-3 – 20 pages
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Table IV-3 – 20 pages
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Table IV-3 – 20 pages
Page 18 of 20
Table IV-4 – 1 page
HCWD1 is proposing to recover all ISDC costs over the same 5 years (2010-2014) that the ISDCs will be completed. Therefore the surcharge will last 60 months and then be removed from Rate Schedule FKW.

ISDC project costs and completion schedule are shown in Table IV-5 and conform to completion dates specified in Table 12 of RFP Section J1. Closure of the Central WTP also allows elimination of 4 ISDC projects and their associated costs. Those projects are noted in Table IV-5 with the word “Eliminated” shown in bold next to the ISDC project name.

Similar to the R&R project analysis, data in Table IV-5 is translated into an overall cash flow schedule in Table IV-6. Residual value of ISDC projects at the end of Year 50 (2059) is also calculated in Table IV-6. The annual uniform charge for ISDC projects is calculated in Table IV-7 using the same technique as described above for the R&R component of the Monthly Service Charge.

Demolition of the Central and Muldraugh WTPs were added as ISDCs.

Transition Surcharge
The Transition Surcharge simply recovers HCWD1’s cost of transition activities in the first month the Rate Schedule FKW is applied. After that surcharge is applied, it will be removed from the rate schedule. The charge is equal to the O&M cost total shown in 2009 dollars for the transition period in Table IV-1.

Total Contract Costs
Total costs to the Government over the 50-year contract term are shown in Table IV-8. This table contains Schedule 5 from the RFP. As required for that schedule, all costs are provided in 2009 dollars. Data are shown as costs to the Government from HCWD1 charges for water utility service. While there would only be 3 charges to the Government, cost bases for these charges are provided in the table.

The RFP also requires that “all values shown on Schedule 5 should be documented in the Offeror’s Proposal and the derivation of same should be provided in the Offeror’s Pricing Proposal and supporting documentation." A description and documentation of the derivation of values shown in Schedule 5 is provided below.

The purchase price credit shown in Column 2 of Table IV-8 is $1.00 for reasons described in the discussion of CLIN 0001 in Section 1. As shown in Column 3, there is no purchase price recovery in the proposed charges.

Column 4 shows the general and administrative costs implicitly included in Rate Schedule FKW. Specifically, it includes the G&A costs in the O&M and R&R components of the Monthly Service Charge, and it includes the G&A costs included in the ISDC Surcharge. Details of these calculations are shown in Attachment IV-2.

Column 5 shows O&M costs, excluding G&A costs. It is taken directly from Table IV-1 (see Total Direct Costs in constant 2009 dollars in the middle of the table).

R&R costs, shown in Column 6, were directly taken from Column 11 of Table IV-4. Similarly, ISDC costs, shown in Column 7, were taken from the last column of Table IV-7. For calculations of R&R and ISDC costs excluding their G&A components, see Attachment IV-2.

Transition costs, shown in Column 8, were directly taken from Table IV-1 (see constant 2009 dollar costs for the Transition Period shown in Table IV-1). No other costs were included in HCWD1’s Alternate Price Proposal.

There will be substantial residual value of HCWD1 investments in the Fort Knox water system at the end of the Year 50. In 2008 dollars, the value is equal to $52.5 million (the sum of the residual value of R&Rs, shown in the last column of Table IV-3, and of ISDCs, shown in the last column of
Table IV-5 – 1 page
Table IV-7 - 1 page
Table IV-8 – 1 page
Table IV-6. HCWD1 is mindful of the fact that the Government will have paid for all of those investments through HCWD1’s Rate Schedule FKW charges with no “unamortized” investments at the end of the 50-year contract period. The District is also mindful of and respects the fact that, as stated in Section H.7 of the RFP, “the Government may, at its sole option, repurchase the privatized system at the end of the contract term” at the system’s unamortized value.

Therefore, the Government has an exclusive right to take back the system with its residual value at no cost. The Government may choose to exercise that option or it may wish to extend the water utility service contract with HCWD1. HCWD1 proposes to commit to not charge Fort Knox for any investment made during the initial 50-year contract in any follow-on contract.

In either case (taking back the utility system or extending the contract with no charges for previously paid investments), the Government would be the sole beneficiary of the residual value in the utility system. Accordingly, the residual value of HCWD1’s investment in the Fort Knox water system is included as a Year 50 credit in “Other Costs & Credit, net” column of Table IV-8. The value of this credit is $53.9 million in 2009 dollars.

The total of all costs are shown in Column 12. As documented in this proposal, HCWD1 proposes to charge Fort Knox a regulated rate that recovers only its direct costs invested in owning and operating the Fort Knox water utility system, plus a small proration of G&A costs. No profit or other operating margin is built into the Rate Schedule FKW charges.

**Key Pricing Assumptions**

Key pricing assumptions are as follow:

- Water requirements for Fort Knox are 1.08 billion gallons per year
- Closure of the Central WTP will result in a need for replacement supplies of 182,500 kgal per year
- Future general price inflation will average 2.5 percent per year
- HCWD1 will be able to borrow construction funds at an “all-in total interest cost” of 6.2 percent per year
- HCWD1 will be able to invest reserve funds at an annual yield of 3.5 percent per year
- Construction will be done on a competitive-bid basis and the construction contractor will have a reasonable amount of time to complete the work
- All construction contracts will be delivered according to a reasonable project schedule with no mandatory overtime, constructed under a single contract, and with no liquidated damages clauses or penalties
- Fabricated equipment will be shipped from the mainland United States
- Pipe trench select fill will be for pipe bed only
- Water main piping will have fill cover of 3 feet over top of pipe
- #12 tracer wire will be installed with all new PVC piping
- Restrainer glands will be on all MJ fittings (valves and hydrants included)
- All fittings will be bagged (polyethylene encasement) prior to thrust block pour
- Dewatering for trenching will be minimal
- Pipe installation will be adjacent to roadways; site restoration will be limited to back filling and compacting. There will be no need for asphalt or concrete cover and there will be no landscaping requirements

In addition, a number of assumptions were made relative to the system components. These included the following:

- Comparable size presumptions were made for equipment components where complete information was not available
- The cost for the water facilities were based on a parametric type of estimate with assemblies and systems grouping including multiple trades

---

4 This would apply to the extent that the cost of the investment was fully recovered as planned in the initial 50-year contract period.
and disciplines of work into a single unit based on the production rate of the system.

- The schedule for renewing and replacing assets was developed based on average age information provided by the Government and useful life information presented in Table IV-9. Generally, R&R were planned in Table IV-2 by subtracting the age (in years) of each system component from its estimated useful life. The remainder was added to 2008 to determine the likely year of replacement. In some cases, the R&R were spread over a number of years to better reflect that in those cases the R&R would occur over a number of years.

### Table IV-9

Typical Design Life

<table>
<thead>
<tr>
<th>Asset Component</th>
<th>Typical Design Lifea (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Water Wells – Structures</td>
<td>75</td>
</tr>
<tr>
<td>Raw Water Wells – Pumps/Control Systems</td>
<td>50</td>
</tr>
<tr>
<td>WTP Structures and Improvements</td>
<td>75</td>
</tr>
<tr>
<td>WTP – Pumps/Control Systems</td>
<td>30</td>
</tr>
<tr>
<td>Pipes and Services</td>
<td>75</td>
</tr>
<tr>
<td>Meters</td>
<td>30</td>
</tr>
<tr>
<td>Main Valves</td>
<td>40</td>
</tr>
<tr>
<td>Hydrants</td>
<td>40</td>
</tr>
<tr>
<td>Back Flow Preventors</td>
<td>50</td>
</tr>
<tr>
<td>Water Storage Tanks</td>
<td>75</td>
</tr>
<tr>
<td>Pump Station – Structure</td>
<td>75</td>
</tr>
<tr>
<td>Pump Station – Pumps/Control Systems</td>
<td>30</td>
</tr>
<tr>
<td>SCADA Systems</td>
<td>20</td>
</tr>
<tr>
<td>Intake or Mechanical Screen</td>
<td>50</td>
</tr>
<tr>
<td>Emergency Generator</td>
<td>35</td>
</tr>
<tr>
<td>Chemical Feed System</td>
<td>25</td>
</tr>
<tr>
<td>Filters</td>
<td>75</td>
</tr>
<tr>
<td>Sludge Lagoons</td>
<td>60</td>
</tr>
<tr>
<td>Pressure Reducing Station</td>
<td>50</td>
</tr>
</tbody>
</table>

aThe design life was estimated by developing a typical useful life for different types of equipment based on HCWD1, LWC, and CH2M HILL experience working with potable water systems in the Kentucky area. The typical design life of specific items may be adjusted due to condition data, knowledge of local conditions, or other engineering judgment. Design life of multiple component assemblies (e.g., pump stations) recognizes differentials in design life and was based on the longest component life. Replacement years are assigned based on when the estimated design life expires.

### Other Long-Term Benefits and Costs

HCWD1 has a strong and growing business relationship with LWC. This Alternate Proposal provides substantial additional benefits by allowing the Government to participate in a regional water supply agreement that currently exists between HCWD1 and LWC. HCWD1 and LWC are in the early stages of executing a plan that would convey approximately 5 mgd from LWC to HCWD1 with nominal capital investment by December 2009. The current agreement between HCWD1 and LWC would extend the 16-inch LWC water main, which is proximate to HCWD1 well field and to the HCWD 14-inch raw water line. The HCWD raw water main would be cleaned and converted to a finished water main and a new 5 mgd booster station would be constructed to convey LWC water to HCWD1 system. If the Government accepts this Alternate Proposal, 3.5 mgd of that capacity would be dedicated to the Government and the flow would be conveyed to the Central WTP, which would allow the Central WTP to be decommissioned.

This alternative would eliminate the need for many costly improvements needed at the McCracken Springs Pump station, West Point well field, and Central WTP. Two of the proposed interconnecting pipelines in the ISDC would not be needed. The Government would benefit over the long term from the fact that this alternative would replace the current raw water supply, which is often restricted by drought or poor water quality, with a reliable, high quality source. The Government would benefit from substantially reduced restrictions from the fact that LWC has over 35 mgd of excess water treatment capacity during peak demand periods.

Finally, the Government would benefit from improved drinking water quality. LWC has been recognized as an industry leader in the treatment and distribution of safe, high quality drinking water.
Section 3—Standard Estimating Methodology

This section provides a description of HCWD1’s accounting system and CAS exemption, the regulatory process for future price changes, and HCWD1’s cost estimating approaches that underpin its Alternate Price Proposal.

HCWD1 Accounting System

HCWD1 proposes to incorporate accounting for Fort Knox water utility service into its existing accounting system. That system is described below, followed by a statement of HCWD1’s exemption from Federal Cost Accounting Standards (CAS).

Existing System

HCWD1’s accounting system complies with standards established by the National Association of Regulatory Utility Commissioners (NARUC) and the American Water Works Association. HCWD1’s chart of accounts conforms to the Uniform System of Accounts prescribed by NARUC. A comprehensive accounting and financial audit is completed annually by a Certified Public Accountant, with results presented to HCWD1’s Board of Commissioners and the Kentucky PSC. All year end account balances are classified and reported to the Kentucky PSC in prescribed account numbers, using the Kentucky PSC annual financial report templates. Record retention also complies with NARUC record retention schedules.

The accounting system maintains three separate funds: Water, Radcliff Sewer, and Fort Knox Sewer. A fourth fund will be added for the Fort Knox water system. Accounts are also maintained for 11 separate functional cost centers for ratemaking purposes. These systems allow HCWD1 to separate costs among different customer classes and design rates that better reflect cost of service characteristics.

CAS Exemption

According to 48 CFR 9903.210-1(b), Federal contracts “in which the price is set by law or regulation” are “exempt from all CAS requirements,” where “CAS” refers to Federal Cost Accounting Standards. As a public utility with its prices regulated under the laws of the Commonwealth of Kentucky by the Kentucky PSC, HCWD1 is exempt from CAS. It is therefore also exempt from submitting a CAS Disclosure Statement.

Regulatory Process for Future Price Changes

The Kentucky PSC process for changing rates is similar to those for most state utility commissions in the United States. HCWD1 must file any requested rate change with the Kentucky PSC and is committed to give the Government at least 30 days notice of any such filing. In support of its filing with the Kentucky PSC, HCWD1 must submit pre-filed testimony and exhibits justifying the proposed change. The Kentucky PSC staff is obligated to review HCWD1’s filing and testimony, seek additional information through interrogatories, present its own testimony commenting on HCWD1’s proposed rate changes, and make recommendations for the Kentucky PSC to consider in weighing the evidence and rendering a decision that approves, adjusts, or rejects HCWD1’s rate proposal. The Government has the right to intervene in the case, with the same rights as the Kentucky PSC staff. In addition to pricing issues, the Government may intervene on service-related issues.

It should be noted that HCWD1 intends to file for rate decreases when its costs go down due to closure of an existing WTP in the future. While HCWD1 has such plans, the Kentucky PSC staff and the Government each have the right to appeal independently to the Kentucky PSC to open a docket to investigate the need for a rate reduction based on a reduced cost to provide water utility service to Fort Knox.
Other details pertaining to this process include the following:

- The Kentucky PSC will not approve any rate change unless it is documented and proven to be based on the actual cost of providing the service by HCWD1.
- The Kentucky PSC is required to limit rates to those that are fair, reasonable, and nondiscriminatory. HCWD1 intends to ensure that rates meet this requirement by keeping separate accounts for water utility service to Fort Knox, as mentioned above.
- HCWD1’s accounting data and records are subject to inspection by the Government under provision of the Kentucky Open Records Act.
- In addition to the formal regulatory process described above, the Kentucky PSC has informal procedures in place for resolving any other issues the Government may want to address with the help of a third party.

Cost Estimating Methods

Methods employed to estimate costs that underpin prices included in this Alternate Price Proposal are described below. This includes O&M cost estimating procedures and capital cost estimating procedures used to estimate R&R and ISDC costs.

O&M Costs

The O&M cost estimates were prepared based on standard operational practices at similar facilities within the water utility industry, along with reference material from O&M manuals for equipment similar to that at Fort Knox. The estimates also consider facility condition assessment data and the facility replacement schedule prepared by the Government. Additionally, information provided by the Army and obtained during the site visit was used to determine normal operating conditions, such as staffing levels, hours of operations, pump run time, operations tasks, sampling and analytical requirements, and maintenance tasks.

The operating costs were developed separately for the water treatment and distribution systems. Costs for the water treatment system cover the actual production of water from the source water supply through the first reservoir storage point in the system. Costs for the distribution system cover other storage reservoirs and the distribution pipelines.

Costs were estimated for individual direct cost categories, including labor and benefits, equipment and repairs, travel and administration, materials and supplies, insurance, and other direct costs. These cost estimates cover all the tasks described in the O&M Plan.

The transition-phase costs cover several essential tasks, such as coordinating meetings with Fort Knox stakeholders, hiring necessary employees, establishing on-site administrative facilities, conducting inventories, procuring O&M materials and stock, transferring manuals and records, reading meters, implementing standard operating procedures, and training new employees.

Water supply was based on the following plans associated with this Alternate Price Proposal. Specifically, O&M costs were based on the following operations:

- Year 1—Operation of both the Central and Muldraugh WTPs
- Years 2-5—Operation of the Muldraugh WTP, closure of the Central WTP, and purchase of off-Post supplies to replace water previously produced by the Central WTP.
- Years 6-50—Purchase of water supplies from off-Post, closure of the Muldraugh WTP, and receipt of separate off-Post water supplies from the Government to replace water previously produced by the Muldraugh WTP.

For the periods in which existing WTPs will be operating, the cost of those operations was estimated based on information provided by the Government. This included information on chemical dosages needed to meet regulatory requirements and staffing levels and schedules.
Since Fort Knox distribution system operational data were limited, costs were estimated based on operating experience at similar water distribution facilities and HCWD1’s process knowledge as the current wastewater privatization contractor at Fort Knox.

The estimating methods used for each cost category are described in the following paragraphs. In some cases, it was necessary to estimate the combined cost of production and distribution operations and then prorate the costs between the two functions.

**Labor and Benefits**

Labor time and costs were identified for each task required for operations, routine inspection, travel to remote facilities, and estimated maintenance (preventive, predictive, and corrective) for similar facilities with similar equipment. HCWD1’s standard labor rates were used, including benefits and overhead cost. Because no historical information was provided on past corrective or preventive maintenance, the maintenance labor requirements were estimated based in part on assessment of the current equipment condition during the site visit. Actual manpower utilization was estimated at 75 percent to account for vacation, holidays, and training. This is an industry standard.

**Purchased Water**

Water purchases are proposed to begin with the closure of the Central WTP at the start of Year 2 (2011) of the contract period. Based on records provided by the Government, it was calculated that the water requirement to replace Central WTP water would be about 182,500 kgal per year. LWC 2008 wholesale water is $1.44 per kgal. Hence the annual cost of purchased water (in 2008$) was calculated to be $262,800.

The RFP indicated that the Government would provide water to replace water produced at the Muldraugh WTP when it closes at the start of Year 6. Therefore, no cost was included for that water supply.

**Electricity**

No costs were included in the proposal for energy. It is assumed that the Government will provide electricity for water utility operations without charge.

**Equipment and Repairs**

Maintenance costs were determined based on the Government Recognized Deficiencies outlined in Section J1 of the RFP and on experience with similar equipment at existing facilities. Costs were developed for predictive, preventive, and corrective maintenance based on HCWD1’s standard maintenance practices, as described in the Maintenance Plan.

**Travel and Administration**

These costs were estimated from standard HCWD1 costs for meetings and administration associated with the O&M personnel at equivalent-sized facilities.

**Materials and Supplies**

Materials and supplies include safety materials and equipment to perform each required task; laboratory supplies for sample collection, preservation, and analysis; employee uniforms; equipment manuals and reference materials; repair and maintenance materials; and materials for record keeping. These costs were estimated based on requirements for the O&M of equivalent-sized facilities.

**Insurance**

HCWD1 asked an independent insurance broker to study the RFP and applicable Federal Acquisition Regulations (FARs) and to provide an estimate of the cost of insurance required by the RFP. Insurance cost estimates were provided for the following types of coverage:

- **Commercial/General Liability**—$1,000,000 per occurrence and $2,000,000 aggregate for all premises and operations.
- **Automobile Liability**—$1,000,000 combined single limit per occurrence. This includes owned and leased vehicles.
- **Property Damage**—$28,000,000
- Workers' Compensation and Employers' Liability—$500,000
- Umbrella/Excess Liability Coverage—$1,000,000 per occurrence and $1,000,000 in aggregate. This is in excess of general automobile, and employers’ liability coverage types shown above.

The broker qualified the estimates provided, noting that more definition was needed about the exact property values of transferred assets before a binding price quote could be provided.

Other Direct Costs
Operational supplies, training, and support activities were based on standard costs for the number of personnel required for equivalent-sized facilities.

R&R and ISDC Costs
The methodology used for estimating R&R and ISDC capital costs was based on information learned through years of work in the Kentucky area, performing services specifically applicable to those contained in the RFP. As such, we have been able to standardize the assumptions used in our pricing, and we believe that these assumptions are applicable and reasonable for the environment and conditions under which we live and work everyday.

All capital costs were estimated in 2008 dollars. These cost estimates were escalated to 2009 dollars and 2010-2011 dollars as needed for input to Table IV-8 and HCWD1’s FKW tariff, respectively.

Pricing includes fully loaded contractor costs for labor, materials and systems to be in place and ready for use and has been adjusted to reflect local area conditions. Construction cost estimates were prepared using the following resources and general methods:
- Data available on the system inventory identified in the RFP (Attachment J1)
- Comparison with bid tabulations from recent similar projects in the Kentucky area available in HCWD1, LWC, and CH2M HILL databases

The estimating process was simplified to an approach that assumed all facilities have much in common, and the approach took into account only limited site-specific features. These estimates are generally Class 5 estimates with a level of accuracy in accordance with the Association for the Advancement of Cost Engineering (AACE) guidelines. Following contract award and increasing levels of project definition, the cost estimates can be further refined.

Unit costs were developed for system inventory in which replacement-in-kind upgrades are anticipated. In cases where existing materials are no longer available or are not permitted to be installed, the unit costs were developed based on materials that would be used to replace the existing materials when necessary. For example, Transite pipe upgrades are programmed to be replaced with PVC pipe. Unit costs were then multiplied by the number of units and assigned allowance costs to account for costs associated with the installment of the inventory components. These allowance percentages are considered a typical industry standard approach.

Allowances
Our estimates include typical allowance costs for planning, engineering, permitting, construction management, construction contingency, and state sales tax.

This Alternate Price Proposal includes the following compounding allowances within the cost estimate:
- Engineering, design, and SDC estimated at 15% of total cost
- Contractor overhead, profit, and permitting estimated at 24.2% of total cost
- Contingency estimated at 10% of total cost
- Market adjustment factor estimated at 13% of total cost

The market adjustment factor was applied to the cost estimates to account for recent changes in market conditions that have drastically increased
construction costs throughout the country. Our applied factor is based upon recent bids and comparisons with Engineer’s Estimates. A frequent detailed analysis of local market conditions will be made throughout the period of this contract to confirm cost estimates are aligned with actual conditions. This market adjustment factor is above and beyond the typical contractor markups, normal estimating contingency and current, but normal, escalation factors. Specifically, the market adjustment factor takes into account:

- Number of qualified contractors
- Current workload of contractors
- Contractors selectively bidding projects
- Premium wage requirements to retain skilled workers and management staff
- Availability of crafts/trades
- Abnormal fuel impacts and uncertainty (Oil > $100 barrel, Diesel > $4.00/gal)
- Abnormal material impacts of the last 2 years
- Impact of recent natural disasters

Water Facilities

Water facility construction capital costs were developed for raw water supplies, treatment facilities, and pumping stations by use of the following general approaches. New facility cost estimates represent the construction cost to construct on a near-virgin site, which is free from utility obstruction and interferences. The new facilities would be located in close proximity to the existing facilities to minimize additional site/civil improvements and to maintain continued operation of existing facilities during construction. Only necessary selective demolition is included. Building costs are based on square footage of the floor area. Materials of construction would be equal to or better than existing.

Pipelines

Pipeline construction capital costs were developed based on typical unit prices for pipe installation in Kentucky. Pipeline lengths and diameters were based on the asset inventory provided by the Government in the J1 Attachment. Materials of construction for pipeline replacement are based on current HCWD1’s design standard in which PVC pipe is used for pipes that are 10 inches or smaller in diameter, and ductile iron pipe is used for pipes that are 12 inches or larger in diameter. The estimate also assumes that the number of existing hydrants and mainline valves are appropriate for fire protection and line isolation, and that pipe installation will predominantly occur in soil adjacent to roadways.
Section 4 — Price Risk Assessment

The RFP requests that Offerors submit a risk analysis that identifies “price risk areas” and management approaches HCWD1 will take to mitigate and control the impact of those risks. The risk analysis is submitted in Table IV-9, which is consistent with the format requested in the RFP.
### Table IV-9
**Cost Risk Assessment**

<table>
<thead>
<tr>
<th>Cost Risk Area</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased Cost of Capital. With changes in capital market conditions or the creditworthiness of the water utility service provider, the cost of capital for projects could increase. These increased costs could be passed on to the Army as part of a price rate increase.</td>
<td>Cost of capital risk will be mitigated by several strong indicators in financial position. The investment market reflects strong confidence in HCWD1 as reflected in the strong financial ratings disclosed in the Financial Strength section of Volume I. HCWD1 expects continued good financial ratings based on strong liquidity, significant retained earnings trends, and reasonable rate history.</td>
</tr>
<tr>
<td>Losses from Lack of Emergency Response Readiness. If personnel are not immediately available or responsive to water utility emergency conditions, the Army could suffer losses.</td>
<td>The risk will be substantially mitigated by HCWD1’s and its subcontractor, LWC’s, close proximity to Fort Knox. HCWD1 and LWC have emergency personnel that are on call 24 hours per day, 7 days per week. In addition, HCWD1 and LWC have full and diverse staffs comprised of experienced emergency repair personnel and have warehouse locations to keep all necessary materials on hand to respond immediately. The call center that will be available for Fort Knox is staffed 24/7.</td>
</tr>
<tr>
<td>Increased Cost from Operation in a Location that is Removed from an Offeror’s Other Operations. An operation in a location that is remote from a business’s main operation can be expensive.</td>
<td>The risk of excess cost from remote location will be mitigated by the consolidation of Fort Knox’s water and wastewater operation with HCWD1’s existing operation. HCWD1’s water and wastewater systems are immediately adjacent to Fort Knox and can easily be integrated with HCWD1’s existing water system and its wastewater system on Post. Ft. Knox will benefit from economies of scale related to these already existing services. These benefits are a significant advantage over a standalone provider.</td>
</tr>
<tr>
<td>Financial Instability. Financial instability by the utility service provider can lead to reductions in quality of service or failure to perform. Either of these creates the risk of consequential damages to the Army.</td>
<td>The risk of financial instability will be mitigated by HCWD1’s focus on service, rather than profit, for private owners and by its commitment to keeping a strong financial position.</td>
</tr>
<tr>
<td>Costly Operational Errors from Loss of Institutional Knowledge. Existing system operators understand the water utility systems at Fort Knox. Turning the system over to operators who are otherwise unfamiliar with the system could lead to erroneous decisions. The cost of these errors could be passed on to the Army.</td>
<td>This risk will be mitigated from the experience and qualifications of existing HCWD1’s staff, combined with its knowledge of Fort Knox. HCWD1’s operating staff has an in-depth understanding of water issues and appropriate approaches to operating utility systems in the Hardin County/Fort Knox area. With HCWD1’s privatization of the Fort Knox wastewater system in 2005, its knowledge of Fort Knox’s policies, procedures, and preferences was taken to a higher level.</td>
</tr>
<tr>
<td>Focus on Profits, Impudent Investments, or Mismanagement Could Result in Higher Prices for the Government.</td>
<td>With its focus on the Hardin County/Fort Knox community and its position as a regulated utility, this risk is substantially mitigated. With its mission being service to the community, HCWD1 is not motivated to maximize returns. Further, there will always be an impartial third party to evaluate the level and prudence of costs incurred by HCWD1 and the manner in which costs are translated into prices to the Government.</td>
</tr>
<tr>
<td>Replacing Utility Plant and Equipment before It Is Necessary Increases Costs and Therefore Prices.</td>
<td>HCWD1 and its subcontractors, LWC and CH2M HILL, have developed asset management programs that focus on prioritizing replacements based on actual asset condition, rather than simply age or replacement schedules. Careful marshalling of capital funds as part of an asset management program reduces the cost of system investments to be paid by the customer while allowing HCWD1 to maintain quality service. HCWD1’s quality performance is demonstrated by the numerous awards it has won, as described in the Financial Strength section in Volume I.</td>
</tr>
</tbody>
</table>
October 9, 2008

Defense Energy Support Center
Ms. Angela Mattox
8725 John J. Kingman Road, Suite 4950
Fort Belvoir, Virginia 22060-6222
ATTN: DESC-EA

Subject: Solicitation No.: SP0600-08-R-0803
Privatization of the Potable Water Utility System at Fort Knox Army Installation, Kentucky
Volume III – Contract Documentation

Ms. Mattox:

The Hardin County Water District No. 1 (HCWD1) is pleased to submit this proposal for assuming the ownership and operation of the Fort Knox potable water system. HCWD1 is the agency designated to provide utility services in the northern part of Hardin County, around Fort Knox. As a regulated utility, by the Kentucky Public Service Commission, HCWD1 serves 10,000 residential and commercial customers and acts as a regional water supplier to two other water systems. The transfer of the utilities at Fort Knox is an unprecedented opportunity for Hardin County and one that would follow the trend of Fort Knox and the local government working together toward well planned and managed water and sewer utilities.

HCWD1 has been involved in a number of endeavors with Fort Knox over the past few years, including ownership and operation of the Fort Knox wastewater and stormwater systems. HCWD1 has also participated with Fort Knox and other water suppliers in Hardin County to carry out long-range water supply planning. This proposal is a natural extension to those efforts to better coordinate water and sewer utilities by placing control of those facilities with Hardin County.

Under our proposal, HCWD1 will be the owner and manager of the potable water system serving Fort Knox. Although many of HCWD1’s staff have water experience, we have formed a team of professionals to handle the ownership transition, immediate system improvements, and operation of the water distribution system. Joining with HCWD1 in this project will be Louisville Water Company (LWC) and CH2M HILL, Inc.

HCWD1 believes that our management expertise and local knowledge, combined with national experts, can provide the best option for Fort Knox to privatize its potable water system. We have conducted an extensive due diligence and field reconnaissance of the water utility and have developed a plan that offers **long-term economic benefit and reduction in costs, which are specific goals** identified in the Solicitation. Our proposal is presented in four volumes, plus two alternate proposals in two other volumes. This document is Volume III, Contract Documentation.
This Proposal remains a valid offer for 300 days from the date of submittal, and we are prepared to work with you to extend this period should it be required. I will remain your primary point of contact for HCWD1 and our Team during the Proposal and bid period, and can be contacted as follows:

Mr. Jim Bruce, General Manager
Hardin County Water District No. 1
1400 Rogersville Road, Radcliff, Kentucky 40160
Telephone: 270.351.3222
Mobile: 270.268.4069
Fax: 270.352.3055
Mail: Jbruce@HCWD.com

We look forward to your review of our Proposal, and I invite you to contact me should you have any questions or need any additional information.

Sincerely,

Jim Bruce
General Manager
Hardin County Water District No. 1
Volume III. Contract Documentation

Prepared by:

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

Hardin County Water District No. 1 agrees with all terms, conditions, and provisions included in the solicitation except as highlighted in Volume III, Contract Documentation and agrees to furnish any or all items upon which prices are offered by Hardin County Water District No. 1 in this proposal at the price set opposite each item.

This proposal includes data that shall not be disclosed outside the Government.

Person(s) Authorized to Negotiate: Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

Person(s) Authorized to Sign Proposal: Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government’s right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are clearly marked with the proprietary legend in the side margin of the page.
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Attachment 1: Copy of SF 33 (original SF33 submitted in separate envelope), SF30, and Representations and Certifications  
Attachment 2: Small Business Subcontracting Plan
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<td>Planned Range of Services, Supplies, and Other Support to be Provided by SB</td>
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<td>Pool of Potential Subcontractors for This Contract</td>
<td>III-9</td>
</tr>
<tr>
<td>Exhibit III-4</td>
<td>Subcontract Goals Meet Government Goals</td>
<td>III-10</td>
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# List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>CAS</td>
<td>Cost Accounting Standards</td>
</tr>
<tr>
<td>DCMC</td>
<td>Defense Contract Management Command</td>
</tr>
<tr>
<td>EPA</td>
<td>U.S. Environmental Protection Agency</td>
</tr>
<tr>
<td>FAR</td>
<td>Federal Acquisition Regulations</td>
</tr>
<tr>
<td>GAAP</td>
<td>Generally Accepted Accounting Principles</td>
</tr>
<tr>
<td>GIS</td>
<td>Geographic information system</td>
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<tr>
<td>HBCUs/MI</td>
<td>Historically Black College or University/Minority Institution</td>
</tr>
<tr>
<td>HCWD1</td>
<td>Hardin County Water District No. 1</td>
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<tr>
<td>HUBZone</td>
<td>Historically Underutilized Business</td>
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<td>LWC</td>
<td>Louisville Water Company</td>
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<td>MBE</td>
<td>Minority Business Enterprise</td>
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<td>NARUC</td>
<td>National Association of Regulatory Commissioners</td>
</tr>
<tr>
<td>PSC</td>
<td>Public Service Commission</td>
</tr>
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<td>RFP</td>
<td>Request for Proposal</td>
</tr>
<tr>
<td>SB</td>
<td>Small Business</td>
</tr>
<tr>
<td>SDB</td>
<td>Small disadvantaged business</td>
</tr>
<tr>
<td>VOSB</td>
<td>Veteran-owned small business</td>
</tr>
<tr>
<td>WBE</td>
<td>Women-Owned Business Enterprise</td>
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<td>WOSB</td>
<td>Women-Owned Small Business</td>
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### Volume III - Cross Reference Matrix

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<thead>
<tr>
<th>Description/Specifications, Section L of RFP</th>
<th>Proposal Section</th>
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<tr>
<td>L.6.1 SF 33 and Representations and Certifications</td>
<td>III.1 and Attachment 1</td>
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<td></td>
<td>Original SF 33 submitted in separate envelope</td>
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<td>L.6.2 Alternate Proposals and Exceptions to Terms and Conditions</td>
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<td>L.6.2.1 CAS Waiver</td>
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<td>L.6.2.2 FAR Part 31 Deviation</td>
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<td>L.6.3.1 Authorized Personnel</td>
<td>III.3.1</td>
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<td>L.6.3.2 Subcontracting Plan</td>
<td>III.3.2 and Attachment 2</td>
</tr>
<tr>
<td>L.6.3.3 Socioeconomic Plan</td>
<td>III.3.3</td>
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</table>
This Contract Documentation Proposal was developed by Hardin County Water District No. 1 (HCWD1) in response to Request for Proposal (RFP) No.SP0600-08-R-0803 for the Privatization of Potable Water Utility Systems at Fort Knox, Kentucky. This submittal describes the HCWD1’s relevant contract documentation to support provision of water treatment and distribution to Fort Knox through privatization.

HCWD1 will be the prime contractor with two team subcontractors: Louisville Water Company (LWC) and CH2M HILL.

How the Contract Documentation Volume is Organized

For this submittal, HCWD1 is the proposed owner, financier, operator, and manager of all of the Fort Knox water system. HCWD1 has prepared this volume in accordance with Section L.6 of the RFP.

The following sections specifically address each of the required volume documents:

1. Standard Form 33 & Representations and Certifications
2. Alternate Proposals and Exceptions to Terms and Conditions
3. Other Required Information

III.1: Standard Form 33 & Representations and Certifications—HCWD1 has provided a completed, signed, and dated SF33 and SF30 in Attachment 1. We have also included in Attachment 1 completed, signed, and dated Representations and Certifications as well as the online submittal as required by the RFP.

III.2: Alternate Proposals and Exceptions to Terms and Conditions—HCWD1 has included an Alternate Proposal that we believe will add substantial value to the Government’s mission at Fort Knox. HCWD1 takes no exceptions to the terms and conditions to the proposal and has provided the relevant assumptions made in the development in this proposal. All assumptions are provided in Volumes I and IV and for the provision of the services offered in this proposal, HCWD1 is exempt from Cost Accounting Standards (CAS) based on the fact that all prices offered in this proposal will be regulated by the Kentucky Public Service Commission (PSC) through a tariff rate.

Section III.2.1 is the Waiver of Applicability of Cost Accounting Standards and Deviations from Specific Parts of Federal Acquisition Regulation (FAR) Part 31.

III.3: Other Required Information—The HCWD1 team has provided a listing of authorized personnel
that can obligate each company contractually. We have also prepared Small Business and Socioeconomic Plans that describe the extent of participation of small business throughout the life of this contract.

Attachment 2 is the Small Business Subcontracting Plan.
III.1 Standard Form 33 & Representations and Certifications

III.1.1 Standard Form 30 and Standard Form 33

In response to Section L.6.1 of the RFP, HCWD1 has included the original and completed SF33 under a separate cover of this volume. Copies have been provided and are bound within this proposal. HCWD1 has also provided completed and signed SF33s for the following:

- Amendment 001 – September 17, 2008

III.1.2 Section K, Representations and Certifications

The completed Section K, Representations and Certifications follow the copies of the SF33 forms.
III.2 Alternate Proposals and Exceptions to Terms and Conditions

Based upon the instructions presented in Section L.6.2, HCWD1 is pleased to submit an alternate proposal that we believe will add value to the Government.

To reduce the repetition of common data, we have prepared a Volume I (Technical Proposal) for the Post that can be evaluated individually for the above alternate proposal.

We have also prepared a Volume IV (Price Proposal) for the alternate proposal.

HCWD1 takes no exceptions to the terms and conditions set forth under the RFP. We have provided the assumptions which our proposal was developed in Volumes I (Technical Proposal) and IV (Price Proposal).

III.2.1 Waiver of Applicability of Cost Accounting Standards and Deviations from Specific Parts of Federal Acquisition Regulation (FAR) Part 31

For the provision of the services offered in this proposal, HCWD1 is exempt from CAS. The basis for this exemption is the fact that all prices offered in this proposal will be regulated by the Kentucky PSC through a tariff rate. As such, the CAS exemption specified in 48 CFR Part 9903.201-1 (b) (5) applies. Specifically, because, under the proposed contract, “the price is set by law or regulation,” HCWD1 is “exempt from all CAS requirements.”

HCWD1 will maintain its books and records in accordance with Generally Accepted Accounting Principles (GAAP) using the National Association of Regulatory Commissioner’s (NARUC) Uniform System of Accounts. The NARUC system was developed to bring conformity and comparability to utility accounting and it is the standard for utility accounting in the United States.

HCWD1 will have its financial statements audited annually by an independent certified public accountant.
III.3 Other Required Information

III.3.1 Authorized Personnel

In Exhibit III-1, we are providing a listing of the company representatives that can obligate HCWD1 contractually and can negotiate with the Government.

EXHIBIT III-1
Signature Authority

<table>
<thead>
<tr>
<th>Name/Title</th>
<th>Authority to</th>
<th>Telephone No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Bruce, General Manager</td>
<td>Obligate Company, Resources, Negotiations, and Signature</td>
<td>270-351-3222</td>
</tr>
</tbody>
</table>

III.3.2 Subcontracting Plan

HCWD1 is committed to supporting and developing small businesses (SBs) and will meet or exceed each of the goals in our Subcontracting Plan. This section specifically addresses planned subcontracting dollars and percentages of total contract amount to be awarded to SBs, veteran-owned small businesses (VOSBs), historically underutilized business zone small businesses (HUBZone SBs), small disadvantaged businesses (SDBs), Historically Black Colleges and Universities/Minority Institutions (HBCUs/MIls), and women-owned small businesses (WOSBs).

In response to this section, we have developed a Small Business Subcontracting Plan (Attachment 2) in accordance with FAR 52-219-9. We have highlighted the method used for developing our goals, the types of work we plan to subcontract, and a list of subcontractors we plan to work with to exceed the goals. Should our Alternate Proposal be accepted, we will revise the Small Business Subcontracting Plan accordingly.

III.3.2.1 HCWD1’s Small Business Subcontracting History

HCWD1 is exceeding contract plan goals in every category with the exception of small disadvantaged business and HBCU/MI for the current contract for the ownership and operations of the Fort Knox wastewater and stormwater systems. However, steps have been taken to improve and HCWD1 has recently completed a project with North Carolina A&T State University, a registered HBCU. HCWD1 has recently updated its subcontracting plan to ensure that all available subcontractors are given equitable opportunities.

In 2006 and 2007, LWC was awarded Corporation of the Year Public Sector for outstanding procurements with local women- and minority-owned businesses
III.3.2.1 LWC’s Small and Minority Business Subcontracting History

LWC is committed to increasing the effective use of certified small business enterprises. Our Minority and Women Business Enterprise Program Requirements help us define and plan for utilization of all capable subcontractors. LWC requires bidders for utility work to demonstrate good faith efforts to utilize MBEs and WBEs when seeking contracts with the water system. LWC itself will commit to seeking out and hiring qualified small business concerns for work on the Fort Knox water system privatization contract.

In 2003, we achieved membership in the Million Dollar Club for minority purchasing and participation (Kentucky and Minority Business Council).

III.3.2.3 CH2M HILL’s Small and Minority Business Subcontracting History

CH2M HILL has an excellent reputation for consistently exceeding small business goals. In the past 5 years, CH2M HILL’s proven commitment has placed $410.4 million into the SB community, with $85.2 million to SDBs, and $60.6 million to WOSBs on the firm’s federal projects alone.

Our achievements in SB subcontracting are attributed to:

- “Top-down” corporate philosophy to support the SB community
- Dedication to meaningful Mentor-Protégé Programs
- Practice of providing meaningful and challenging scopes of work to SB concerns
- Procurement systems and policies driven by “SBs first” approach
- Aggressive community outreach efforts
- Local “site-specific” SB workshops
- E-commerce/e-procurement SB links to the SBA’s Dynamic Automated Small Business Source System

Awards and Recognition

In addition to our successful past performance, further proof of CH2M HILL’s commitment has been the recognition CH2M HILL has received for our small business program as well as several distinguished awards. The Dwight D. Eisenhower Award for Excellence, a highly coveted national procurement award, was presented to CH2M HILL by the U.S. Small Business Administration in Washington, D.C., on May 9, 2001. The award is presented to large business prime contractors that have excelled in the utilization of Small Business Concerns.

Small Business of Distinction Award. The U.S. Small Business Administration has honored CH2M HILL with a national Award of Distinction. Created in 1985, the award recognizes large federal contractors that have exceptional subcontracting programs designed to include small and small-disadvantaged businesses on major projects and procurements. “Fewer than two percent of large prime federal contractors attain this award; it is truly a unique and inspirational accomplishment,” said John Bateman, SBA Area Director.

Nunn-Perry Award. CH2M HILL was awarded the 1999 Nunn-Perry Award recognizing exceptionally successful Mentor-Protégé partnerships. The award was given jointly to CH2M HILL and its DoD protégé Wendy Lopez & Associates. The criteria for the award are quantitative program results, level and type of technical assistance to the protégé, and protégé development.

EPA Administrator’s Award. CH2M HILL subcontracting efforts have received national recognition and were used as a model by U.S. Environmental Protection Agency’s (EPA’s) Management Advisory Group. CH2M HILL has won the EPA Administrator’s Award for outstanding prime contractor accomplishments in furthering the Agency’s socioeconomic program goals and objectives on five separate occasions.

CH2M HILL is confident in our performance record and our ability to achieve SB goals. We have a highly decorated SB program that has received numerous national and regional awards and recognition. Our commitment to SB initiatives is affirmed by the DoD Defense Contract Management Command’s (DCMC’s) review and approval of our SB Program with the highest rating possible—Outstanding—for
10 consecutive years. Because of these consecutively high ratings, SBA and DCMC-Denver have determined that CH2M HILL’s SB program does not require a program review each year. Therefore, our program was not reviewed for 2000 and 2002. We are one of only a handful of firms granted this status in the implementation of the SB program.

Based on CH2M HILL’s high standing in the consulting and industrial communities, many HBCU/MIs welcome the opportunity to provide services to CH2M HILL, including Florida International University, New Mexico State University, Clark Atlanta University, and Prairie View A&M University.

### III.3.3 Socioeconomic Plan

The information requested in Section L.6.3.3 of the RFP is provided as our Socioeconomic Plan and includes the following information:

- A description of the efforts the Offeror will make to assure that SBs and/or HBCUs/MIs will have equal opportunity to compete for subcontracts under any resulting contract.
- A description of the Offeror’s current and planned proposed range for services, supplies, and any other support that will be provided by SBs and/or HBCUs/MIs.
- The specific names of subcontractors to the extent they are known.
- A description of any future plans the Offeror has for developing additional subcontracting opportunities for SBs and/or HBCUs/MIs during the contract period.
- Identification of the portion of the Offeror’s proposal, as a percentage of dollars that will be subcontracted to SBs and/or HBCUs/MIs.
- The type of performance data the Offeror would accumulate and provide to the Contracting Officer regarding its support of SBs and/or HBCUs/MIs during the period of contract performance.
- The name and title of the individual principally responsible for ensuring company support to such firms.

### III.3.3.1 Efforts HCWD1 Will Make to Assure that SBs and/or HBCUs/MIs Will have Equal Opportunity to Compete for Subcontracts

The HCWD1 team encourages the meaningful involvement in its operations of all citizens, particularly those who are members of minority or other traditionally disadvantaged groups. In fact, it is policy to ensure the equitable participation of all socioeconomic concerns in providing goods and services to the Government.

For this project, we have identified services that will be potentially contracted out in the future effort and have matched them up with local SB, SDB, WOSB, VOSB including service disabled veteran-owned small businesses, HUBZone, and other SB concerns. This is detailed in the following sections.

As work becomes identified as potential subcontracted work, HCWD1 will prepare competitive bid packages and identify qualified businesses to provide estimates for the work. Sources of qualified bidders will be retained in HCWD1’s existing subcontractor database and will be obtained from various sources such as the Small Business Administration’s Dynamic Small Business Search and local contacts, the National Minority Supplier Development Council, National Minority Purchasing Council Vendor Information, trade associations, and local small business conferences.

### III.3.3.2 Services, Supplies, and any Other Support that will be Provided by SBs and/or HBCUs/MIs

We have developed a list of services that will be subcontracted out for the duration of the contract. Exhibit III-2 shows these potentially subcontracted services by business category.

### III.3.3.3 Specific Names of Subcontractors to the Extent They are Known

HCWD1 has named only two team subcontractors, Louisville Water Company and CH2M HILL, for this contract. LWC will provide water treatment and
distribution and CH2M HILL will provide capital improvements planning and implementation.

We will also use local subcontractors for selected work and support to the extent it is practical and provides the best value to the Army. We intend to compete all other subcontracted work to get the best price for the Army and to make the work available to the maximum number of qualified small business concerns in the local area. Subcontractors will be used on an as-needed basis as material suppliers and for specialty services including, but not limited to:

- General Contractors
- Trucking
- Engineering
- Geotechnical
- Chemical Supply

### III.3.3.4 Description of any Future Plans
HCWD1 has for Developing Additional Subcontracting Opportunities for SBs and/or HBCUs/MIs During the Contract Period

Following the operational transition period, any identified services required will be managed through HDR/Quest, who has been contracted to manage the small business program for HCWD1. HCWD1 will make a good faith effort to effectively implement our socioeconomic plan to the extent consistent with efficient contract performance.

By utilizing the methods described in the Socioeconomic Plan, we have identified a pool of potential SB contractors for this contract which is presented as Exhibit III-3. This listing will be updated frequently to include new businesses that may come to the Louisville area or additional services that have been identified during contract performance.

### EXHIBIT III-2
Planned Range of Services, Supplies, and Other Support to be Provided by SB

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<th>Service Area</th>
<th>SB</th>
<th>VOSB and SDVOSB</th>
<th>HUB Zone</th>
<th>SDB</th>
<th>WOSB</th>
<th>HBCU/MI</th>
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<tbody>
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### EXHIBIT III-3
Pool of Potential Subcontractors for This Contract

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<td>⚫</td>
<td></td>
<td></td>
<td></td>
<td>⚫</td>
<td>⚫</td>
</tr>
<tr>
<td>Joash, Inc.</td>
<td></td>
<td></td>
<td></td>
<td>⚫</td>
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<tr>
<td>T.E.M. Group Inc.</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Laboratory Services</strong></td>
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<td>Beckmar Environmental Lab</td>
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<td></td>
<td>⚫</td>
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<tr>
<td>Reclamation Services Unlimited</td>
<td></td>
<td></td>
<td></td>
<td>⚫</td>
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<td>⚫</td>
</tr>
<tr>
<td>McCoy &amp; McCoy, Inc.</td>
<td></td>
<td></td>
<td></td>
<td>⚫</td>
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<td>⚫</td>
</tr>
<tr>
<td><strong>Plumbing</strong></td>
<td>⚫</td>
<td></td>
<td></td>
<td></td>
<td>⚫</td>
<td>⚫</td>
</tr>
<tr>
<td>Springfield Plumbing</td>
<td></td>
<td></td>
<td>⚫</td>
<td></td>
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</tr>
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<td>Clem’s Plumbing</td>
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<td></td>
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</tr>
</tbody>
</table>

*Use of this sheet is subject to the restriction on the title page of this proposal.*
### EXHIBIT III-3
Pool of Potential Subcontractors for This Contract

<table>
<thead>
<tr>
<th>Supplier Name</th>
<th>Small</th>
<th>SDB</th>
<th>WOSB</th>
<th>HUB</th>
<th>VOSB</th>
<th>HBCU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pro Touch LLC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>⚫</td>
</tr>
<tr>
<td>XTK Cleaning</td>
<td>⚫</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finishing Touch, LLC</td>
<td></td>
<td>⚫</td>
<td>⚫</td>
<td></td>
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</tr>
<tr>
<td>Hubbard Trucking</td>
<td></td>
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</tr>
<tr>
<td>Liberty Transportation</td>
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<td></td>
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<tr>
<td>MP Dump Trucking</td>
<td></td>
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<tr>
<td>Communications</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>⚫</td>
</tr>
</tbody>
</table>

### III.3.3.5 Identification of the Portion of HCWD1's Proposal, as a Percentage of Dollars, that will be Subcontracted to SBs and/or HBCUs/MIs.

HCWD1 will meet the minimum goals set forth by statutory requirements for large businesses as highlighted below in Exhibit III-4.

#### EXHIBIT III-4
Subcontract Goals Meet Government Goals

<table>
<thead>
<tr>
<th>Business Concern</th>
<th>Percentage of Total Subcontracting Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Small Business</td>
<td>23%</td>
</tr>
<tr>
<td><strong>Veteran-owned Small Business</strong></td>
<td><strong>3%</strong></td>
</tr>
<tr>
<td>(including Service Disabled Veteran-owned Small Business)</td>
<td></td>
</tr>
<tr>
<td>HUBZone Small Business</td>
<td>3%</td>
</tr>
<tr>
<td>Small Disadvantaged Business</td>
<td>5%</td>
</tr>
<tr>
<td>Women-owned Small Business</td>
<td>5%</td>
</tr>
</tbody>
</table>

#### III.3.3.6 Type of Performance Data
**HCWD1 Would Accumulate and Provide to the Contracting Officer Regarding its Support of SBs and/or HBCUs/MIs During the Period of Contract Performance**

HCWD1 will submit such periodic reports and cooperate in any studies or surveys as may be required by the contracting agency or the Small Business Administration in order to determine the extent of support provided during the period of contract performance. HCWD1 can use the "Subcontracting Report for Individual Contracts", SF 294, and "Summary Subcontract Report", SF 295, as the model for reporting on an annual basis.

#### III.3.3.7 Name and Title of the Individual Principally Responsible for Ensuring Support to Such Firms

As of this proposal submittal, this role is being filled by HDR/Quest.

Name: Patty Vanvooren, HDR/Quest
Title: Administrative Manager
October 9, 2008

Defense Energy Support Center  
Ms. Angela Mattox  
8725 John J. Kingman Road, Suite 4950  
Fort Belvoir, Virginia 22060-6222  
ATTN: DESC-EA

Subject: Solicitation No.: SP0600-08-R-0803  
Privatization of the Potable Water Utility at Fort Knox Army Installation, Kentucky  
Volume II – Past Performance

Ms. Mattox:

The Hardin County Water District No. 1 (HCWD1) is pleased to submit this proposal for assuming the ownership and operation of the Fort Knox potable water system. HCWD1 is the agency designated to provide utility services in the northern part of Hardin County, around Fort Knox. As a regulated utility by the Kentucky Public Service Commission, HCWD1 serves 10,000 residential and commercial customers and acts as a regional water supplier to two other water systems. The transfer of the utilities at Fort Knox is an unprecedented opportunity for Hardin County and one that would follow the trend of Fort Knox and the local government working together toward well planned and managed water and sewer utilities.

HCWD1 has been involved in a number of endeavors with Fort Knox over the past few years, including ownership and operation of the Fort Knox wastewater and stormwater systems. HCWD1 has also participated with Fort Knox and other water suppliers in Hardin County to carry out long-range water supply planning. This proposal is a natural extension to those efforts to better coordinate water and sewer utilities by placing control of those facilities with Hardin County.

Under our proposal, HCWD1 will be the owner and manager of the potable water system serving Fort Knox. Although many of HCWD1’s staff have water experience, we have formed a team of professionals to handle the ownership transition, immediate system improvements, and operation of the water distribution system. Joining with HCWD1 in this project will be Louisville Water Company (LWC) and CH2M HILL, Inc.

HCWD1 believes that our management expertise and local knowledge, combined with national experts, can provide the best option for Fort Knox to privatize its potable water system. We have conducted an extensive due diligence and field reconnaissance of the water utility and have developed a plan that offers long-term economic benefit and reduction in costs, which are specific goals identified in the Solicitation. Our proposal is presented in four volumes, plus two alternate proposals in two other volumes. This document is Volume II, Past Performance.
This Proposal remains a valid offer for 300 days from the date of submittal, and we are prepared to work with you to extend this period should it be required. I will remain your primary point of contact for HCWD1 and our Team during the Proposal and bid period, and can be contacted as follows:

    Mr. Jim Bruce, General Manager
    Hardin County Water District No. 1
    1400 Rogersville Road, Radcliff, Kentucky 40160
    Telephone:  270.351.3222
    Mobile:  270.268.4069
    Fax:  270.352.3055
    Mail: Jbruce@HCWD.com

We look forward to your review of our Proposal, and I invite you to contact me should you have any questions or need any additional information.

Sincerely,

Jim Bruce
General Manager
Hardin County Water District No. 1
Volume II. Past Performance

Prepared by:

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

Hardin County Water District No. 1 agrees with all terms, conditions, and provisions included in the solicitation except as highlighted in Volume III, Contract Documentation and agrees to furnish any or all items upon which prices are offered by Hardin County Water District No. 1 in this proposal at the price set opposite each item.

This proposal includes data that shall not be disclosed outside the Government.

Person(s) Authorized to Negotiate: Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

Person(s) Authorized to Sign Proposal: Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government’s right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are clearly marked with the proprietary legend in the side margin of the page.
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Attachment I: Past Performance Information
  Hardin County Water District No. 1
  Louisville Water Company
  CH2M HILL
**List of Exhibits**

<table>
<thead>
<tr>
<th>Exhibit</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>II-1</td>
<td>HCWD1 has selected Past Performance Projects that are of Similar Complexity and Type as That Required by the RFP</td>
<td>II-2</td>
</tr>
<tr>
<td>I-2</td>
<td>References for HCWD1</td>
<td>II-5</td>
</tr>
<tr>
<td>II-3</td>
<td>HCWD1 Team System Acquisition Experience</td>
<td>II-5</td>
</tr>
<tr>
<td>II-4</td>
<td>References for HCWD1 Team Subcontractors</td>
<td>II-6</td>
</tr>
<tr>
<td>II-5</td>
<td>References for HCWD1 Team Subcontractors</td>
<td>II-7</td>
</tr>
</tbody>
</table>
List of Acronyms

AUD Augusta Utilities Department
AWWA American Water Works Association

CIP Capital Improvement Project
CO Contracting Officer
COR Contracting Officer’s Representative
COTR Contracting Officer’s Technical Representative

EPA U.S. Environmental Protection Agency
FAR Federal Acquisition Regulations
GIS Geographic information system
gpm gallon per minute

HBCU/MI Historically Black College or University/Minority Institution
HCWD1 Hardin County Water District No. 1

I&I Inflow and infiltration

KPDES Kentucky Pollutant Discharge elimination System
Kva Kilovolt-ampere
KYDOW Kentucky Division of water

LF Linear feet
LWC Louisville Water Company

mgd million gallons per day

NOV Notice of Violation
O&M operations and maintenance
OSHA Occupational Safety and Health
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>POC</td>
<td>Point of Contact</td>
</tr>
<tr>
<td>PPE</td>
<td>Personal protective equipment</td>
</tr>
<tr>
<td>PSC</td>
<td>Public Service Commission</td>
</tr>
<tr>
<td>QA/QC</td>
<td>Quality Assurance/Quality Control</td>
</tr>
<tr>
<td>SB</td>
<td>Small Business</td>
</tr>
<tr>
<td>SBA</td>
<td>Small Business Administration</td>
</tr>
<tr>
<td>SCADA</td>
<td>Supervisory Control and Data Acquisition</td>
</tr>
<tr>
<td>SDB</td>
<td>Small disadvantaged business</td>
</tr>
<tr>
<td>WBE</td>
<td>Woman-owned Business Enterprise</td>
</tr>
<tr>
<td>WOSB</td>
<td>Woman-owned small business</td>
</tr>
<tr>
<td>WTP</td>
<td>water treatment plant</td>
</tr>
<tr>
<td>WWTP</td>
<td>wastewater treatment plant</td>
</tr>
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</table>
### Volume II - Cross Reference Matrix

<table>
<thead>
<tr>
<th>Description/Specifications, Section L of RFP</th>
<th>Proposal Section</th>
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<tbody>
<tr>
<td>Past Performance Information – J39</td>
<td>Attachment 1</td>
</tr>
<tr>
<td>Past Performance References</td>
<td>II.1 and Attachment 1</td>
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<tr>
<td>System Acquisitions</td>
<td>II.2 and Attachment 2</td>
</tr>
<tr>
<td>Subcontractor References</td>
<td>II.3 and Attachment 1</td>
</tr>
<tr>
<td>Status with Independent Federal, State, or Local Regulatory Authority</td>
<td>II.4</td>
</tr>
</tbody>
</table>
The privatization of the water system serving the Fort Knox Army Installation in Kentucky is a project that presents many challenges, as well as many opportunities. A project such as this demands the expertise of a utility services provider that understands the local community, environment, and regulations, and one with an established reputation of quality service. It also demands an understanding of the privatization process, and a team with a proven record of performance in the operation, maintenance, management, and ownership of water utilities. These are the reasons that the Hardin County Water District No. 1 (HCWD1), in partnership with Louisville Water Company (LWC) and CH2M HILL, provides the best choice in terms of forming a long-term partnership of privatization of the water facilities at Fort Knox.

HCWD1 is recognized for the exceptional quality and value that we have provided during delivery of more than 50 years of operations in Kentucky. The HCWD1 team includes LWC and CH2M HILL. This team brings Kentucky-owned and operated companies that currently provide utility-related services to Fort Knox, as well as Fort Campbell, Fort Irwin, and Fort Gordon. Our team members are intimately familiar with nuances of the installation and mission requirements of the military community. A key indicator of our success is past performance, and our clients attest to the customer-focused and cost-effective services we provide. Throughout this section, we demonstrate the team’s strong performance record on similar projects.

In response to the request for proposals (RFP) Section L.5, HCWD1 is providing the following information:

- II.1 Past Performance References
- II.2 System Acquisitions
- II.3 Subcontractor References
- II.4 Status with Independent Regulatory Authorities

The HCWD1 team has selected representative projects that demonstrate our direct experience in all areas required by the RFP and that are anticipated. The similarities and relevant attributes are highlighted in Exhibit II-1. The past performance information for each of these projects is provided as attachments to this volume.

**Hardin County Water District No. 1**

HCWD1 is a special state government sub-district, organized under Kentucky Revised Statutes Chapter 74 and is regulated by the Kentucky Public Service Commission (PSC).

HCWD1 was established in 1952 and currently has over 240 miles of main water lines, a 3-million-gallons-per-day (mgd) water treatment plant (WTP) and provides quality drinking water to over 30,000 people daily. As the Government selected HCWD1 to
own and operate its sanitary and storm sewer systems, HCWD 1 also now owns the 6-mgd Fort Knox Wastewater Treatment Plant (WWTP) on Post. HCWD 1 also has wholesale connections with four other surrounding water systems. HCWD 1 also owns a 5.2-mgd water pump station with a 1.25-million-gallon water tank on base, from which it is able to purchase Fort Knox water and pump into our system, and to several other consecutive systems in the region.

The City of Radcliff turned over ownership and operations of their sanitary sewer system to HCWD 1 in April 2008. This provides another 4-mgd WWTP, which is within 4 miles of the Fort Knox WWTP and may provide future combined treatment capabilities, saving both the Government and the City residents from large, expensive plant expansion expenditures.

HCWD 1 is very familiar with the laws and regulations associated with U.S. Government privatization contracts to include the Federal Acquisition Regulations (FAR), Small Business Set-asides, as well as the base environmental requirements, security requirements, and contractual obligations and protocol.

HCWD 1 was founded 50 years ago to provide water supply service to the northern and northwestern part of Hardin County, which is the area surrounding the Fort Knox Army Installation. HCWD 1 is locally owned and operated, and our Board is made up of members of the community. Several of our Board members have strong ties to the Army and Fort Knox, and serve and volunteer their time in many ways to improve relations between the community and the base.

HCWD 1 has also been a key catalyst in promoting Regional Water Planning. In 1995, Fort Knox saw the need to encourage and move the County toward regional planning, and it was HCWD 1 that took the first step in closing one of our water plants and entering into a long-term Water Purchase Agreement with Fort Knox. Later, HCWD 1, as a part of the Hardin County Regional Water Group, entered into an InterLocal Agreement between Fort Knox and the three other entities. This agreement resulted in a long-term report, the Regional Water Feasibility Study.

**EXHIBIT II-1**

HCWD 1 has selected Past Performance Projects that are of Similar Complexity and Type as That Required by the RFP

<table>
<thead>
<tr>
<th>Demand/Capacity Flow</th>
<th>Population Served</th>
<th>Type of Service</th>
<th>Type of Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Knox</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water – mgd</td>
<td>23,000</td>
<td>Water</td>
<td>Military, Residential, Industrial, Commercial</td>
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</tbody>
</table>

**HCWD 1 Projects**

<table>
<thead>
<tr>
<th>Project</th>
<th>Demand/Capacity Flow</th>
<th>Population Served</th>
<th>Type of Service</th>
<th>Type of Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project 1.</td>
<td>2.1 mgd</td>
<td>23,000</td>
<td>Wastewater and Stormwater Collection and Treatment</td>
<td>Military, Residential, Industrial, Commercial</td>
</tr>
<tr>
<td>Project 2.</td>
<td>6 mgd</td>
<td>22,000</td>
<td>Wastewater collection and treatment</td>
<td>Residential, Industrial, Commercial</td>
</tr>
</tbody>
</table>

**Team Subcontractor Projects**

<table>
<thead>
<tr>
<th>Project</th>
<th>Demand/Capacity Flow</th>
<th>Population Served</th>
<th>Type of Service</th>
<th>Type of Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>LWC Project 1: Goshen Utilities</td>
<td>1.2 mgd</td>
<td>4,500</td>
<td>Water treatment and distribution</td>
<td>Residential, Industrial, Commercial</td>
</tr>
<tr>
<td>LWC Project 2: Kentucky Turnpike Water Districts No. 1 and No. 2</td>
<td>6 mgd</td>
<td>15,000</td>
<td>Water treatment and distribution</td>
<td>Residential, Industrial, Commercial</td>
</tr>
<tr>
<td>CH2M HILL Project 1: Fort Campbell, KY</td>
<td>4 mgd – water</td>
<td>35,000</td>
<td>Water and wastewater treatment, storage, and distribution</td>
<td>Military, Residential, Industrial, Commercial</td>
</tr>
<tr>
<td></td>
<td>4 mgd – wastewater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CH2M HILL Project 2: Fort Gordon, GA</td>
<td>2.5 mgd – water</td>
<td>30,000</td>
<td>Water and wastewater treatment, storage, and distribution</td>
<td>Military, Residential, Industrial, Commercial</td>
</tr>
<tr>
<td></td>
<td>2.5 mgd - wastewater</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Louisville Water Company

LWC has provided water service to the Louisville community continuously since 1860. Although originally formed as a private company, LWC has been solely owned by Louisville Metro since 1906. LWC is a nationally recognized utility with demonstrated competence in all areas of water utility operations and management. LWC is an industry leader in customer satisfaction, water quality and treatment research, drinking water regulatory compliance, infrastructure renewal, and geographic information systems. Currently, LWC water quality exceeds all regulatory standards for drinking water.

LWC owns, operates, and maintains two WTPs that draw water from the Ohio River, a virtually unlimited source. Finished treated water from these facilities meets all current and anticipated regulations established by the U.S. Environmental Protection Agency (EPA) and administered by the Kentucky Division of Water (KYDOW). The production facilities have a firm capacity of 240 mgd, with an average daily production of 134 mgd and a historic maximum production day of 205 mgd. In addition to the treatment facilities, LWC operates and maintains over 3,900 miles of water main, 22,440 fire hydrants, 35 booster pumping facilities, and 36 storage tanks to supply drinking water to 283,608 service connections.

As a neighbor utility, LWC maintains excellent working relationships with Hardin County water providers, including Fort Knox and HCWD1. LWC is familiar with water supply issues in the region and the challenges the Fort Knox base realignment will pose to water supplies and water service providers. In the past, LWC has participated in county-wide water resource planning performed by the Lincoln Trail Water Supply Commission and conducted several discussions with Fort Knox personnel on opportunities for LWC to supply wholesale water and contract operation services. Currently, LWC provides wholesale water supplies to the Fort Knox Urban Warfare Training Center and Wilcox Digitized Training Center. Recently, LWC has entered into discussions with Hardin County Water District No. 2 to supply wholesale water through transmission connections along Interstate 65.

LWC provides retail service in Jefferson County and parts of Oldham and Bullitt counties. In addition to selling water to retail customers, LWC sells water to seven wholesale water utility customers, resulting in service to about 850,000 people. Annual water sales exceeded 40 billion gallons in 2007, with annual operating revenue of $132 million. LWC water rates are one of the lowest in the region, with a typical residential customer monthly bill of $19.78 for 6,000 gallons.

In addition to serving Metro Louisville, LWC has a proven track record in acquiring, owning, and operating water systems in other communities. The most recent water utility mergers and acquisitions by LWC include the following:

- City of Shepherdsville Water – 2002
- Goshen Utilities – 2002
- Kentucky Turnpike Water District No. 1 – 2000
- Kentucky Turnpike Water District No. 2 – 2000
- Oldham County Water District No. 1 – 1995
- West Oldham Utilities – 1995
- Jeffersontown Water – 1990

LWC’s success in past acquisitions has been the result of our investment in system infrastructure improvements, our retention of system employees, and building effective relationships with the community.
VOLUME II: Past Performance

CH2M HILL

As the nation’s top ranked engineering firm (Engineering News-Record, 2008), CH2M HILL’s experience in utility privatization projects provides unique capabilities to support the HCWD1 team. CH2M HILL has experience with both Army and Navy bases that none of its competitors can equal:

<table>
<thead>
<tr>
<th>Base</th>
<th>CH2M HILL Role</th>
<th>Contract Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Campbell</td>
<td>CH2M HILL as prime contractor. CH2M HILL owns, operates, and maintains water and wastewater utilities.</td>
<td>Contract awarded June 2003</td>
</tr>
<tr>
<td>Fort Irwin</td>
<td>CH2M HILL as prime contractor. CH2M HILL owns, operates, and maintains water utilities.</td>
<td>Contract awarded Sept 2004</td>
</tr>
<tr>
<td>Fort Gordon</td>
<td>CH2M HILL is subcontractor to Augusta Utility Department (AUD) in a role similar to that proposed for Fort Knox</td>
<td>Contract awarded to AUD in Sept 2007</td>
</tr>
</tbody>
</table>

CH2M HILL’s discussions with Army personnel have enhanced their understanding of industry requirements for successful privatization, as well as helped ensure that they include all appropriate costs of current ownership for the Government.

CH2M HILL has more than 60 years of demonstrated excellence in delivering water projects. From completing its first project in 1946 to delivering award-winning projects today, CH2M HILL has built a reputation as an industry leader and continues to provide top-quality services to its clients.

CH2M HILL has also developed approaches to system maintenance and enhancement that the Army has accepted as providing quality service, a high level of systems reliability, and best practice technology for long-term performance.

HCWD1 Team Members and Relevant Awards and Recognition

Award of Excellence, AWWA KY/TN Chapter 2008 and 2003  
Finalist for Wooden Bucket Award, U.S. Dept of Agriculture, 2007  
Awarded Top 3 “Best Tasting Water” by Rural KY Association, 2005  
Honour Award for Engineering Excellence, Council Design of Fort Knox Interconnect Pump Station, Kentucky Consulting Engineers, 2000  
Certificate of Recognition, Commonwealth of Kentucky Senate for Excellent Efforts to Improve Customer Service  
Outstanding Achievement in Public-Private Partnership Award, U.S. Conference of Mayors  
Annual Public-Private Partnership Innovation Award, 2006, National Council for Public-Private Partnerships  
Best Tasting Tap Water in America, 2008, American Water Works Association  
Best Tasting Tap Water in Region, 2007 and 2008, American Water Works Association KY/TN Region  
5-Year Directors’ Award, Partnership for Safe Drinking Water, 2005  
50-Year Award, Association of State and Territorial Dental Directors and CDC, 2003  
Water quality ranked #3 among 50 largest US cities (based on data from 2002-2006)

Malcolm Baldridge National Quality award, U.S. Department of Commerce  
George W. Burke Jr. Safety Award, Kentucky-Tennessee Water Environment Association  
Operational Excellence Award, Kentucky-Tennessee Water Environment Association
II.1 Past Performance References

Collectively, our team serves a customer base located near Fort Knox, which represents a population of over 880,000 people. We have compiled the list in Exhibit II-2 of recent projects that represent some of our larger customers and are similar in type and complexity to Fort Knox. The highlighted projects are presented in the format provided in Section L, Attachment J39 of the RFP. These project descriptions are provided at the end of this volume following the Attachments tab.

II.2 System Acquisitions

Information requested in Section L.5 of the RFP on the system acquisitions is provided in Exhibit II--3.

EXHIBIT II-2
References for HCWD1

<table>
<thead>
<tr>
<th>Project</th>
<th>Customer Contact Name, Address, and Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Knox Wastewater and Stormwater Privatization</td>
<td>Benita Jackson, Defense Energy Support Center, 703-767-9407</td>
</tr>
<tr>
<td>City of Radcliff, KY</td>
<td>Mayor Shelia Enyart, City of Radcliff, 270-351-4144</td>
</tr>
</tbody>
</table>

EXHIBIT II-3
HCWD1 Team System Acquisition Experience

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>City of Radcliff, KY Wastewater System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>HCWD1 acquired this system from the City of Radcliff to operate and maintain the wastewater collection and treatment systems.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>City of Radcliff wastewater system was transferred to HCWD1.</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2008 - ongoing</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Jim Bruce, HCWD 1, 270-352-3222; and Mayor Shelia Enyart, City of Radcliff, 270-351-4144</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Fort Knox Wastewater and Stormwater Collection and Treatment Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>HCWD 1 acquired the wastewater and stormwater collection and treatment facilities during the privatization of the systems by the Army in 2005.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>$73,746,920</td>
</tr>
<tr>
<td>Period of performance</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Jim Bruce, HCWD 1, 270-351-3222; and Benita Jackson, Defense Energy Support Center, 703-767-9407</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Goshen Utilities Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>LWC purchased this utility from AquaSource, Inc. and owns and operate the water system.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>$3.6 million</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2002 – Ongoing</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Jon E. Evans, Vice President, AquaSource, 412-261-1600; Greg Heitzman, 502-569-3681; and Jim Smith, LWC, 502-569-3687</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Kentucky Turnpike Water Districts No. 1 and No. 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>LWC merged with Kentucky Turnpike Water District No. 1 and No. 2, adding 6,500 retail customers to LWC’s service area.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>N/A</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2000–2011</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Dan Thobodeaux, 502-955-7567; Melanie Roberts, 502-543-2262; Jim Smith, 502-569-3687; Greg Heitzman, 502-569-3686</td>
</tr>
</tbody>
</table>
EXHIBIT II-3
HCWD1 Team System Acquisition Experience

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Fort Campbell, KY, Water and Wastewater Privatization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>CH2M HILL owns and operates the water and wastewater facilities at Fort Campbell.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>$700,000,000</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2003–2053</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Jeanne Shykes, Directorate of Contracting, Fort Campbell, 270-798-3985</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Fort Irwin, CA, Water and Wastewater Privatization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>CH2M HILL owns and operates the water and wastewater facilities at Fort Irwin.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>$420,000,000</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2002–2052</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Sharon Butler, Contracting Office, U.S. Army Engineering and Support Center, 256-895-1440</td>
</tr>
</tbody>
</table>

“...The Hardin County Water District No. 1 is one of the leading water utilities in the state. HCWD1 uses best management practices, technology, and quality customer service methods in all areas of operations. Our association depends on District employees to assist with training and presenting at our training conferences. Several District employees have also graduated from the Utility Management Institute, which is provided by Western Kentucky University and KRWA. The District is poised and able to provide excellent utility services to other surrounding systems in or near its area”.

Gary Larimore, Executive Director, Kentucky Rural Water Association

II.3 Subcontractor References

HCWD1 has named two team subcontractors for support in water utility services. References for both LWC and CH2M HILL are provided in Exhibit II-4. Past performance forms have been provided following HCWD1 projects in Attachment 1.

II.4 Status with Independent Federal, State, or Local Regulatory Authority

HCWD1 team members are in good standing with federal, state, and local authorities over all utility services included in this proposal. Any violations, penalties, or other enforcement actions taken against HCWD1 within the last 5 years are discussed below.

Primary regulatory agencies with jurisdiction over HCWD1 and LWC are listed in Exhibit II-5.

EXHIBIT II-4
References for HCWD1 Team Subcontractors

<table>
<thead>
<tr>
<th>Project</th>
<th>Customer Contact Name, Address, and Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>LWC: Goshen Utilities/AquaSource, Inc.</td>
<td>Oldham County Deputy Judge Executive, Paula Gish, 100 W. Jefferson St., LaGrange, KY 40031, 502-222-9357</td>
</tr>
<tr>
<td>LWC: Kentucky Turnpike Water Districts No. 1 and No. 2</td>
<td>Bullitt County Judge Executive Melanie Roberts, P.O. Box 768, Shepherdsville, KY 40165, 502-543-2262</td>
</tr>
<tr>
<td>CH2M HILL: Fort Campbell, KY</td>
<td>Jeanne Shykes, Directorate of Contracting, Fort Campbell, 270-798-3985</td>
</tr>
<tr>
<td>CH2M HILL: Fort Gordon, GA</td>
<td>Drew Goins, Director, AUD, 706-312-4123</td>
</tr>
</tbody>
</table>
CH2M HILL is in excellent standing with the state and regulatory agencies associated with our services on the Fort Campbell, Kentucky, Water and Wastewater Privatization project. There are no violations, penalties, or enforcement actions associated with the project within the last 5 years. The associated regulatory agencies:

- Tennessee Dept of Environment and Conservation
- Kentucky Natural Resources and Environmental Protection Cabinet
- EPA Region 4
- OHSA
- Fort Campbell Directorate of Public Works
- Fort Campbell Public Safety

NOVs

HCWD1 has received NOVs as follows:

- KPDES permit violations for fecal coliform and TSS, March 2006 (Department for Environmental Protection)
- KPDES permit violations for total residual chlorine, July 2006; fecal coliform, August 2005; and total recoverable mercury, July-August 2005
- KPDES permit violation for whole effluent toxicity, October-November 2007
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
Hardin County Water District No. 1, Radcliff, Kentucky

B. PROGRAM TITLE:
Fort Knox Wastewater and Stormwater Systems Privatization

C. CONTRACT SPECIFICS:
1. Contract Number W9124D-05-C-0017
2. Contract Type Regulated Tariff
3. Period of Performance July 1, 2005 to August 31, 2055
4. Original Contract $ Value $73,746,920
5. Current Contract $ Value same

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference.

D. BRIEF DESCRIPTION OF EFFORT AS _PRIME OR__ SUBCONTRACTOR.
Owner and operator of the wastewater and storm water system at Fort Knox, Kentucky

E. COMPLETION DATE:
1. Original Contractual Date: 30 September 2004
2. Current Schedule: 50 Years
3. Estimated Date of Completion: 31 August 2055
4. How Many Times Changed: 20 Contract Modifications
5. Primary Causes of Change: All modifications were requested by Fort Knox and most had to do with changing account numbers, allocating funds, etc.

F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:
(Please provide current information on all individuals)

1. Program Manager:
   Name: Kenny Muse
   Office: Director of Public Works
   Address: Bldg. 1110B RM 310, 125 6th Ave. St. 320, Fort Knox, KY. 40121
   Telephone: (502) 624-5830
   E-mail: Kenny.Muse@knox.army.mil
   Fax: (502) 624-3679

2. PCO:
   Name: Benita C. Jackson
   Office: Defense Energy Support Center
   Address: 8725 John J. Kingman Road, Suite 3830, Ft. Belvoir, VA 22060
   Telephone: (703) 767-9407
   E-mail: Benita.Jackson@dia.mil
   Fax: (703) 624-7165
3. ACO:
Name: Stephanie Bowman
Office: Directorate of Contracting, MICC Center - Knox
Address: Bldg. 1109B Ste 250, 199 6th Ave., Fort Knox, KY. 40121
Telephone: (502) 624-4947
E-mail: stephanie.bowman@us.army.mil
Fax: (502) 624-7165

4. COR:
Name: Robert Ender
Contracting Officer Rep) Office: Directorate of Public Works
Address: ATZK-OSO Bldg. 1205 Water Street, Fort Knox, KY. 40121
Telephone: (502) 624-5252
E-mail: robert.ender@knox.army.mil
Fax: (502) 624-5251

G. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.

- Continuing revision and update of the GIS map for the sanitary sewer system, which was originally completed in 2005, continues to refine and update the system as buried and/or new lines and manholes are determined. At present, the GIS system has identified 432,210 linear feet (lf) of line and 2,058 manholes; these figures exclude lateral lines, which will be added over time. The system includes a manhole and line segment numbering system, which will allow information to be tracked both on the GIS system and in the work order system.

- Continuing revision and update of the storm water GIS map, which currently identifies 200,969 lf of line, 1,441 culverts and 2,463 drop boxes.

- Sewer System Evaluation Study was completed for the entire sanitary sewer system, with emphasis on Basins II and VIII.

- Numerous major maintenance items have been completed at the wastewater treatment plant, collection system, stormwater collection system, and lift stations.

- Numerous major maintenance items were completed on the stormwater collection system, including:
  - Repaired/Cleaned 890 catchbasins.
  - Repaired/Cleaned 39 culverts (1,698 lf cleaned).
  - Repaired/Cleaned 96 headwalls.
  - Repaired/Cleaned 94 concrete ditches (7980 lf cleaned).

- Numerous capital projects were completed and designed on the wastewater collection system during 2007. These items included:
  - Muldraugh RR Spur (1392 linear feet of new line and 5 new manholes)
  - SCADA Design and installation at 8 major lift stations
  - Design of new sewer lines to service the IBCT facilities
  - Dietz lift station study
  - Chaffee lift station preliminary design
  - Twin 15’s sewer line replacement preliminary design
VOLUME II: Past Performance – Project Descriptions

– Godman Airfield storm line rehab design
– Design on new equipment building at the Fort Knox WWTP
– Design of the Pressler Grove sewer line re-route
– Final design of the twin 15’s sewer line replacement
– Annual CIPP contract bid
– Annual manhole rehab project bid

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.

**Contractual Personnel:**

Jim Bruce, General Manager – Provides overall guidance, financial planning, long-range planning, policy implementation, contract administration, primary POC for the US Government.

William J. Rissel, Chairman of the Board – Presides over all meetings of the Commission and exercises general supervision and control over the business of the commission, subject to the direction of the Board.

**Operational Personnel:**

Brett Pyles, Operations Manager – Oversees the day-to-day operations, capital planning & implementation, liaison to contract operator and US Government, assists with budgetary functions, assists with financial planning, contract administration.

Daniel Clifford, GIS & Planning Specialist – Oversees development of GIS mapping program, provides QA/QC for GIS.

I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.

Problems are addressed according to Service Interruption Response Plan, as necessary, and/or are addressed at monthly meeting with Contracting Officer and Contracting Officer Representatives.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VersUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.

HCWD1 has an approved Subcontracting Plan for Fort Knox. HCWD1 is meeting all SB/SDB plan goals except SDB and HBCU/MI. HCWD1 has recently had its Subcontracting Plan revised and updated to ensure that subcontracting opportunities are equally available to all businesses. In addition, HCWD1 has completed a project with North Carolina A&T State University, a certified HBCU/MI.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.

HCWD1 staff has extensive knowledge of the Fort Knox Post, personnel, and operations and has been involved in many construction projects, both during the planning and implementation phases. HCWD1 staff has a very good relationship with both civilian and military personnel.

GENERAL

1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer. Indicate if the systems were located on the customer’s site.
Provide the information requested below for each type of utility operated as part of this project:

**Water System**
1. What is the average daily flow (gallons per day) for the referenced customer? N/A
2. What type of treatment occurs at the Water Treatment Plant? N/A
3. What type of storage tanks are operated/maintained (ground/elevated, capacity)? N/A
4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time _____ (yrs) $_____

**Wastewater System**
1. What is the average daily flow (gallons per day) for the referenced system? 2.1 mgd
2. What is the capacity of the WWTP? 6MGD
3. What is the capacity of the Industrial WWTP? N/A
4. How many pump stations are operated/maintained? 28
5. How many linear feet of sewage lines are maintained? 504,733 feet
6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?

Time 3 (yrs) $4,046,705

7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer?

Capital Improvements $3,000,000 Inflow/Infiltration Reduction 19.7 (%)

**Electrical System**
1. What is the voltage of the system you operate/maintain? N/A
2. How many facilities are served by the system you operate/maintain? N/A
3. What is the length (linear feet) of the overhead distribution system you operate/maintain?  N/A
4. What is the length (linear feet) of the underground distribution system you operate/maintain?  N/A
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?  N/A

Time_____ (yrs) $_____

Natural Gas System
1. What is the length (linear feet) of the distribution system you own/operate?  N/A
2. How many meters are on the system you own/operate?  N/A
3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?  N/A
Time_____ (yrs) $_____

Use of this sheet is subject to the restriction on the title page of this proposal.
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
Hardin County Water District No. 1, Radcliff, Kentucky

B. PROGRAM TITLE:
City of Radcliff Wastewater System Acquisition

C. CONTRACT SPECIFICS:
1. Contract Number   NA
2. Contract Type        NA
3. Period of Performance   NA
4. Original Contract $ Value    NA
5. Current Contract $ Value    NA

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference.

D. BRIEF DESCRIPTION OF EFFORT AS X PRIME OR __SUBCONTRACTOR.
Municipally owned (City of Radcliff) wastewater system was sold to HCWD1 in April, 2008 after 2 years of negotiations.

E. COMPLETION DATE:
1. Original Contractual Date:    February 8, 2008
2. Current Schedule:    NA
3. Estimated Date of Completion:    NA
4. How Many Times Changed:         NA
5. Primary Causes of Change:         NA

F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:
(Please provide current information on all individuals)

1. City Representative:
Name:    Mayor Sheila Enyart
Office        City of Radcliff
Address    P.O. Box 519, Radcliff, KY 40159-0519
Telephone        270-351-4714
E-mail       mayor@radcliff.org

G. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.
The Radcliff system has 8,900 sewer connections and a 4 mg/d wastewater treatment plant. It also has over 50 lift stations. This was a complete system acquisition.

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.
Management Personnel:
Jim Bruce, General Manager – Provides overall guidance, financial planning, long-range planning, policy implementation, contract administration, primary POC.
William J. Rissel, Chairman of the Board – Presides over all meetings of the Commission and exercises general supervision and control over the business of the commission, subject to the direction of the Board.
Operational Personnel:
Brett Pyles, Operations Manager – Oversees the day-to-day operations, capital planning & implementation, liaison to contract operator, assists with budgetary functions, assists with financial planning, and contract administration.

I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.
1. Lincoln trail Odor Control project – We are currently gathering information. Some of the activities include:
   a) Measuring the H2S levels to determine the source of the problem; b) Customer Observation Survey – We passed out forms to businesses in the area to record and track the time of day and to what degree was the odor observed.
2. Significant inflow and infiltration (I&I) problem in sections of the collection system – Contracted with HDR to flow monitor and study to formulate a detailed solution.
3. The SCADA was not operating properly; all systems are functioning properly.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.
No. This is not a Government contract, so FARs do not apply. However, HCWD1 purchases supplies and services from SBs whenever possible.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.
This was a complete system acquisition. Veolia Water, North America, operates the system for HCWD1. Veolia assisted in doing a complete financial model, and future looking asset management plan to make sure the acquisition, at current sewer rates, was financially feasible for HCWD1. The Radcliff City Council voted to transfer ownership of the system to HCWD1. HCWD1 entered into an 18-year operations contract with Veolia Water, who is also its operator of the Fort Knox Sewer systems, which HCWD1 now owns.

General
1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer.
Indicate if the systems were located on the customer’s site.

<table>
<thead>
<tr>
<th></th>
<th>Own</th>
<th>Operate</th>
<th>Maintain</th>
<th>Onsite</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewer Lines</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Pump Stations</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>WWTP</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Industrial WWTP</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Water Lines</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Water Storage Tanks</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Water Treatment Plants</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Above Ground Electrical Distribution System</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Below Ground Electrical Distribution System</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Power Generation Facility</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Substations</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Gas Distribution System</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Provide the information requested below for each type of utility operated as part of this project:

**Water System**
1. What is the average daily flow (gallons per day) for the referenced customer? N/A
2. What type of treatment occurs at the Water Treatment Plant? N/A
3. What type of storage tanks are operated/maintained (ground/elevated, capacity)? N/A
4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time ______(yrs) $_____

**Wastewater System**
1. What is the average daily flow (gallons per day) for the referenced system? 2 mgd
2. What is the capacity of the WWTP? 4 mgd
3. What is the capacity of the Industrial WWTP? N/A
4. How many pump stations are operated/maintained? 57
5. How many linear feet of sewage lines are maintained? 143 miles of sewer line and 2,861 manholes
6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?

Time <1 (yrs) $150,000

7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer? Projects are in the process of being identified; will be added to the Annual Capital Plan.

Capital Improvements $____ Inflow/Infiltration Reduction____(%)  

**Electrical System**
1. What is the voltage of the system you operate/maintain? N/A
2. How many facilities are served by the system you operate/maintain? N/A
3. What is the length (linear feet) of the overhead distribution system you operate/maintain? N/A
4. What is the length (linear feet) of the underground distribution system you operate/maintain? N/A
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time ______(yrs) $_____

**Natural Gas System**
1. What is the length (linear feet) of the distribution system you own/operate? N/A
2. How many meters are on the system you own/operate? N/A
3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time ______(yrs) $_____

Use of this sheet is subject to the restriction on the title page of this proposal.
A. Offeror Name (Company/Division) and Location (City/State):
Louisville Water Company, Louisville, Kentucky

B. Program Title:
Kentucky Turnpike Water Districts 1 and 2 Water Systems Merger

C. Contract Specifics:
1. Contract Number: N/A
2. Contract Type: Merger
3. Period of Performance: 2000 to Present
4. Original Contract $ Value: $ N/A
5. Current Contract $ Value: $ N/A

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference.

D. Brief Description of Effort As X Prime Or __Subcontractor.

Prior to Louisville Water Company merging with Kentucky Turnpike Water Districts #1 and #2 in 2000, LWC operated KT#1 via a lease agreement executed in 1968. In addition, KT#2 purchased 100% of their water from LWC. In 2000, LWC merged with KT#1 and #2, adding about 6,500 retail customers to the LWC service area. In consideration of the execution of the merger LWC agreed to install certain system improvements in the Kentucky Turnpike Water District service areas in Bullitt County. The system improvements are known as the Bullitt County Water Improvement Program, and include the following:

- I-65 Transmission Main System and System Growth Improvements. LWC has invested $5 million in a Transmission Main System, including pumping and storage facilities, along I-65. Other System Growth Improvements include grid ties, valve upsizing, booster pump stations and related facilities.

- Kentucky Turnpike Water District System Improvements. LWC agreed to install fire hydrants, grid ties, valves and replace water mains to bring the existing water systems up to urban water standards. These improvements were funded by the Bullitt County Water Reserve.

- Bullitt County Extension Program. LWC gave property owners the opportunity to join with their neighbors to petition LWC to initiate a water extension project along their roadway. LWC allows the property owner to pay their portion of the installation costs, that are capped at a cost not to exceed $5,450, over 20 years at a fixed rate. These improvements are funded primarily from the Bullitt County Water Reserve.

The Bullitt County Water Reserve was created as part of the merger. The reserve contains monies from the rate capacity differential from KT #1 and #2 customers, grants, loans, and any other fees collected. KT customer rates were frozen upon acquisition, and the difference between LWC and KT customer rates is the differential deposited into the reserve.

Since completing the merger in 2000, LWC has successfully installed:

- More than 100 miles of water main, making water service available to nearly 1,400 customers,
- More than 540 new fire hydrants, and over 240 gate valves on the existing system,

The new water main extensions have allowed the private development of 45 new subdivisions, making service available to an additional 1,100 customers.
E. Completion Date:
1. Original Contractual Date: 2000
2. Current Schedule: N/A
3. Estimated Date of Completion: 2011
4. How Many Times Changed: N/A
5. Primary Causes of Change: N/A

F. Primary Government or Equivalent Points Of Contact:
(Please provide current information on all individuals)
Name: Bullitt County Advisory Board
Office: N/A
Address: 3396 Burkland Blvd., Shepherdsville, KY 40165
Telephone: N/A
E-mail: N/A
Fax: N/A

2. Client Representative:
Name: Bullitt County Judge Executive Melanie Roberts
Office: Bullitt County Judge
Address: P.O. Box 768, Shepherdsville, KY 40165
Telephone: (502) 543-2262
E-mail: mroberts@bcky.com
Fax: (502) 543-1577

G. Address Any Technical (Or Other) Area About This Program Considered Unique.
The former Kentucky Turnpike Water Districts #1 and #2 service area contained extensive unserved service areas. LWC determined there were over 142 miles of roadways that did not contain water mains. The original estimated cost to serve these areas was $28 million. LWC installed critical infrastructure, and put into place a petitioning and funding mechanism for the property owners in these areas to obtain potable water service at an affordable cost.
The former Kentucky Turnpike Water Districts #1 and #2 were primarily rural systems in a service area experiencing urban growth along the I-65 corridor. As an emerging urban area, the existing infrastructure was inadequate to serve projected growth and much of the existing customer base was underserved with inadequate customer water pressure and inadequate fire flows.

H. Specify By Name Any Key Individual(s) Who Participated In This Program And Is/Are Proposed To Support The Instant Acquisition. Also, Indicate Their Contractual Roles For Both Acquisitions.
Jim Smith – Responsible for O&M of water treatment, pumping, and storage facilities, and ensuring and maintaining reliability of all facilities.
Mr. Horrell is in charge of producing and delivering water to customers, which includes operating all storage tanks, pumping equipment, and monitoring system hydraulic conditions, to ensure an adequate supply of safe, reliable, high
quality drinking water at sufficient pressure and volume to meet customer expectations, regulations, and fire protection needs.

Dr. Song is in charge of performing production and distribution water quality analysis, providing required water quality and water production reports, and ensuring overall water quality compliance, and technical support to operations.

I. Address Problems Encountered On This Contract And Your Solutions To Those Problems.
The former Kentucky Turnpike Water Districts #1 and #2 were primarily rural systems in a service area experiencing urban growth along the I-65 corridor. As an emerging urban area, the existing infrastructure was inadequate to serve projected growth and the much of the existing customer base was underserved with inadequate customer water pressure and inadequate fire flows. Additionally, the Kentucky Turnpike Water Districts contained extensive unserved areas, many remote and sparsely populated, with over 142 miles of roadways that did not contain water mains.

LWC advanced construction of a backbone transmission, storage and booster pumping system to provide the needed water supplies to the area to address growth needs, customer service issues and upgrade fire flow to urban standards. LWC established a petitioning and funding mechanism for the property owners in these areas to obtain potable water service at an affordable cost. Construction of the backbone supply system ensured the necessary infrastructure was available when individual routes and subdivisions petitioned LWC to provide potable water.

J. Identify If A Small Business Or Disadvantaged Business Plan Or Goal Was Required. If So, Identify In Terms Of A Percentage Of The Planned Versus Achieved Goal During The Contract. If Goals Were Not Met, Please Explain.

Since this is not a Government project, the FARs do not apply. However, LWC is committed to increasing the effective use of certified small businesses. LWC has a Minority and Women Business Enterprise Program that is used to ensure compliance with any project goals.

K. Describe/Discuss The Relevancy Of The Services You Provided On Your Referenced Contract To These Questions As They May Pertain To The Specific Utility.

LWC merged with Kentucky Turnpike Districts 1 and 2, successfully transitioned staff and customers, and now operates and maintains the water and distribution facilities.

General

1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer. Indicate if the systems were located on the customer’s site.

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</table>
Provide the information requested below for each type of utility operated as part of this project:

**Water System**
1. What is the average daily flow (gallons per day) for the referenced customer? About 6 mgd per day.
2. What type of treatment occurs at the Water Treatment Plant? These areas are retail customers, and are served from the LWC treatment facilities.
3. What type of storage tanks are operated/maintained (ground/elevated, capacity)?
   - Zoneton Tank – 150,000 Gallon Elevated Tank
   - Peaceful Valley Tank – 235,000 Gallon Ground Level Tank
   - Cedar Grove Tank – 500,000 Gallon Ground Level Tank
   - Martin Hill Road Tank – 250,000 Gallon Elevated Tank
   - Phelps Knob Tank – 500,000 Gallon Ground Level Tank
   - Brooks Hill Road Tank - 300,000 Gallon Ground Level Tank
   - Weavers Run Tank – 150,000 Gallon Elevated Tank
   - Gap-In-Knob Tank – 350,000 Gallon Ground Level Tank
4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time **8** (yrs) **$46.5 Million**

**Wastewater System**
1. What is the average daily flow (gallons per day) for the referenced system? N/A
2. What is the capacity of the WWTP? N/A
3. What is the capacity of the Industrial WWTP? N/A
4. How many pump stations are operated/maintained? N/A
5. How many linear feet of sewage lines are maintained? N/A
6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A
   Time_____ (yrs) $$_____$
7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer?
   Capital Improvements $_____ Inflow/Infiltration Reduction_____ (%)  

**Electrical System**
1. What is the voltage of the system you operate/maintain? N/A
2. How many facilities are served by the system you operate/maintain? N/A
3. What is the length (linear feet) of the overhead distribution system you operate/maintain? N/A
4. What is the length (linear feet) of the underground distribution system you operate/maintain? N/A
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?

Time_____ (yrs) $_____ 

Natural Gas System
1. What is the length (linear feet) of the distribution system you own/operate? N/A
2. How many meters are on the system you own/operate? N/A
3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A
Time_____ (yrs) $_____
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
Louisville Water Company, Louisville, Kentucky

B. PROGRAM TITLE:
City of Goshen Water System Acquisition

C. CONTRACT SPECIFICS:
1. Contract Number N/A
2. Contract Type Stock Purchase Agreement
3. Period of Performance July 2002 – ongoing
4. Original Contract $ Value $3.6 million
5. Current Contract $ Value _____________________________

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference.

D. BRIEF DESCRIPTION OF EFFORT AS _X_ PRIME OR _SUBCONTRACTOR.
Prior to the Stock Purchase Agreement, Goshen Utilities, Inc purchased wholesale water from LWC for a small portion of their system, and operated their own water treatment system for the remainder. Their water treatment system consisted of three groundwater wells, one operational and two standby wells. Their treatment consisted of a chlorine system and a fluoride system, all in fair to poor condition.

Upon completion of the Stock Purchase Agreement, LWC immediately assumed responsibility for operating all water treatment facilities, storage tanks, pressure reducing stations, pumping equipment, monitoring system hydraulic conditions, and required plant operation regulatory reporting, as well as began preventative maintenance and repairs to the equipment listed above. LWC began sampling, monitoring the distribution water quality, and all required reporting.

LWC operated the Goshen Utilities, Inc water treatment system for about 3 months, until such time as improvements could be completed in the distribution system, allowing the wells and associated facilities to be decommissioned. In the interim, LWC immediately converted the chlorine feed system from a gaseous chlorine system to aqueous chloramine system, installed telemetry remote operation, rehabilitated power distribution systems, and established sampling and reporting protocol until such time as this system could be integrated with the remaining LWC distribution system.

E. COMPLETION DATE:
1. Original Contractual Date: July 2002
2. Current Schedule: N/A
3. Estimated Date of Completion: N/A
4. How Many Times Changed: N/A
5. Primary Causes of Change: N/A
F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:
(Please provide current information on all individuals)

1. Client Representative:
Name: Paula Gish
Office: Deputy Judge Executive
Address: 100 W. Jefferson St., LaGrange, KY 40031
Telephone: (502) 222-9357
E-mail: NA
Fax: (502) 222-3210

G. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.

The Goshen Utilities, Inc water treatment system consisted of a 500 GPM well that supplied a 750,000 gallon ground level storage tank, where chlorine and fluoride were added. There were also two older and smaller standby wells located near the primary well. The chlorine system used a gaseous chlorine drawn from 150 lb. cylinders by injectors. The chlorine room had no scrubbers. The fluoride system used fluorosilic acid. All of these facilities were in fair to poor condition. There was no backup generator system at the treatment plant or pumping system, little backup equipment installed on any of the systems, and little inventory of repair parts or replacement equipment. Power distribution systems did not comply with the current code or normal safety standards. The condition of facilities and equipment and the lack of reliability and redundancy caused frequent system outages. Additionally, fire flows did not meet urban water supply standards.

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.

Jim Smith – Responsible for overall planning and management. Oversees contracts, compliance, and O&M of the facilities.

John Azzara – Responsible for planning, implementation, and direction of maintenance project and resources to ensure reliable, cost-effective operation of water facilities.

Kent Horrell – Responsible for producing and delivering water to customers, which includes operating all storage tanks, pumping equipment, and monitoring system hydraulic conditions, to ensure an adequate supply of safe, reliable drinking water at sufficient pressure and volume.

Rengao Song – Responsible for production and distribution water quality analysis, providing required water quality and water production reports, and ensuring overall water quality compliance, and technical support to operations.

I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.

All of the Goshen Utilities, Inc. water treatment and supply facilities were in fair to poor condition. The well field showed signs of contamination, and the finished water delivered to the customers was of a high hardness, resulting in many of the customers having water softeners. The customers suffered from other water quality issues such as taste and odor problems, discolored water and service interruptions. Storage tank elevations were inadequate to provide acceptable customer water pressures and fire flows in the area were constrained, due to inadequately sized lines.

Upon execution of the purchase agreement, LWC converted the Goshen customers from a free chlorine to a chloramine system, to reduce taste and odor, and discolored water complaints. Additionally, grid ties to the LWC system were completed for LWC water supplies to be the primary system source water to improve water quality and reliability. LWC constructed a new 1 MG elevated storage facility to raise system pressures. Distribution system
facilities were assessed and a repair and replacement program initiated to increase fire flow and system reliability to this area. LWC has spent nearly 6 million dollars in this area for infrastructure improvements.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.

Since this is not a Government project, the FARs do not apply. However, LWC is committed to increasing the effective use of certified small businesses. LWC has a Minority and Women Business Enterprise Program that is used to ensure compliance with any project goals.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.

LWC acquired Goshen Utilities, Inc., successfully transitioned staff and customers, and now operates and maintains the water treatment and distribution facilities.

General
1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer. Indicate if the systems were located on the customer’s site.

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Provide the information requested below for each type of utility operated as part of this project:

Water System
1. What is the average daily flow (gallons per day) for the referenced customer? Approx. 1.2 mgd.
2. What type of treatment occurs at the Water Treatment Plant? These areas are retail customers, and are served from the LWC treatment facilities.
3. What type of storage tanks are operated/maintained (ground/elevated, capacity)?
   - Goshen Standpipe – ground level, .75 mgd
   - Goshen Tank – elevated – 1 mgd
4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   - Time _6_ (yrs) $5 million
VOLUME II: Past Performance – Project Descriptions

Wastewater System
1. What is the average daily flow (gallons per day) for the referenced system? N/A
2. What is the capacity of the WWTP? N/A
3. What is the capacity of the Industrial WWTP? N/A
4. How many pump stations are operated/maintained? N/A
5. How many linear feet of sewage lines are maintained? N/A
6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time____(yrs) $_____

7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer?

Capital Improvements $_____ Inflow/Infiltration Reduction_____%(%)

Electrical System
1. What is the voltage of the system you operate/maintain? N/A
2. How many facilities are served by the system you operate/maintain? N/A
3. What is the length (linear feet) of the overhead distribution system you operate/maintain? N/A
4. What is the length (linear feet) of the underground distribution system you operate/maintain? N/A
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time____(yrs) $_____

Natural Gas System
1. What is the length (linear feet) of the distribution system you own/operate? N/A
2. How many meters are on the system you own/operate? N/A
3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time____(yrs) $_____
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
CH2M HILL, Denver, Colorado

B. PROGRAM TITLE: Fort Campbell, Kentucky, Water and Wastewater Privatization

C. CONTRACT SPECIFICS:
1. Contract Number: Fort Campbell, Kentucky, Water and Wastewater Privatization/ DACA87-00-D-0043
2. Contract Type: Utility Privatization
3. Period of Performance: June 2003, 50-year contract
4. Original Contract $ Value: $700,000,000
5. Current Contract $ Value: $700,000,000

D. BRIEF DESCRIPTION OF EFFORT AS ___ PRIME OR ___ SUBCONTRACTOR.
This contract conveyed ownership, operation and maintenance of the Government-owned water and wastewater systems at Fort Campbell, Kentucky to CH2M HILL. CH2M HILL furnishes all facilities, labor, materials, tools, and equipment necessary to operate, maintain, repair, expand, upgrade, and improve the distribution systems and to provide safe, reliable, adequate, and dependable water and wastewater services to each existing or future connection within the serviced premises, consistently, 24 hours a day, 365 days per year.

Fort Campbell currently treats water taken from Boiling Springs with Red River as the backup source. The raw water pumping station located on Boiling Springs has a pumping capacity of approximately 15.1 mgd with three raw water pumps that pump the water through two 18-inch mains to the water treatment facility. These three 3,500-gallon per minute (GPM) pumps are equipped with 300-horsepower motors. The Red River raw water facility includes an intake pumping station, a diversion structure/intake structure, and a 16-inch pipeline from the station to the water treatment plant. The station has a capacity of 2.5 mgd. Our contract includes water resources responsibilities, which include studies to locate alternative backup water sources.

Fort Campbell distributes the treated water through the Main Cantonment Area via approximately 751,000 feet of water distribution lines ranging from less than 2 to 20 inches in diameters.

The total storage capacity of the water storage tanks is approximately 2.0 million gallons. These tanks provide potable water storage for normal use, fire protection, and emergency uses.

The potable water treatment plant was initially constructed in the 1940s. It is believed that the sedimentation and coagulation basins, two new filters, and additional clearwell storage were added in the 1950s. The current rated capacity of the plant is 7.6 mgd.

Fort Campbell’s existing wastewater treatment plant was initially constructed in the 1940s, with major upgrades occurring in 1976 and 1997. The wastewater treatment plant is capable of treating an average daily flow of 4 mgd. The treatment works include inlet structure with bar screen, grit chamber, primary clarifier, four trickling filters, secondary clarifiers, ultra-violet disinfection system, digester, and sludge drying beds. Treated effluent is disinfected and discharged to Little West Fork Creek.

On June 9, 2003, Task Order 4 was issued for CH2M HILL to assume ownership of the system. Following a 60-day transition period, CH2M HILL successfully assumed full ownership responsibility, including O&M and all services. This work includes:
- Providing day-to-day system operations and continuity of service
- Coordinating routine work (scheduled maintenance, testing, and placement or retirement/removal of system components) with the Public Works Business Center
- Conducting service and trouble calls via a 24-hour service number
E. COMPLETION DATE:

6. Original Contractual Date: June 2003
7. Current Schedule: June 2053
8. Estimated Date of Completion: June 2053
9. How Many Times Changed: 0
10. Primary Causes of Change: N/A

F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:
(Please provide current information on all individuals)

1. Program Manager
   Name: N/A
   Office:
   Address:
   Telephone:
   E-mail:
   Fax:

2. PCO
   Name: Jeanne Shykes, Directorate of Contracting
   Office: ACA Fort Campbell
   Address: Bldg 2174, 13 ½ Street
            Fort Campbell Kentucky 42223-1100
   Telephone: (270) 798-3985
   E-mail: Jeanne.shykes@campbell.army.mil
   Fax: (270) 798-7820

3. ACO
   Name: Sharon Butler
   Office: Huntsville Engineering and Support Center
   Address: 4820 University Square Blvd
            Huntsville AL  35816
   Telephone: (256) 895-1440
   E-mail: sharon.h.butler@hnd01.usace.army.mil
G. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.

Under this contract, CH2M HILL is funding and implementing capital investments necessary to meet operational and regulatory requirements. The projects are typically financed over 10 years; however, the Government may elect to fund projects upfront or buy down the financed principle if money is available. A reversion clause in the contract allowed for the lowest possible financing rate.

The contract includes defined metrics that our performance is measured against. The goal is to measure success at delivering continuous service to the Government in the most efficient manner and with the highest degree of customer satisfaction. Metrics include water and wastewater compliance, safety, customer satisfaction, response time, and asset management.

To ensure quality, 60 percent of the fee for this contract is in the form of an award fee and is based on performance against the metrics. Performance metrics are tracked and reported monthly and our award fee calculation and distribution occurs twice a year. Award fees received to date reflect scores of 91 and 93 percent.

Other unique aspects include:

- CH2M HILL does not own the water rights, but is responsible for the capacity and quality of the water source for Fort Campbell.
- Responsible for funding and implementing any capital investments necessary to meet operational requirements in accordance with applicable local, state, and federal codes
- Provide manned telephone 24 hours/day, 365 days/year that the Government may call to report utility system problems and outages.
- Respond within 45 minutes upon notification of a problem (i.e., we will be onsite with equipment/supplies necessary to assess and make repairs).
- Emergency Operations Plan in place for operations in case of damage from a storm or disaster is widespread.

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.

Key individuals on the Fort Campbell project remain actively engaged on that effort and are unavailable for the APG project.
I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.

Problem: Unanticipated procurements required during a 60-day transition (window air conditioning units, eye wash stations, roll off dumpsters, etc.) to replace equipment on government hand-receipts. Solution: The project manager engaged the entire project team and support from the program office to organize and prioritize purchases. Basic ordering agreements and relationships with local vendors helped streamline the process.

Problem: Major unplanned improvements (new infrastructure for privatized housing) identified during the transition. Solution: The project manager prioritized the projects with customers and engaged the engineering/design staff to expedite improvement planning. Weekly teleconference or face-to-face meetings were held with the housing management team to ensure schedules were met.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.

A Small Business Subcontracting Plan was not required for this contract. However, subcontracts (to small business concerns) to date are $8,989,268 for total small business subcontract expenditures, and 39.8 percent to small businesses.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.

CH2M HILL has accepted full ownership and liability for the Government-owned water and wastewater utility systems at Fort Campbell. Work was implemented in two phases.

CH2M HILL completed Phase I, which required the following activities prior to ownership transfer:

- System Characterization Studies
  - System Inventory, Valuation, Condition Assessment, and Deficiency Identification
  - Environmental Baseline Survey
  - GIS mapping of water valves and meters, fire hydrants, pipes, manholes, lift stations, and grease pits
- Plans and Scope of Work specifications for O&M Activities
  - System Upgrade Plan (short and long term)
  - Annual Service Plan
  - Operations Facility Requirements Plan
  - Safety and Health Plan
  - Staffing Plan
  - Performance Measurement and Verification Plan
  - Quality Assurance and Surveillance Plan
- Regulatory agency notification/submittals for ownership transfer
- Finalization of all easements, licenses, and rights-of-way necessary for system O&M

Phase II consists of ownership transfer and full O&M and capital improvement responsibility for the utility systems. This phase is currently underway and includes follow-on studies of the systems, the results of which will define and quantify improvements needed in the systems.

General

11. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer. Indicate if the systems were located on the customer’s site.
<table>
<thead>
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<th></th>
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<td>WWTP</td>
<td>Yes</td>
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<td>Yes</td>
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<tr>
<td>Industrial WWTP</td>
<td>Yes</td>
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<td>Yes</td>
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<tr>
<td>Above Ground Electrical Distribution System</td>
<td>N/A</td>
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<td>Yes</td>
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<td>Power Generation Facility</td>
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<td>Substations</td>
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<td>Yes</td>
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<tr>
<td>Gas Distribution System</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Yes</td>
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</tbody>
</table>

**Water System**

1. What is the average daily flow (gallons per day) for the referenced customer? Average 4 mgd.
   
   3.69 Average Day Demand (July)
   
   4.34 Maximum Day Demand (July)

2. What type of treatment occurs at the Water Treatment Plant?
   
   Aeration/rapid chemical mix/flocculation/sedimentation/filtration/clearwell/high service pumping
   
   7.6 mgd capacity

3. What type of storage tanks are operated/maintained (ground/elevated, capacity)?
   
   WTP (below grade) = 1.5 MG
   
   Elevated #2 = 0.5 MG
   
   Elevated #3 = 0.5 MG
   
   (note: new 1.25 MG tank under construction will replace tank #2 and 3)
   
   Elevated #4 = 1.0 MG
   
   Destiny Ground Storage Tank=0.5 MG
   
   Sabre Ground Storage Tank=0.75 MG

4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   
   Time_____ (yrs) $_____
   
   W001 – WTP headworks = $303k
   
   W003 – Handrail Upgrade+$429
   
   W016 – Rate of Flow Controllers = $261k
   
   W017 – Chlorine Gas Safety = $1.1M
   
   W018 – Office Space Code Compliance = $190k
W019 – Elevated Storage Tank (under construction)
W020 – Fire Protection/ph 1B and 2 = $906k
W021 – Security Improvements = $577k
W022 – CH2M HILL Building (under construction)

Wastewater System
1. What is the average daily flow (gallons per day) for the referenced system?
   From Robert Neath: 2.08 mgd Average Daily Flow (July)
   3.01 mgd Max Daily Flow (July)
2. What is the capacity of the WWTP?
   NPSDES= 4 mgd
   Fine screen/grit removal/primary clarification/trickling filter/secondary clarification/UV disinfection/cascade aeration/anaerobic sludge digestion/contract dewatering and hauling
3. What is the capacity of the Industrial WWTP? N/A
4. How many pump stations are operated/maintained?
   84 lift Stations in collection system
5. How many linear feet of sewage lines are maintained?
   504673 as presented in 2008 Award Fee Metrics
6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time 1.25 (yrs) $4.5 million (under construction)
   WW001 Secondary Clarifier Rehab = $1.4 M
   WW002 Primary Screening & Scum =$706k
   WW003 – Washracks = $960k (collection system)
   WW004 - Mainline Sewer, Point Repairs, Rehab, Heavy Cleaning = $1.55M (collection system)
7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer?
   Capital Improvements $4 million Inflow/Infiltration Reduction____%)
   %I/I reduction not calculated

Electrical System
1. What is the voltage of the system you operate/maintain?
   N/A
2. How many facilities are served by the system you operate/maintain?
   N/A
3. What is the length (linear feet) of the overhead distribution system you operate/maintain?
   N/A
4. What is the length (linear feet) of the underground distribution system you operate/maintain?
N/A

5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time_____ (yrs) $_____ 

N/A

Natural Gas System

6. What is the length (linear feet) of the distribution system you own/operate?
   N/A

7. How many meters are on the system you own/operate?
   N/A

8. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time_____ (yrs) $_____ 

N/A
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
CH2M HILL, Denver, Colorado

B. PROGRAM TITLE: Fort Gordon, Georgia Army Installation Water and Wastewater Utility Systems Privatization

C. CONTRACT SPECIFICS:
1. Contract Number: SP0600-07-C-8259
2. Contract Type: Utility Privatization
3. Period of Performance: September 2007 - September 2057
4. Original Contract $ Value: $202,518,190
5. Current Contract $ Value: $202,518,190

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference

D. BRIEF DESCRIPTION OF EFFORT AS ___PRIME OR ___X SUBCONTRACTOR.

In September 2007, the Defense Logistics Agency Defense Energy Support Center awarded the City of Augusta (the City) a contract for the Utilities Privatization of Potable Water Distribution and Wastewater Collection Systems at Fort Gordon, GA. This contract conveyed ownership, operation and maintenance of the Government-owned utility infrastructures (water distribution system and wastewater collection system) at Fort Gordon Army Installation, Fort Gordon, Georgia to the City. The City furnishes all necessary labor, management, supervision, permits, equipment, supplies, materials, transportation, and any other incidental services for the complete ownership, operation, maintenance, repair, upgrades, and improvements to these utility systems. The City owns, finances, and manages the utility system and is responsible for providing capital investments and all other resources to provide reliable and dependable service to the Government and tenant connections within the service area, 24 hours a day, 365 days a year.

The City’s utilities department, Augusta Utilities Department (AUD), is responsible for operating and maintaining the utility systems, particularly the potable water distribution and wastewater collection systems.

CH2M HILL assists the City and AUD with the utility system privatization as a subcontractor. CH2M HILL provides engineering and operations and maintenance (O&M) services for the pump stations and the wastewater treatment plant (WWTP). In addition, we also assist the City with financing of the privatization through a multi-year Capital Improvement contract.

The Fort Gordon Water System comprises all appurtenances physically connected to the system and within its demarcated service area including storage tanks, distribution piping, hydrant valves, backflow preventors, and appurtenances. The water treatment plant is not included in this contract, as it will be taken out of service once a reliable connection is established with AUD for water supply. The current water supply, an 84-acre reservoir fed by Butler Creek, is not being privatized and the Government maintains water rights.

The Fort Gordon Wastewater System comprises all appurtenances physically connected to the system and within its demarcated service area, including lift stations and pumps, collection piping, manholes, and appurtenances. It’s 4.0 MGD WWTP and its emergency generator are not included in the contract and will be taken out of service once reliable connection is established to AUD for wastewater conveyance and treatment.

CH2M HILL’s services to Fort Gordon range from water system conditions assessments to assistance with demolition of some existing structures to control system upgrades. Anticipated projects at Fort Gordon include the following:

Water Systems
- WICU1 - Water Meter Installations
- WICU2 - Water System Condition Assessment
- WICU3 - Water System Capacity Analysis
• WICU4 - Water System Master Plan
• WICU5 – Demolish Water Treatment Plant
• WRR1 – Elevated Tank Installation and Demolition
• WRR2 – Initial Replacement of Water Pipe

Wastewater System Projects
• WWICU1 - Fort Gordon Rec Area WWTF
• WWICU2 - Wastewater System Condition Assessment
• WWICU3 - Wastewater System Capacity Analysis
• WWICU4 - Wastewater System Master Plan
• WWICU5 - Lift Station Monitoring System 208 days? Mon 1/1/07
• WWICU6 - Select Wet Well Capacity Upgrades 264 days? Mon 10/16/06
• WWICU7 - Spring Loaded Check Valve Installation 194 days? Mon 10/23/06
• WWICU8 - Demolish Wastewater Treatment Plant 180 days? Mon 11/6/06
• WWRR1 - Lift Station control Panel 187 days? Mon 2/5/07
• WWRR2 - Lift Station Chopper Pump Installation

E. COMPLETION DATE:
6. Original Contractual Date: September 2057
7. Current Schedule: September 2057
8. Estimated Date of Completion: September 2057
9. How Many Times Changed: None
10. Primary Causes of Change: N/A

F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:
(Please provide current information on all individuals)

1. Program Manager (Prime Contractor)
   Name: Drew Goins
   Office: Augusta Utilities Department
   Address: 360 Bay Street, Suite 180, Augusta, GA 30901
   Telephone: (706) 312-4154
   E-mail: dgoins@augustaga.gov
   Fax: (706) 312-4123
2. PCO
Name: Martha Gray, Contracting Specialist
Address: 8725 John J. Kingman Road, Fort Belvoir, VA, 22060-6222
Telephone: (703) 767-9415
E-mail: Martha.Gray@dla.mil
Fax: (703) 767-2382

3. ACO
Name: Jordan Salata, Contracting Specialist
Address: 8725 John J. Kingman Road, Fort Belvoir, VA, 22060-6222
Telephone: (703) 767-8131
E-mail: Jordan.Salata@dla.mil
Fax: (703) 767-2382

4. COR:
Name: Glenn Stubblefield Jr./Chief, Operations & Maintenance
Office: DPWL, Bldg 14600
IMA Garrison: IMSE-GOR-PWO
Address: 15th & Barnes Avenue
Fort Gordon, Georgia 30905-5040
Telephone: (706) 791-6180
Email: Glenn.Stubblefield@us.army.mil
Fax: (706) 791-4222

G. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.
A unique aspect of this program is that concurrent to the privatization contract, Fort Gordon has contracts with AUD to connect to AUD’s water supply and sewer systems. The water and wastewater treatment plants at Fort Gordon will be abandoned once reliable connections have been established. These connection contracts are outside the scope of privatization, and have had delays affecting the staffing support requirements for the privatization contract because the treatment plants are still operational and the contract for the previous operations contractor has ended. AUD and CH2M HILL have worked with Fort Gordon to provide the necessary operations support and CH2M HILL has been working with AUD to construct the connections and oversee the transition.

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.
Key individuals on the Fort Gordon project remain actively engaged on that effort and are unavailable for the Fort Knox project.
I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.

Problem: Unanticipated operations staffing requirements to staff water and wastewater treatment plants which were supposed to have been abandoned by start of contract.

Solution: The project manager engaged CH2M HILL to provide AUD with operations personnel to keep treatment plants operating.

Problem: Due to the length of the procurement process and the changing needs of the base, Fort Gordon requested changes to the scope of the Initial Capital Upgrade projects.

Solution: CH2M HILL is performing a series of studies to assess the capacity and condition of the water and sewer systems and to develop a Master Plan for both systems. This Master Plan will address the revised requirements which AUD will work with the government to implement.

Problem: Significant changes to the inventory were discovered during to the revisions of the GIS and mapping as well as the due diligence performed during transition. In addition, Fort Gordon requested that AUD add additional scope items into the contract after the contract has started.

Solution: The AUD project manager is assembling a proposal for the government to revise the staffing plan to accommodate the changing needs of the base using CH2M HILL as advisors.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.

The Fort Gordon project was issued under an unrestricted procurement and did not require a Small Business Subcontracting Plan to meet restriction-related goals. However, the AUD has been committed to increasing opportunities for local community, including small businesses. Currently there is one subcontract for which a small business firm has been recommended. That contract is currently pending award and its value has not been determined.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.

CH2M HILL is assisting the City of Augusta and the Augusta Utilities Department to accept full ownership and liability for the Government-owned potable water distribution and wastewater collections systems at Fort Gordon. CH2M HILL provides O&M and Bond CIP Program Management services at Fort Gordon and will serve in a similar capacity on the Fort Knox, KY project.

General

1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer. Indicate if the systems were located on the customer’s site.

The answers below reflect CH2M HILL’s role as a subcontractor to the City of Augusta.

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Above Ground Electrical Distribution System | N/A | N/A | N/A | Yes
---|---|---|---|---
Below Ground Electrical Distribution System | N/A | N/A | N/A | Yes
Power Generation Facility | N/A | N/A | N/A | Yes
Substations | N/A | N/A | N/A | Yes
Gas Distribution System | N/A | N/A | N/A | Yes

**Water System**

1. What is the average daily flow (gallons per day) for the referenced customer?
   - 2.56 MGD.

2. What type of treatment occurs at the Water Treatment Plant?
   - The treatment plant consists of a flash mixer, two upflow clarifiers, four anthracite/sand filters, a clearwell, and four high service pumps. Sludge from the upflow clarifiers is sent to a decant tank. The decant water is sent to the wastewater treatment plant along with the filter backwash, and the sludge is sent to drying beds. The plant is in the process of being abandoned as Fort Gordon is connecting to the AUD water supply.

3. What type of storage tanks are operated/maintained (ground/elevated, capacity)?
   - There is a 2.25 MG standpipe and a 500,000-gallon elevated storage tank on Post, both constructed in 1942.

4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   - Time 0.5(yrs) $800,000
   - System characterization studies are in progress to verify the condition and capacity of the system.

**Wastewater System**

1. What is the average daily flow (gallons per day) for the referenced system?
   - 2.5 MGD.

2. What is the capacity of the WWTP?
   - 4.0 MGD. The WWTP will be abandoned shortly and Fort Gordon will connect to the AUD sewer system.

3. What is the capacity of the Industrial WWTP? N/A

4. How many pump stations are operated/maintained?
   - 44 sewer lift stations

5. How many linear feet of sewage lines are maintained?
   - 317,177 lf.

6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   - Time 0.5(yrs) $800,000
   - System Characterization Studies are in progress to verify the condition and capacity of the system.

7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer? No.
Capital Improvements $__________ Inflow/Infiltration Reduction_____(%) N/A

**Electrical System**
1. What is the voltage of the system you operate/maintain?
   
   N/A
2. How many facilities are served by the system you operate/maintain?
   
   N/A
3. What is the length (linear feet) of the overhead distribution system you operate/maintain?
   
   N/A
4. What is the length (linear feet) of the underground distribution system you operate/maintain?
   
   N/A
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   
   Time_____ (yrs) $_____ 
   
   N/A

**Natural Gas System**
1. What is the length (linear feet) of the distribution system you own/operate?
   
   N/A
2. How many meters are on the system you own/operate?
   
   N/A
3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   
   Time_____ (yrs) $_____ 
   
   N/A
October 9, 2008

Defense Energy Support Center
Ms. Angela Mattox
8725 John J. Kingman Road, Suite 4950
Fort Belvoir, Virginia 22060-6222
ATTN: DESC-EA

Subject: Solicitation No.: SP0600-08-R-0803
Privatization of the Potable Water Utility System at Fort Knox Army Installation, Kentucky
Volume I - Technical Proposal - ALTERNATE

Ms. Mattox:

The Hardin County Water District No. 1 (HCWD1) is pleased to submit this proposal for assuming the ownership and operation of the Fort Knox potable water system. HCWD1 is the agency designated to provide utility services in the northern part of Hardin County, around Fort Knox. As a regulated utility by the Kentucky Public Service Commission, HCWD1 serves 10,000 residential and commercial customers and acts as a regional water supplier to two other water systems. The transfer of the utilities at Fort Knox is an unprecedented opportunity for Hardin County and one that would follow the trend of Fort Knox and the local government working together toward well planned and managed water and sewer utilities.

HCWD1 has been involved in a number of endeavors with Fort Knox over the past few years, including ownership and operation of the Fort Knox wastewater and stormwater systems. HCWD1 has also participated with Fort Knox and other water suppliers in Hardin County to carry out long-range water supply planning. This proposal is a natural extension to those efforts to better coordinate water and sewer utilities by placing control of those facilities with Hardin County.

Under our proposal, HCWD1 will be the owner and manager of the potable water system serving Fort Knox. Although many of HCWD1’s staff have water experience, we have formed a team of professionals to handle the ownership transition, immediate system improvements, and operation of the water distribution system. Joining with HCWD1 in this project will be Louisville Water Company (LWC) and CH2M HILL, Inc.

HCWD1 believes that our management expertise and local knowledge, combined with national experts, can provide the best option for Fort Knox to privatize its potable water system. We have conducted an extensive due diligence and field reconnaissance of the water utility and have developed a plan that offers long-term economic benefit and reduction in costs, which are specific goals identified in the Solicitation. Our proposal is presented in four volumes, plus two alternate proposals in two other volumes. This document is Volume I, Technical Proposal - ALTERNATE.
This Proposal remains a valid offer for 300 days from the date of submittal, and we are prepared to work with you to extend this period should it be required. I will remain your primary point of contact for HCWD1 and our Team during the Proposal and bid period, and can be contacted as follows:

Mr. Jim Bruce, General Manager
Hardin County Water District No. 1
1400 Rogersville Road, Radcliff, Kentucky 40160
Telephone: 270.351.3222
Mobile: 270.268.4069
Fax: 270.352.3055
Mail: Jbruce@HCWD.com

We look forward to your review of our Proposal, and I invite you to contact me should you have any questions or need any additional information.

Sincerely,

Jim Bruce
General Manager
Hardin County Water District No. 1
Volume I. Technical Proposal - ALTERNATE

Prepared by:

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

Hardin County Water District No. 1 agrees with all terms, conditions, and provisions included in the solicitation except as highlighted in Volume III, Contract Documentation and agrees to furnish any or all items upon which prices are offered by Hardin County Water District No. 1 in this proposal at the price set opposite each item.

This proposal includes data that shall not be disclosed outside the Government.

**Person(s) Authorized to Negotiate:** Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

**Person(s) Authorized to Sign Proposal:** Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government’s right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are clearly marked with the proprietary legend in the side margin of the page.
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<td>ACM</td>
<td>Asbestos-containing material</td>
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<tr>
<td>ADA</td>
<td>Americans with Disabilities Act</td>
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<tr>
<td>ADF</td>
<td>Average daily flow</td>
</tr>
<tr>
<td>AL</td>
<td>Action limit</td>
</tr>
<tr>
<td>ASCE</td>
<td>American Society of Civil Engineers</td>
</tr>
<tr>
<td>AUD</td>
<td>Augusta Utilities Department</td>
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<tr>
<td>AWWA</td>
<td>American Water Works Association</td>
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<tr>
<td>CADD</td>
<td>Computer-Aided Drafting and Design</td>
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<tr>
<td>CAS</td>
<td>Cost Accounting Standards</td>
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<tr>
<td>CAPS</td>
<td>Corrective Action Prioritization System</td>
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<tr>
<td>CCR</td>
<td>Consumer Confidence Report</td>
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<td>CCTV</td>
<td>Closed circuit television</td>
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<tr>
<td>CFB</td>
<td>Circulating Fluidized Bed</td>
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<td>CFR</td>
<td>Code of Federal Regulations</td>
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<td>CHPP</td>
<td>Central Heat and Power Production</td>
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<td>CIP</td>
<td>Capital Improvement Project</td>
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<td>CLP</td>
<td>Catastrophic Loss Plan</td>
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<td>CM</td>
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<tr>
<td>CMMS</td>
<td>Computerized Maintenance Management System</td>
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<tr>
<td>CMOM</td>
<td>Capacity, Management, Operations and Maintenance</td>
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<tr>
<td>CO</td>
<td>Contracting Officer</td>
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<tr>
<td>COR</td>
<td>Contracting Officer’s Representative</td>
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<td>COTR</td>
<td>Contracting Officer’s Technical Representative</td>
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<td>CPR</td>
<td>Cardiopulmonary resuscitation</td>
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<td>DBP</td>
<td>Disinfection By-product</td>
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<td>DoD</td>
<td>Department of Defense</td>
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<td>Department of Transportation</td>
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<td>Directorate of Public Works</td>
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<td>EIS</td>
<td>Environmental Impact Statement</td>
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<td>Definition</td>
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<tr>
<td>EM</td>
<td>Efficiency model</td>
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<td>EMA</td>
<td>Emergency Management Agency</td>
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<td>U.S. Environmental Protection Agency</td>
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<td>EPCRA</td>
<td>Emergency Planning and Community Right-to-Know Act</td>
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<td>FFO</td>
<td>Funds from Operation</td>
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<td>FTE</td>
<td>Full-time equivalent</td>
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<td>GAAP</td>
<td>Generally Accepted Accounting Principles</td>
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<td>GIS</td>
<td>Geographic information system</td>
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<tr>
<td>gpm</td>
<td>gallon per minute</td>
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<td>HAA5</td>
<td>Haloacetic acids</td>
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<td>HBCU/MI</td>
<td>Historically Black College or University/Minority Institution</td>
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<td>HCWD1</td>
<td>Hardin County Water District No. 1</td>
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<td>HDS</td>
<td>Heat distribution system</td>
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<td>HVAC</td>
<td>Heating, ventilation, and air conditioning</td>
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<td>I&amp;C</td>
<td>Instrumentation and control</td>
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<td>I&amp;I</td>
<td>Inflow and infiltration</td>
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<td>ISDC</td>
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<td>JHA</td>
<td>Job Hazard Analysis</td>
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<td>KAR</td>
<td>Kentucky Administrative Registry</td>
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<td>Kva</td>
<td>Kilovolt-ampere</td>
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<td>Kvar</td>
<td>Kilovolt-ampere-reactance</td>
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<tr>
<td>kW</td>
<td>kilowatt</td>
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<td>KYDOW</td>
<td>Kentucky Division of water</td>
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LBP  Lead-based paint
LF  Linear feet
LLC  Limited Liability Company
LWC  Louisville Water Company

mg/L  Milligrams per liter
MAIFIE  Momentary Average Interruption Event Frequency Index
MBE  Minority Business Enterprise
MCA  Military Construction Army
MEL  Master Equipment List
MIS  Management information system
MG  Million gallons
mgd  million gallons per day
MP  Military Police
MSDS  Material safety data sheets
MUS  Municipal Utilities System
Mw or MW  megawatts
Mwhrs  Megawatt-ours

NARUC  National Association of Regulatory Commissioners
NAWC  National Association of Water Companies
NDE  Non-destructive examination
NEC  National Electric Code
NESC  National Electric Safety Code
NFPA  National Fire Protection Safety Code
NPDES  National Pollutant Discharge Elimination System
NTP  Notice to Proceed

O&M  operations and maintenance
OMA  Operations and Maintenance Army
OSHA  Occupational Safety and Health
O/W  Oil-water

PCB  Polychlorinated biphenyls
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<td>PdM</td>
<td>Predictive maintenance</td>
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<tr>
<td>PE</td>
<td>Polyethylene</td>
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<td>PE</td>
<td>Probability of Effectiveness</td>
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<td>PJHB</td>
<td>Pre-Job Hazard Briefing</td>
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<tr>
<td>PM</td>
<td>Preventive maintenance</td>
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<tr>
<td>POC</td>
<td>Point of Contact</td>
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<td>PPE</td>
<td>Personal protective equipment</td>
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<tr>
<td>PSC</td>
<td>Public Service Commission</td>
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<tr>
<td>PVC</td>
<td>Polyvinyl chloride</td>
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<td>QA/QC</td>
<td>Quality Assurance/Quality Control</td>
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<td>R&amp;R</td>
<td>Renewal and replacement</td>
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<td>RCN</td>
<td>Replacement cost new</td>
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<td>RFP</td>
<td>Request for Proposal</td>
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<td>SB</td>
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<td>Small Business Administration</td>
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<td>SCADA</td>
<td>Supervisory Control and Data Acquisition</td>
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<td>SCBA</td>
<td>Self-contained breathing apparatus</td>
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<td>SDB</td>
<td>Small disadvantaged business</td>
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<td>SDWA</td>
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<td>SOP</td>
<td>Standard Operating Procedure</td>
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<td>SWMU</td>
<td>Solid waste management unit</td>
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<td>TDH</td>
<td>Total dynamic head</td>
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<td>THM</td>
<td>Trihalomethanes</td>
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<td>UAW</td>
<td>Unaccounted for water</td>
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<td>Uniform Process Control Procedures</td>
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<td>US Army Corps of Engineers</td>
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<td>VFD</td>
<td>Variable frequency drive</td>
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<td>Veteran-owned small business</td>
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<td>WBE</td>
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<td>Water Environment Federation</td>
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<td>Woman-owned small business</td>
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Executive Summary

The privatization of the potable water treatment and distribution system serving the Fort Knox Army Installation in Kentucky is a project that presents many challenges, as well as many opportunities. A project such as this demands the expertise of a utility services provider that understands the local community, environment, and regulations. Risk is reduced with a utility that has an established reputation of quality service. It also demands an understanding of the privatization process, and a team with a proven record of performance in the operation, maintenance, management, and ownership of water utilities. These are the reasons that the Hardin County Water District No. 1 (HCWD1), in partnership with Louisville Water Company (LWC) and CH2M HILL, provides the best choice in terms of forming a long-term partnership of privatization for the water facilities at Fort Knox (Exhibit ES-1).

Together, this team brings approximately 500 resources located within 40 miles of Fort Knox. We will be a highly-responsive and accountable partner for the project duration. Furthermore, our Kentucky-owned and -operated companies currently provide utility-related services to Fort Knox (Exhibit ES-2 on the following page), as well as Fort Campbell, Fort Irwin, and Fort Gordon. Our team members are intimately familiar with nuances of the installation and mission requirements of the military community.

**EXHIBIT ES-1**

**HCWD1 Team Benefits**
The strengths of the HCWD1 team provide unparalleled expertise and knowledge to the Fort Knox program.

Our previous experience with the Government provides knowledge of Fort Knox’s policies and procedures thus eliminating the learning curve required to become familiar with your systems.
Executive Summary

**HCWD1 and LWC Retail Service Area**

Our team’s service area includes metro-Louisville and the area surrounding Fort Knox and demonstrates our ability to provide quality drinking water to the local community.

**Hardin County Water District No. 1**

HCWD1 is recognized for the exceptional quality and value that we have provided during delivery of more than 50 years of operations in Kentucky. HCWD1 was established in 1952 and currently has over 240 miles of main water lines, a 3-million-gallons-per-day (mgd) water treatment plant (WTP) and provides quality drinking water to over 30,000 people daily. Since the Government selected HCWD1 to own and operate its sanitary and storm sewer systems, HCWD1 also now owns the 6-mgd Fort Knox Wastewater Treatment Plant (WWTP) on Post. On the following page, Exhibit ES-4 briefly highlights some of the accomplishments achieved under this contract.

HCWD1 also has wholesale connections with four other surrounding water systems. HCWD 1 also owns a 5.2-mgd water pump station with a 1.25-million-gallon water tank on base, from which it is able to purchase Fort Knox water and pump into their system, and to several other consecutive systems in the region. In 2008, the City of Radcliff also turned over its sanitary sewer system, serving 8,900 homes, to HCWD1.

Positive client feedback is a key indicator of past performance and future success, as attested by the Kentucky Rural Water Association (Exhibit ES-3) about HCWD1’s commitment to customer-focused and cost-effective services.

**Louisville Water Company**

LWC has provided water service to the Louisville community continuously since 1854. Although originally formed as a private company, LWC has been solely owned by Louisville Metro since 1906. LWC is a nationally recognized utility with demonstrated competence in all areas of water utility operations and management. LWC is an industry leader in customer satisfaction, water quality and treatment research, drinking water regulatory compliance, infrastructure renewal, and geographic information systems.

**EXHIBIT ES-3**

Kentucky Rural Water Association Client Testimonial

HCWD1’s history of successfully delivering quality services demonstrates their capabilities and commitment to their clients.
Executive Summary

LEGACY OF EXCEPTIONAL SERVICE
HCWD1’s Fort Knox Accomplishments

HCWD1 has successfully managed the Fort Knox sewer and stormwater systems since 2005. The following are brief highlights of the team’s accomplishments which results from the dedication of their capable resources.

- Developing and updating a GIS map for the sanitary sewer system, identifying 416,000 linear feet (lf) of line and 1,900 manholes; these figures exclude lateral lines which are being added over time. The system includes a manhole and line segment numbering system, which allows information to be tracked both on the GIS system and in the work order system.
- Performing a Sewer System Evaluation Study for the entire sanitary sewer system, with emphasis on Basins II and VIII.
- Numerous major maintenance items were completed at the wastewater treatment plant and collection system including:
  o Conversion from gas chlorine to sodium hypochlorite
  o Installation of sodium bisulfite and sodium hypochlorite chemical feed systems
  o Installation and under budget startup of the Trojan UV3000 Plus ultraviolet disinfection system
  o SCADA design and installation
  o Rebuilding of water reuse pumps
  o Manhole, catchbasin, culverts, headwalls rehabilitation and repair
  o Lift station study, design, and installations

We will bring the same commitment to the Fort Knox water system.

EXHIBIT ES-4
HCWD1’s Legacy of Service to Fort Knox

LWC’s water source is the Ohio River, an abundant, reliable supply. LWC serves 810,000 people in the metro-Louisville area and parts of Bullitt and Oldham counties. LWC also serves seven nearby water utilities, including Fort Knox. LWC’s two WTPs have a combined capability of 240 mgd. Currently, LWC water quality exceeds all regulatory standards for drinking water and was recognized by AWWA for the Best Tasting Water in America (Exhibit ES-5). In addition to serving Metro Louisville, LWC has a proven track record in acquiring, owning, and operating water systems in other communities.

EXHIBIT ES-5
LWC received the AWWA Award for “Best Tasting Water in America” in 2008.

AWWA’s “Best Tasting Water in America” Award, 2008

In 2008, Louisville Water Company (LWC) won AWWA’s regional and national title as the Best Tasting Water in America.

“We are dedicated to making safe, affordable, great tasting drinking water every day.”
- Greg Heitzman, LWC President
Executive Summary

CH2M HILL

As the nation’s top ranked engineering firm (Engineering News-Record, 2008), CH2M HILL’s experience in utility privatization projects provides unique capabilities to support the HCWD1 team. CH2M HILL’s experience with both the Army and Navy provides approaches to system maintenance and enhancement that the Army has accepted as providing quality service, a high level of systems reliability, and best practice technology for long-term performance.

CH2M HILL has more than 60 years of demonstrated excellence in delivering water projects. From completing its first project in 1946 to delivering award-winning projects today, CH2M HILL has built a reputation as an industry leader and continues to provide top-quality services to its clients.

As stated in our team charter (Exhibit ES-6), we are committed to your program and to applying our skills, expertise, and resources to assist the Government and provide cost-effective, reliable, high-quality water services to the Fort Knox community.

EXHIBIT ES-6
Team Charter
Our team is fully committed to provide cost-effective, reliable, high-quality water to the Fort Knox community.

The comprehensive service capabilities, team roles, and project responsibilities of the HCWD1 team are highlighted below.
Executive Summary

Base and Alternate Proposal Submission

HCWD1 has included an Alternate Proposal that we believe will add substantial value to the Government’s mission at Fort Knox. Therefore, there is a separate Volume I (Technical Proposal) and Volume IV (Price Proposal) for the alternate.

Base Proposal

The Fork Knox water system includes WTPs: the Central WTP and the Muldraugh WTP. The Central WTP’s source water supply is from an intake located on Otter Creek. Although the WTP has a treatment capacity of 3.5 mgd, the Kentucky Division of Water permit allows source withdrawals between 2.0 and 3.4 mgd, depending on the month. The maximum average annual withdrawal amount is 2.65 mgd. During drought years when water is needed the most, the KDOW can temporarily alter the conditions of the permit and reduce the amount of flow that can be withdrawn. During the drought of 1999, the flow in Otter Creek decreased to 4.9 mgd, threatening the safe yield from this water source. In order to augment the surface water supply, a connection to the well fields was constructed, which utilized the 14-inch raw water main owned by HCWD1.

The Muldraugh WTP’s source water can be supplied from either the three wells owned by HCWD1 or the 12 wells owned by the Department of the Army (DOA). Given the high levels of chlorides in the raw water from several wells in the DOA well field, coupled with the poor condition of the Muldraugh WTP, the Army is planning to replace the potable water capacity at the Muldraugh WTP with purchased water from a local municipality. The Army does not plan to expend any significant amount of funding at the Muldraugh WTP because the alternative potable water source will be provided within the next 5 years.

This proposal assumes that the Army will purchase the equivalent amount of water that is currently produced at the Muldraugh WTP directly from the local municipality, and the cost of such commodity is therefore not included with this proposal. At the time the Muldraugh WTP is decommissioned, the operations and maintenance staff will be transferred to other facilities owned and operated by the Louisville Water Company.

Alternate Proposal

Our team is uniquely capable of providing an alternate proposal that meets the Army’s long term strategic objectives with the following additional benefits:

- **Reduced Cost.** This alternate proposal allows Fort Knox to participate in a regional water supply program with minimal capital investment and substantial savings over the life of the project, as presented in Volume IV Pricing Proposal - Alternate.
- **Price Stability.** LWC is able to provide a continuous investment in its water system while maintaining stable water rates. Over the past 18 years, the wholesale water rate increased much lower than the Consumer Price Index, as shown in Exhibit ES-8.
- **Improved Reliability.** LWC has a virtually unlimited water supply, treatment and distribution system with a total capacity of 240 mgd. LWC currently has 35 mgd of available peak day capacity from a dependable water source (Ohio River).
- **Improved Water Quality.** HCWD1 would replace the current water supply at Fort Knox, which is faced with water quality concerns, with high quality drinking water from LWC.

The significant feature of the alternative proposal is the replacement of the capacity of the Central WTP with a water supply through a partnership formed by HCWD1 and LWC. To provide this service, LWC would fund the extension of their 16-inch water main on Dixie Highway to the West Point well field. Once the water supply is at the well field, a 5 mgd booster pump station would be constructed. The cost of the pump station would be shared by the Army and our team. Since 3.5 mgd of the pump station capacity would be dedicated to the Fort Knox water system to replace the capacity of the existing Central Plant, our team would fund 30 percent of the cost of the pump station.

The LWC/HCWD1 partnership would also clean and disinfect their existing 14-inch raw water main and convert it into a finished water transmission main. Similarly, the cost to install sodium hypochlorite disinfection facilities will be shared. These facilities are
needed to convert the disinfectant residual from chloramines to free chlorine. The capacity of these facilities in excess of 3.5 mgd would be dedicated to supply HCWD1.

Although the Central WTP would be decommissioned, the historic WTP building (Building 1205) will be maintained. The process equipment will be removed and the tanks will be leveled and filled with soil to level grade. Once the Central WTP is decommissioned, several projects listed in the Government Recognized System Deficiencies (J1.12) will no longer be needed, such as the new water line from the Muldraugh WTP to the 16-inch raw water line, repairs to the Otter Creek Pump Station, Automatic Transfer Switch at Otter Creek Pump Station, and the line between Otter Creek and the Central WTP.

Proposal Organization
HCWD1 is the proposed owner, financier, operator, and manager of all of the Fort Knox utility systems (water treatment and distribution). HCWD1 has prepared this proposal in accordance with Section L of the RFP. Assumptions made during the preparation of this response are provided in Attachment I-1. The following volumes specifically address all RFP requirements:

- Volume I – Technical Proposal (and separate alternate volume)
- Volume II – Past Performance
- Volume III – Contract Documentation
- Volume IV – Price Proposal (and separate alternate volume)

In Volume I, each of the following technical capability subfactors 1-5 are addressed.

1. Service Interruption/ Contingency Plan
In Subfactor 1, HCWD1 has developed a comprehensive Service Interruption/Contingency Plan that extends the water distribution services we provide on a daily basis in local community. We bring a team of experienced staff and the resources to respond immediately with a service call center that is staffed 24 hours a day, 7 days a week (24/7). Our objective at Fort Knox is to ensure continuous, dependable, and reliable water to the Fort Knox community. In this Plan, we provide an overview of the proven operating procedures we propose to implement to address any short-term or long-term service disruptions and ensure services are provided 24 hours a day.

2. O&M/Quality Management Plan
The O&M/Quality Management Plan (Subfactor 2) has been developed to ensure no service interruptions occur in the Fort Knox water distribution systems. With a team that includes certificated water operators, there will be no compromise in quality or reliability. Likewise, cross-training will ensure sufficient depth and redundancy of resources. Our proposed plans address how the performance standards and/or specifications outlined in the RFP will be met. The plan is based upon our proven utilities management programs that have resulted in our team members being quality providers of utility services in Kentucky. The HCWD1 team brings technical experts readily available to solve any problems that might be encountered. Collectively, we have been providing utility and construction services in Kentucky for over 150 years.

3. Capital Upgrades and Renewals and Replacements Plan
In Subfactor 3, HCWD1 is proposing a Capital Upgrades and Renewals and Replacements Plan that will enhance the reliability of the Government’s utility systems and reduce O&M needs. We have proven expertise in developing and implementing these plans. We are confident that the initial capital upgrades and renewals and replacements outlined in Subfactor 3 and the application of our proven methodology for future renewals and replacements will serve the Government well through the duration of this contract—providing utility systems that meets or exceeds the Government’s performance standards for quality, reliability, and cost-effectiveness.
4. Operational Transition Plan

In our proposed Operational Transition Plan in Subfactor 4, HCWD1 has provided a deliberate and phased approach to achieve a smooth transition from Fort Knox’s operations to HCWD1’s ownership and operation. Our transition plan will provide for a systematic transfer of assets and operational responsibilities without risk of degrading the quality or reliability of the utility services. In this proposal, we highlight our acquisition experience and how we were able to hire the necessary staffing and transfer all O&M responsibilities within a 365-day period without any reduction in service to the utility customers.

5. Financial Strength

HCWD1 has the financial strength and capability to finance the cost of Initial System Deficiency Connections (ISDCs), renewals and replacements, and operating costs, and to provide the long-term price and service stability the Government desires. HCWD1 is a special state government sub-district, organized under Kentucky Revised Statutes Chapter 74 and is regulated by the Kentucky Public Service Commission (KPSC). This utility has both positive growth and financial stability. Our financial capacity is proven by the strong growth in operating income and our 2008 projected debt to capital ratio of 0.24. HCWD1 has combined assets of $65 million and strong financial balance sheets. Strong growth in earnings, reduction in debt, healthy balance sheets and substantial assets, through all these we bring the financial strength and capability to fulfill all financial and bonding requirements of the Fort Knox utilities privatization. Our financial strength and stability is reflected in both, HCWD1 and LWC’s, ability to continuously maintain retail water rates as illustrated in Exhibits ES-7 and ES-8.

EXHIBIT ES-7
HCWD1’s Historical Retail Rates
HCWD1 has the financial strength required for the Fort Knox privatization project and long-term price and service stability the Government desires.
Benefits to the Government
The HCWD1 team is comprised of Kentucky-owned and operated companies that are committed to our community and bringing efficient, reliable and cost effective utility services to the Army while sustaining the mission of Fort Knox. By selecting HCWD1 as your utility service provider, the Government will realize the following benefits.

- **Reliability.** Hiring a Kentucky-based, regulated utility with a thorough understanding of privatization and experience working at military installations, including Fort Knox, ensures that utility services for the Fort Knox water distribution system will be managed efficiently from Day 1. We have performed every task required for utility services in previous projects. The benefit to the Army is a minimization of costs and reliable, long-term utility services.

- **Reduced Risk and Regulated Utility Model.** HCWD1 is a regulated utility with a history of successfully providing similar services to Fort Knox. Our team brings regulated utility models in water as well as the relevant certifications in the State of Kentucky. HCWD1 understands and complies with the high standards set and enforced by regulators in the State.

- **Quality.** The HCWD1 team has been the recipient of numerous awards for innovation and excellence as well as commitment to the community. Recent accolades are listed in below.

<table>
<thead>
<tr>
<th>Since 2000, HCWD1’s awards have included:</th>
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<tbody>
<tr>
<td>- 2000 First Place Award for Marketing and Customer Relations, American Water Works Association Kentucky/Tennessee Chapter</td>
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<tr>
<td>- 2000 Design Honor Award for Ft. Knox Interconnected Pump Station, American Council of Engineering Companies/Kentucky Council of Engineering Companies</td>
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<tr>
<td>- 2001 Recognition for Excellent Customer Service by the Kentucky Senate</td>
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<tr>
<td>- 2001 Second Place Award for Marketing and Customer Relations, American Water Works Association Kentucky/Tennessee Chapter</td>
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<tr>
<td>- 2002 First Place Award for Internal Relations by American Water Works Association Kentucky/Tennessee Chapter</td>
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<td>- 2003 Award of Excellence for Safety by the American Water Works Association Kentucky/Tennessee Chapter</td>
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<tr>
<td>- 2004 Nominee for Public Water System Excellence Award by EPA Region 4</td>
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<td>- 2005 Selection as one of the Top 3 “Best Tasting Water” in Kentucky by the Kentucky Rural Water Association,</td>
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<tr>
<td>- 2007 Recognized as having a “Totally Optimized Water Plant” by KY Division of Water</td>
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<tr>
<td>- 2007 Finalist for Wooden Bucket Award, U.S. Department of Agriculture</td>
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<tr>
<td>- 2008 Award of Excellence by American Water Works Association Kentucky/Tennessee Chapter</td>
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Exhibit ES-8
LWC’s Wholesale Water Rates
Our history of stable water rates provides confidence in our financial strength and demonstrates our commitment to providing cost-effective services now and in the future.
## Executive Summary

### The HCWD1 Team - Brings the Best Value and Lowest Risk to the Government

Our team was assembled and structured to provide the best value and lowest risk to the Government for this important project. As a result, when measured against the Section M of the RFP “Evaluation Factors for Award” all criteria are met and exceeded by our team.

### FACTOR 1: TECHNICAL CAPABILITY

<table>
<thead>
<tr>
<th>Sub-factor and Evaluation Criteria</th>
<th>HCWD1 Team’s Qualifying Attributes</th>
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| **Sub-factor 1: Service Interruption/Contingency and Catastrophic Loss Plan**  
Will be evaluated for the degree to which it ensures an appropriate, efficient and effective response to service interruptions and contingencies and catastrophic system losses. | ✓ The proximity of HCWD1 teams near Fort Knox will allow us to be highly-responsive and provide additional resources during emergencies.  
✓ We bring proven procedures and policies that have successfully been applied to similar operations at military installations including Fort Knox and are based upon water distribution codes and standards for operating utilities in Kentucky.  
✓ Team includes key senior managers (Jim Bruce and Brett Pyles) that were instrumental in the privatization of the Fort Knox wastewater and storm water systems as well as other local municipal systems.  
✓ Technical support provided by highly experienced operations personnel with more than 30 years operating a water utility.  
✓ Dedicated project team that includes health, safety, engineering, environmental, construction, system operations, and maintenance personnel.  
✓ Access to a local resource base of approximately 500 supported by more than 25,000 global resources with utility expertise to solve any problems that could arise.  
✓ An Emergency Restoration Plan that addresses emergency situations to eliminate any confusion for first responders.  
✓ Experience managing $450 million disaster response effort after Hurricane Katrina and Rita, utilizing 800 CH2M HILL employees and 600 temporary workers. |
| **Sub-factor 2: Operations and Maintenance Plan/Quality Management Plan**  
Will be evaluated for the degree to which it ensures appropriate, efficient and effective operation and maintenance of the utility system(s) and a superior level of quality. | ✓ We currently operate and maintain the Fort Knox wastewater and stormwater system in addition to operating utilities for other clients in Kentucky.  
✓ We currently provide similar services to other military installations including Fort Gordon, Fort Campbell, and Fort Irwin.  
✓ Operators in HCWD1 and LWC average more than 20 years of experience in respective utility areas. In-house utility operators are among the highest qualified; based upon state certifications within the entire state.  
✓ Our O&M Plan leverages the leadership and experience of three industry leaders, committed to ensuring Fort Knox’s Water System is ready and capable to meet the needs of the Fort Knox community. |
Executive Summary

Sub-factor 3: Initial System Deficiency Corrections and Initial Renewals and Replacements Plan
Will be evaluated for the degree to which it supports the long-term ability of the utility system(s) to provide utility service(s).

- Vested members of the local communities, Kentucky-based and -operated firms are committed to the long-term success of the utility system(s).
- The HCWD1 team has extensive experience in operations in the local area.
- We have established relationships with the state and Environmental Protection Agency (EPA) in regards to permitting and construction of utility systems.
- Financial strength and steady wholesale water rates.

Sub-factor 4: Operational Transition Plan
Will be evaluated for the degree to which it will ensure an effective and efficient transition.

- HCWD1’s experience with the privatization of Fort Knox’s wastewater and stormwater system.
- Team’s collective experience transitioning operations for other municipalities and Government facilities.

Sub-factor 5: Financial Strength
Will be evaluated for stability and adequacy to satisfy the long-term capital requirements for owning, operating, and maintaining the utility system(s). This is to be reflected in documented evidence that the Offeror is in sound financial condition and has the ability to secure the necessary financing now and in the future.

- HCWD1 has a strong financial and managerial network to provide the capital investment, purchasing power, and financial capability necessary for the success of this project.
- Total assets of HCWD1 exceed $65 million.

FACTOR 2: PAST PERFORMANCE

Will be evaluated based on the degree to which current and previous (within the past 5 years) contract efforts indicate the probability of the Offeror successfully accomplishing contract requirements throughout the performance period. The currency and relevancy of the information, source of the information, context of the data, and general trends in Offeror’s performance will be considered. In the case of an Offeror without a record of relevant past performance or for whom information on past performance is not available, the Offeror will not be evaluated favorably or unfavorably on past performance. However, a higher rating may be achieved if the Offeror proposes management personnel who have a successful record of performance on relevant and recent contracts, or if a proposed subcontractor (who will be performing a significant portion of the work) has a “very good” or better performance history on relevant and recent contracts. Offerors are advised that the Government may use information gained from any source known to the Government to evaluate past performance, provided such information is recent (within the past 5 years). However, the Government reserves the right to only consider the Contractor’s performance under Government or DESC contracts. If any past performance information provided by the Contractor is utilized in evaluating the Offeror’s proposal, a past performance questionnaire will be utilized to contact references and rate proposals.

- The HCWD1 team brings experience in all areas required by the RFP—unmatched by any other competitor.
- HCWD1’s history of successfully managing and operating the Fort Knox systems – including team members Jim Bruce and Brett Pyles.
- Our team has experience in utility reconstruction on Army bases including Fort Gordon, Fort Irwin, and Fort Campbell.
- Team’s current and previous contracts with the Army prove the team’s ability to successfully implement this contract.
- Utility system capital upgrades of the types needed at Fort Knox have been successfully implemented for other clients by the HCWD1 team.
- HCWD1 has the financial capacity to undertake the proposed utility privatization of Army installations.
Executive Summary

FACTOR 3: RISK

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<thead>
<tr>
<th>Sub-factor and Evaluation Criteria</th>
<th>HCWD1 Team's Strengths and Attributes</th>
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<tr>
<td><strong>Subfactor 1: Performance</strong></td>
<td>✓ HCWD1 is proposing as a regulated utility for all utility services.</td>
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<tr>
<td>Proposals will be evaluated on the degree to which award of a contract would present a risk of degradation of the quality of utility service(s).</td>
<td>✓ HCWD1 is Kentucky-owned and -operated. Our local presence ensures qualified and certified operators, technical experts, and resources (materials, spare parts, trucks, etc.) are available to respond in any emergency.</td>
</tr>
<tr>
<td></td>
<td>✓ Collectively, the HCWD1 team provides approximately 500 local resources with diverse skills and capabilities to fulfill any project need.</td>
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| Subfactor 2: Assurance of Long-term Price and Service Stability | ✓ HCWD1’s proposal will provide a regulated rate for utility services. |
| Proposals will be evaluated on the degree to which long-term price and service stability are enhanced as a result of regulation by an independent federal, state or local regulatory authority with jurisdiction over the applicable utility service. | ✓ There are no set increases in rates. Should costs rise, HCWD1 will petition for a rate increase that will be subject to public comment. We will consult with the Army in this process. |
| | ✓ We have already negotiated regulated utility coverage for wastewater services with the Army at Fort Knox. Since the regulated structure was implemented, there have been no issues on rates, service or responsiveness. |
| | ✓ As illustrated in Exhibits ES-7 and ES-8, both HCWD1 and LWC have stable water rates which provides long-term price and service stability. |

| Subfactor 3: Cost Realism | ✓ Our team brings extensive experience providing required utility services and has a clear understanding of the requirements of the scope of this RFP. |
| A cost realism analysis will be performed in accordance with FAR 15.404-1(d)(3). Realism will be based on an evaluation of the information provided in support of the offer price to determine if the prices reflect a clear understanding of the requirements; are consistent with the various elements of the offer’s technical proposal; are not unbalanced; and are neither excessive nor insufficient for the effort to be accomplished. Reasonableness will be determined based on prices submitted by the competition, current market conditions, and comparison to the Government estimate, as appropriate. | ✓ By providing these utility services under the regulation, the Army will be assured that rates it pays for utility services are just and reasonable. |
| | ✓ Commodity options with pricing have been provided to demonstrate to the Government additional cost savings. |

| Subfactor 4: Other possible long-term costs and benefits to the United States, if the conveyance affects separate contract relationships, particularly for commodities. | ✓ LWC will provide the optimal level of staffing to meet the daily operating requirements of the water treatment plants, and yet have a depth of resources readily available when needed (base and alternate). |
| | ✓ At the time the Muldraugh WTP is decommissioned, LWC is able to transfer the operators to other treatment facilities within their system, thus reducing the transition cost to the Army (base). |
| | ✓ At the time the Muldraugh and Central WTPs are decommissioned, LWC is able to transfer the operators to other treatment facilities within their system, thus reducing the transition cost to the Army (alternate). |

FACTOR 4: SOCIOECONOMIC PLAN

Will be evaluated based on the degree to which an Offeror’s proposal demonstrates the commitment to use, in performance of the offered requirements, Small Businesses (which include Small Businesses, Small Disadvantaged Businesses, HUBZone Small Businesses, Women-owned Small businesses, and Veteran-owned small businesses) and/or Historically Black Colleges/Universities or minority Institutions (HBCUs/MIs).

| | ✓ HCWD1 is a special state government sub-district, organized under Kentucky Revised Statutes Chapter 74 and is regulated by the KPSC. |
| | ✓ As a Kentucky-owned and -operated team, we bring a commitment to utilize experienced and local small businesses for support services. Our Socioeconomic Plan has been prepared in accordance with RFP Section L.6.3.3 and includes small business utilization goals set forth by statutory requirements. |

USE OF THIS SHEET IS SUBJECT TO THE RESTRICTION ON THE TITLE PAGE OF THIS PROPOSAL.
## FACTOR 5: PRICE

For Price Schedule B-1, the total evaluated price (Price Schedule and Price Schedule Data Sheets, as applicable) will be the net present value of the stream of monthly payments the Government is expected to make to the Contractor over the 50-year contract period. Each monthly payment will be calculated by crediting the total monthly payment (the Applicable Tariffs including ISDCs/connection charge(s) and initial renewals and replacements and the recoverable portion of the purchase price expressed in the price proposal) by the purchase price CLIN 0001. Present values will be calculated using the discount rate specified in Appendix C of OMB Circular A-94 (current issue at the time proposals are due).

- HCWD1 has provided the appropriate Price Schedules B-1 and supporting data sheets in order for the Government to be able to evaluate tour price proposal.
- As requested in the RFP, we are providing our tariff proposal. Additionally, detailed pricing data are provided in Schedule 5 for the 50-year contract period.
- As a regulated utility HCWD1 rates must be based on fair and reasonable costs. Further, as a customer of a publicly regulated utility, the Army will have the right to intervene and provide input both for and against any issues in all RCA proceedings.
- HCWD1 has an existing contract to treat the Fort Knox wastewater under a tariff approved by the RCA.
I.1 Service Interruption/Contingency Plan

Hardin County Water District No.1 (HCWD1) has prepared this Subfactor in a manner that provides a comprehensive approach to continuity of service. Our approach addresses both the short-term responses to individual service disruptions that may occur and the long-term provision for service continuity.

The service interruption and contingency plan contains the following elements:

- Procedures and Provisions for Reacting to All Service Interruptions
- Resources to be Utilized in the Implementation of the Procedures Described in the Plan
- Detailed Contingency Plan
- Estimated Response Times
- Procedures for Handling Service Calls
- Re-establishment of Temporary Service
- Reestablishment of Permanent Service
- Emergency Restoration Plan
- Installation of Specific Requirements
- Possible Causes for Service Interruptions and Response Plans
- Catastrophic Loss Plan

I.1.1 Procedures and Provisions for Reacting to All Service Interruptions

It is our objective and commitment to provide dependable, continuous, and reliable water service to Fort Knox 24/7. HCWD1 will be ready to respond to emergency situations upon notification through our call center. The initial contact person to be notified is the Distribution Supervisor who will be responsible for contacting and dispatching appropriate maintenance personnel.

HCWD1 will operate the facilities to accepted Federal, State, and industry standards, including those published by the American Water Works Association (AWWA), the National Electric Code (NEC), National Electric Safety Code (NESC), American Society of Civil Engineers (ASCE), and the National Fire Protection Association (NFPA). These referenced documents will be maintained in our on-Post office and will be available to appropriate staff. Selected standards and codes we use and consider in developing upgrades are listed in Exhibit I.1-1.

Standard Operating Procedures (SOPs) will be tailored to Fort Knox and address all aspects of service interruption. These SOPs outline specific procedures for each type of interruption, as well as contingency plans for restoration of services. These SOPs will be maintained on-Post and readily available to all personnel and will be reviewed and updated on a regular basis. All staff will be trained regularly in the procedures outlined in the SOPs so that in the event of a service interruption, restoration of services will be completed in a minimal amount of time. SOPs developed for the facility will also incorporate emergency operating considerations (See Sections 1.3 and 1.4 for additional discussion).

EXHIBIT I.1-1
Typical Codes and Standards for Operating Utilities

| DIPRA Handbook | Water Distribution Operator’s Handbook |
| Water Supply Operations—Volume 3 | OSHA |
| Kentucky OSH | Kentucky Plumbing Code |
| Kentucky Electric Code/Life Safety Code | Americans with Disabilities Act (ADA) |
| Federal Codes and Regulations including CFR 141 and 143 | EM 385-1.1 USACE Safety and Health Requirements Manual |
| Industry Standards for Water Facilities | AWWA Recommended Practices |
| AWWA C502-94 | AWWA C500-983 |
| AWWA C700-95 | NESC Codes |
| KDOW Title 401 KAR Chapter 8 Water Regulations | U.S. Public Health Service Standards |
| Army and Fort Knox Regulations | National Fire Protection Association Codes and Standards |
| Military Handbooks including MIL-HDBK-1008C | |

Examples of the SOPs to be tailored for Fort Knox and incorporated into our operations and
maintenance (O&M) Plan/Quality Management Plan include:

- **General Procedures.** These procedures typically include: service conditions tracking procedures; facility notification for scheduled or emergency outages; service interruption procedures; customer concern/complaint handling; and various inspection procedures.

- **Water Treatment and Distribution.** These procedures typically include: managing water failures; operation of electrical systems; alarm testing; state sampling requirements and procedures; operation of pumps, chemical feeders, etc.; procedures for line breaks; disinfection procedures; tank isolation procedures; managing failures of various systems; monitoring procedures; etc.

For this contract, HCWD1 will have a designated telephone number that will be used for incoming service requests. The appropriate project personnel will be notified of the service request and an estimated arrival time of the crew will be provided to the Government based upon the type of service call assignment.

The following procedures are in place to support any type of services provided at Fort Knox:

- **Provisions.** For all system upgrades and major construction projects, HCWD1 staff and subcontractors will provide temporary services of out-of-service components to maintain service to Fort Knox customers during these construction projects.

- **Standby Power.** Standby generation will be provided for all pump stations by either mobile or installed units in order to provide power when needed during extended service disruptions.

- **Scheduled Service Outages.** HCWD1 will coordinate with the Government and other contractors to facilitate service outages and underground utility locates when needed. HCWD1 will coordinate scheduled outages with Fort Knox’s Department of Public Works (DPW). We will provide the date and time of outage, a list of buildings affected, and the estimated duration. Additionally, we will be responsible for notifying all affected building managers of the outage. No scheduled outages will be performed without notification to affected building managers. Likewise, we will work with the Post to reschedule routine outages if they adversely impact mission operations. We will track outages until work is complete and provide the appropriate notifications that services have been restored.

- **Excavations.** HCWD1 will comply with the Fort Knox excavation permit process. In emergency situations where excavations are required for repairs, HCWD1 will immediately notify the Contracting Officer’s Technical Representative (COTR) and follow Post protocol.

Long-term plans for service continuity are addressed in the following ways:

- **Capital Upgrade and Renewal and Replacement Plans.** Subfactor 3 addresses our approach to initial system upgrade and replacement, in addition to our overall approach to long-term renewal and replacements for the water treatment and distribution systems. These plans provide for addressing the current deterioration of the systems that make the utilities susceptible to service disruptions. Our plan targets the most critical components in the systems where breakdowns typically occur first, and ensures these items are in optimal condition to reduce the potential for service disruptions. Our plan also includes the tracking of system failures and performance against our service standards. Whenever system modifications are planned, all practical efforts will be made to minimize downtime and restore service as soon as possible. Temporary services can also be installed to continue service during major modifications.

- **Maintenance Management.** Diligently performing preventive and predictive maintenance on system components significantly decreases the number of unplanned emergency failures. All preventive maintenance (PM) activities will be tracked through HCWD1’s Computerized Maintenance Management System (CMMS), as described in Subfactor 2 of this proposal. Our CMMS program includes the following policies:
Valves and hydrants will be exercised every 2 years.
To avoid failures, diesel generators will be tested monthly and maintained in accordance with manufacturer recommendations.
Selected critical equipment will receive vibration monitoring.
Periodic current checks will be performed to track and trend equipment condition and wear.

I.1.2 Resources to be Utilized in the Implementation of the Procedures Described in the Plan

I.1.2.1 Management Organization
HCWD1’s General Manager, Mr. Jim Bruce, will be the Project Manager and primary contact for business and ownership issues. Mr. Brett Pyles, Operations Manager, will serve as the Deputy (Alternate) Project Manager and will be the primary contact for and will be responsible for daily operational issues. HCWD1 proposes to employ a team of HCWD1, the Louisville Water Company (LWC), and CH2M HILL for the operations, maintenance, and engineering support for O&M of the water treatment and distribution facilities. Our mission is to provide honorable stewardship over Fort Knox’s facilities. Exhibit I.1-2 describes the specialized roles of HCWD1’s team.

Exhibit I.1-2
Summary of the Specialized Team Members

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Relationship</th>
<th>Role</th>
<th>Key Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCWD1</td>
<td>Owner</td>
<td>Own, finance, and manage the utility systems</td>
<td>Jim Bruce, General Manager</td>
</tr>
<tr>
<td>HCWD1</td>
<td>Department of Owner</td>
<td>Operate and manage the utility systems (potable water distribution)</td>
<td>Brett Pyles, Operations Manager</td>
</tr>
<tr>
<td>LWC</td>
<td>Subcontract to HCWD1</td>
<td>Operate and maintain the Water Treatment Plants</td>
<td>Jim Smith, Water Treatment Project Manager</td>
</tr>
<tr>
<td>CH2M HILL</td>
<td>Subcontract to HCWD1</td>
<td>Capital Improvement Plan Program Management</td>
<td>Robert Neath, Engineering Manager</td>
</tr>
</tbody>
</table>

Administrative and Financial Staffing
Management and administration of the contract will be accomplished by HCWD1’s staff. As previously mentioned, General Manager Jim Bruce will be the direct contact for the Department of the Army for all business aspects of the contract. Mr. Bruce will devote as much time as needed for administration of the contract. Mr. Bruce will direct HCWD1’s staff to accomplish key administrative functions, such as the coordination and administration of subcontracts with LWC, and CH2M HILL; procurement of subcontracts for the system upgrades and capital improvements; billing and accounts receivable to the Department of the Army; cost accounting functions; and general administration of the contract for the Department of the Army. Exhibit I.1-3 presents the proposed project management organization.

Mr. Bruce will be directly supported by the Operations Manager, Brett Pyles, who will serve as the Deputy (Alternate) Project Manager for support with the water distribution and water treatment systems, procurement, and contract administration tasks. Supporting Mr. Bruce and Mr. Pyles will be the HCWD1 team; this team encompasses the HCWD1 management team, including the HCWD1 team currently managing and operating the Fort Knox wastewater systems. In addition, HCWD1 has partnered with the LWC and it 450 employees, and the 25,000 engineers and scientists at CH2M HILL. HCWD1’s entire team is committed to devoting appropriate human resources to ensure prompt resolution of service interruptions.
HCWD1 has assembled a leadership team of industry leaders to ensure that this key aspect of our partnership with Fort Knox is executed at the highest level. Each of these key personnel is dedicated to the delivery of our Service Interruption/Contingency and Catastrophic Loss Plan, outlined above. Our plan ensures service availability 24/7, and in the event of service interruption service restoration activities are carried out safely, promptly and efficiently.

I.1.3 Detailed Contingency Plan

A general flowchart of our response plan to service calls is presented in Exhibit I.1-4. All incoming calls from installation personnel will be made to the 24-Hour Call Center/Dispatcher. The caller should identify themselves as a Fort Knox tenant, which facility requires the service, and the nature of the call. The Work Order is initiated and entered into the CMMS (Exhibit I.1-5).

The Distribution Supervisor is notified that a Fort Knox Work Order Request has come in, and an on-site representative will be notified immediately after the call is received to further assess the nature of the call. Normal, routine calls will be directly dispatched to the appropriate maintenance crew. Emergency calls and after hours calls are forwarded to the on-call supervisor for prioritization, assignment, and response.

All service requests will be documented, and the time of the call, time of the service response, cause of the request, and action taken (including the time and date completed) will be recorded by HCWD1. These records are maintained in the CMMS and will be made available to the Contracting Officer upon request.

I.1.3.1 Procedures for Submitting Services Requests

We understand that the Government will designate the requests as ‘emergency,’ ‘urgent,’ or ‘routine’ during the service request.
The preferred method of submitting a service request would be through the 24-hour telephone number. In the event the telephone lines are down, service requests can be made via cell phone to the Distribution Supervisor. The appropriate project personnel will be notified of the service request and an estimated arrival time of the crew will be provided to the Government. Response time is based upon the type of service call assignment.

**I.1.3.2 Coordination of Activities**

After contract award, HCWD1 will review existing plans at Fort Knox and develop final operating procedures for water service coordination at the Post. We recommend that these procedures be developed jointly with the departments and activities involved. For example, routine meetings with the master planners and engineers will ensure timely provision of water services to new facilities and coordination of pending and active construction/rehabilitation projects.

Person-to-person interactions between DPW and HCWD1 will be on appropriate levels. For example, the Project Manager will maintain close working relationships with COTR and DPW management to coordinate larger projects. He will be available to resolve any concern. We will maintain and encourage open communications with the DPW staff and civilian workforce.

The general customer base at Fort Knox will be informed about relevant issues, such as outages and road closures and news with special newsletters and notifications, posters in public areas, and through signs on Post. In addition, HCWD1 will coordinate with the DPW, the Command Group, and COTR as follows:
• **Administrative Issues**: HCWD1 will coordinate with the administrative section of DPW through the COTR on issues related to master planning and military construction that would impact utility expansion requirements. The installation master planning section initiates military construction projects several years in advance, and the planning for these projects must of necessity be included in utility planning efforts. The focal point for such construction is the administrative offices of the DPWs and through periodic meetings, planning will be proactive rather than reactive. These meetings will also serve as the forum for discussions of O&M, Capital Improvements Program, and customer satisfaction reviews.

• **Repair and replacement projects** that are recommended by HCWD1 will be discussed with the Contracting Officer (CO) or COTR. We will coordinate the upgrades and renewal and replacement plan during these meetings, as well as changes in staffing and other requirements. HCWD1 staff will ensure that major projects for repair, replacement and installation of facilities, equipment, and infrastructure are on the agenda. Meetings will cover planned engineering projects, projects under design and construction, and specific long-range water requirements. The intent of such meetings will be to resolve any potentially overlapping or interfering conditions or conflicts.

• **Operations and Maintenance Projects**: Communications with the DPW will be both formal and informal. HCWD1 will meet with the DPW staff to discuss schedules and upcoming major and minor work prior to initiation of the work. We will also provide notice to the DPW on any planned work scheduled so it can be coordinated with residents or occupants of the areas affected. The General Manager will conduct regular visits to Fort Knox to ensure that the Army is satisfied with the work being performed and that the project has all of the resources needed to meet Army expectations. It is the intent of HCWD1 to ensure all work is fully communicated and coordinated with the DPW staff at Fort Knox.

Communications will occur on a daily basis. Our project personnel will become familiar with their counterparts in the DPW to maximize coordination and expedite response situations. We will support DPW for any required exterior utility services, and coordinate whole or partial system outages with DPW, the Fire Department, and potentially affected facilities. We will also coordinate digging permits, disaster recovery efforts, meetings, and work schedules during our meetings with DPW. HCWD1 also recommends regular meetings with DPW and other utility owners to ensure thorough coordination with key players on Fort Knox involved in potentially conflicting work.

I.1.4 Estimated Response Times

As stated in RFP Section C.8 Repair Response Notification Procedures, we understand the Government will assign ‘emergency,’ ‘urgent,’ or ‘routine’ designations when contacting HCWD1 with a service call. Once a service call is received, on-site personnel will be notified via a work order and will be categorized as Emergency, Urgent, or Routine as identified by the Government during response notification. These personnel will be authorized to acquire the necessary equipment, material, and personnel to respond to the situation. Our response will include personnel and equipment to assess and begin repairs within the specified time. Response times for various types of service calls (whether during or after normal duty hours) are highlighted in Exhibit I.1-6.
Exhibit I.1-6
Response Times for Each Type of Service Call Meets Requirements Specified in the RFP

<table>
<thead>
<tr>
<th>Type of Service Call</th>
<th>Response Time</th>
<th>Completion Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Service</td>
<td>Respond within 30 minutes during normal duty hours</td>
<td>Remedied or downgraded within 24 hours of receiving request*</td>
</tr>
<tr>
<td></td>
<td>Repair crews on scene within 1 hour during duty hours</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Respond within 1 hour during non-duty hours</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Repair crews on scene within 2 hours during non-duty hours</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Zussman Range, Yano Range and Basham’s Corner within 1.5 hours during normal duty hours, and 2 hours during non-duty hours</td>
<td></td>
</tr>
<tr>
<td>Urgent Service</td>
<td>Within 3-working days of request</td>
<td>Within 7 business days of receiving request*</td>
</tr>
<tr>
<td>Routine Service</td>
<td>Within 5 working days of request</td>
<td>Within 10 working days of receiving request*</td>
</tr>
</tbody>
</table>

*Unless there is a delay from the Government or HCWD1 cannot procure necessary materials.

**Routine service** interruptions or service requests are scheduled to perform routine maintenance of the distribution system or to add or delete connections, either at the request of the customer or at the initiation of the utility. The following situations would typically be declared routine and would be responded to on a timely basis:

- Requests by the customer for installation of new or redundant services
- Requests by the customer for utility service interruptions to a building so that work could be performed in the building
- Requests by the utility to shut off utility service to a building or facility so that an operation or maintenance task could be performed such as replacing system components or performing repair and replacement activities
- Utility locates within 48 hours

Routine work, such as the scheduled repair, replacement, or removal of system components that require service interruption, will be coordinated with the COTR to ensure minimal impact to the mission and operations. Notification will include date, time of outage, a list of buildings that will be affected, and the estimated time until the service will be restored. We understand that Fort Knox reserves the right to require HCWD1 to postpone work requiring service interruption if such interruption might adversely affect the Posts’ missions and operations. If an interruption is postponed, the parties will coordinate a mutually acceptable alternate time for the scheduled service interruption. Scheduled utility outages may be required after normal working hours to lessen the inconvenience to Post mission critical functions. We will be able to provide an initial response to these routine service requests within 5 calendar days of request and non-emergency work will be accomplished within 10 days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

**Urgent service** requests are made in situations that are not an emergency, but when the situation significantly hinders performance of Fort Knox activities and requires elimination of hazards that may present health and safety concerns. These services can include but are not limited to, downgraded emergency responses, special events schedule, and reduced service at mission critical facilities or housing. We will have the on-site resources and employees to respond to urgent outages within 3 working days, and the work will be completed within 7 days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials). If circumstances beyond HCWD1’s control limit the completion of work, temporary services or other temporary measures will be constructed to maintain service to the customers. The following are examples of situations that would typically be declared urgent situations:
• A water main or water service line leak that does not threaten to flood buildings or does not pose a safety risk
• Accidents caused by equipment striking buildings that house valve pit equipment or striking fire hydrants
• Code violation that poses a safety hazard

**Emergency service** is a situation that is detrimental to the mission of the Post, significantly impacts operational effectiveness, or presents an immediate threat to the life, health, and safety of Post personnel. Examples include a major water main break, or loss of operation of key plant equipment that causes an interruption of water treatment or pumping facility operations. These situations can be caused by:

• Acts of God, which might include things like high wind- or ice-induced power outages
• Natural disasters include events, such as earthquakes, fires, or high wind storms
• Human error, including accidental damage to distribution or pumping equipment including control panels, valves, or other system components
• Equipment failure, including failure of key distribution or equipment or components
• Employee strikes or work slowdowns, sabotage of key components of the water system, or failure to respond to requested service of customers
• Water main or service line leaks that would threaten to flood buildings or pose a safety risk
• Terrorist activity, which might include destruction of water system facilities, contamination of the water supply or denying utility worker access to critical facilities

HCWD1 will notify Fort Knox’s COTR and DPW personnel of each situation/priority as soon as possible. HCWD1 will provide an Emergency Restoration Plan, maintain it on-Post, and update it on a regular basis.

When an emergency service situation occurs, the first responder and/or standby personnel will be contacted immediately by radio and/or cell phone or pager for after hours responses. If necessary, that worker will be augmented by additional “call-ins” of the other HCWD1 team utility workers. The first on-site utility employee will secure the emergency site, assess the situation, and make an immediate call to the Operations Manager for additional resources as required. At Fort Knox, the initial contact person contacted by the dispatcher will be the Distribution Supervisor who will be responsible for assembling the appropriate maintenance personnel. Constant communication between the Distribution Supervisor and the Operations Manager will assure resources are available when and where needed. Response to emergencies will be within 30 minutes during duty hours (0730 – 1630, Monday – Friday) and within 1 hour during non-duty hours. Emergency response to the Zussman Range, Yano Range and the Basham’s Corner areas will be within 1.5 hours during duty hours and within 2 hours during non-duty hours. Emergency service orders will be completed by HCWD1 within 24 hours (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

### I.1.5 Procedures for Handling Service Calls

An overview of our procedures for handling the various types of service calls is provided in Exhibit 1.1-4. A detailed list of contact names and numbers for Fort Knox, regulatory agencies, HCWD1 support, and local vendors and subcontractors will be developed and maintained for use, if needed, during an emergency service situation. Further discussions of emergency operations are provided in Section 1.8. All HCWD1 requests for scheduled outages will be coordinated with Fort Knox’s DPW and the facility manager/user at least 10 working days prior to the scheduled outages. HCWD1 will make every reasonable effort to minimize the number of facilities affected and the duration of the outage.

All service request calls will be documented, and the individual who called (to ensure they are authorized), location of the problem, time of the call, time of the service response, cause of the request, and action taken (including the time and date completed) will be recorded by HCWD1. These records are maintained...
in the CMMS for at least 2 years and will be made available to the CO/COTR upon request.

If the request affects building operations, HCWD1 will coordinate the work with the person responsible for the building or facility. All emergency service requests, or emergencies identified by HCWD1, will immediately be reported to the COTR. Upon award, HCWD1 will develop the procedure of Government notification after hours.

Any of the service requests listed above could be characterized as Emergency, Urgent, or Routine (as assigned by the designated Government representative). Exhibit 1.1-6 summarizes the response times for each type of call. If it is an Emergency, we will respond within 30 minutes and be on-site with repair crews within 1 hour during normal duty hours. We will respond within 1 hour and be on site with repair crews within 2 hours during non-duty hours. Urgent requests will be responded to within 3 working days, and Urgent service orders within 7 days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

If it is a Routine call, the response will vary as described in Exhibit 1.1-6, but generally, the initial response will be within 5 business days, and Routine service orders will be completed within 10 business days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

Routine service requests typically include new service connections, disconnection or reconnection of services, scheduled outages, requests for technical information, requests for location of underground lines, control of digging and digging permits, or service valve repairs.

The first responder will initially contact the customer to verify the severity of the situation. First responders will assess the required manpower and equipment required, notify additional personnel, and make the area safe by isolating or containing the outage.

The work order is issued, work will be assigned to appropriate personnel, and upon completion, the customer will be notified and the work order will be closed.

If the first responder and the customer determine that service is disrupted or immediate repairs are required, an assessment of health risks will be made. For example, if an accident occurs, Post emergency response teams will be notified to remedy this situation. Following the correction of the emergency situation, repairs can be initiated to correct the service problem.

First responder personnel will always be trained and certified, as appropriate, and will report to the site in his/her duty truck complete with required tools, maps, and equipment to isolate the situation and begin to conduct repairs. The first responder will also have full access to HCWD1 resources on-site, including emergency generators, spare parts, lighting, and rescue gear. Additional maintenance personnel and subcontractors, as needed, will be called in to assist in the work.

Upon completion of the repairs, the safety of the situation will be determined and any additional requirements identified. Safety deficiencies will be considered emergencies and resolved as such. Barring any safety issues, the customer will be notified of the completion of the work and the corrective work order will be closed.

At the start of the next business day, the Operations Manager will review the daily response log for follow-up and determination of the customer’s satisfaction with our response.

All restoration of service issues will be coordinated with DPW. Service calls will be recorded for repairs, outages, and restoration of service in the CMMS. We will record the time of call, time of service restoration, cause of the outage, and service performed, as well as the time expended to address and restore the service item. Monthly information will be provided to DPW.

**I.1.6 Reestablishment of Temporary Service**

During an emergency service call, repair crews will be on site within 30 minutes during normal duty hours and within 1 hour during non-duty hours and will work continuously until temporary service is restored.
Depending upon the type of service disruption, HCWD1 will assess the situation and communicate the action plan and estimated time that temporary services will be restored to the affected facility manager. In all cases, temporary services will be restored within 24 hours (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

For all system upgrades and extended-time repairs, HCWD1 staff and subcontractors will provide a temporary service to of out-of-service components to maintain service to Fort Knox customers during these repairs and construction projects. Upon reestablishment of temporary services, the safety of the situation will be determined and any additional requirements identified. Safety issues will be considered emergencies and will be resolved immediately.

Standby generators will be provided by mobile units (if not installed) in order to provide power when needed during service disruptions.

HCWD1 will identify the critical systems required to operate through emergencies. A plan will be developed to address all essential water functions through redundant systems. Our plan, described in this factor, will be modified as needed as the contract progresses and Post information is incorporated into our plans.

I.1.7 Reestablishment of Permanent Service

Once temporary service has been restored, HCWD1 will then begin working to restore permanent services. Permanent services will be restored within 7 business days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials). An assessment of equipment and materials needed for permanent repairs will be completed. This assessment will include those materials to complete restoration as well.

For all work conducted, a pre-job hazard briefing will be held with employees before beginning the work. All safety guidelines and concerns will be discussed at this time.

A work plan will be developed and reviewed with staff as to the most effective manner to facilitate repairs and restore permanent service. If needed, the plan will outline subcontractor services required to complete the task.

If an interruption of service is anticipated, Fort Knox contacts, the facility manager, and any parties that may be affected will be contacted. HCWD1 will make every effort to minimize the number of facilities affected and the duration of the outage.

Upon completion of the reestablishment of permanent services, crews will begin restoration work. Site restoration will include any of the following that apply: cleanup of the area, removal, disposal, and replacement of any cracked pavement or sidewalks, repair of roadways, replacement of loam or topsoil, top dressing by hand, lawn bed preparation, lawn seeding, mulch, fertilizer, and shrub replacement.

I.1.8 Emergency Restoration Plan

HCWD1 has an Emergency Restoration Plan (ERP) in the event of a widespread utility outage. Upon award, HCWD1’s ERP will be supplemented to specifically address the site specific issues of Fort Knox. The plan will include response requirements for both minor and major emergencies, natural disasters, manmade hazards, and other emergencies. HCWD1’s approach will be augmented by LWC and CH2M HILL’s experience in developing and implementing similar plans for water facilities. The plan will integrate design and operational considerations specific to the Department of the Army’s facilities. The ERP will be structured to classify the emergency into a specific category, requiring specific responses, dependent upon the severity of the event, and its potential for affecting critical base operations. The Table of Contents for the ERP is provided in Exhibit I.1-7 to provide an overview of what information is presented.
HCWD1’s ERP will be a constant living document that will incorporate and complement federal, state, and local community needs in the event of emergencies and/or disasters.

Table of Contents
Introduction
- Promulgation Document
- Organizational Chart
- Record of Revisions

Basic Plan
- Introduction
- Purpose
- Situation Assumptions
- Concept of Operations
- Organization and Assignment of Responsibilities
- Administration and Logistics
- Planning and Operations
- Operational Objectives

Emergency Support Functions (ESF)
Response Action Check List
Annexes

This comprehensive ERP will mitigate and incorporate reliability and communication features to minimize the occurrence of emergencies where possible, and to enhance safety, response, and communications when emergencies occur. Because it is impossible to predict the exact nature of every possible emergency, our program provides a comprehensive communication, training, and resource-based plan that manages the broadest range of possible emergencies. HCWD1 stands ready to support Fort Knox in any emergency, crisis situations, and/or related exercises that require HCWD1’s support. Upon notification, an HCWD1 designated representative will act as liaison and will respond to these events and provide the appropriate staff to the on-scene coordinator until the event is terminated.

I.1.8.1 Critical Systems and Types of Emergencies
During the first 120 days of the contract, HCWD1 will identify the critical systems required to operate through emergencies. A plan will be developed to address all essential water functions through emergency power supply and redundant systems. Based on state and national standards, HCWD1 will refine our ERP annex in preparing for and responding to a wide range of possible experiences, such as:
- Accidents and personnel emergencies
- Raw water quality contamination
- Chemical spills and leaks
- Equipment and process failure
- Power failure
- Fires
- Flooding, hurricanes, and severe weather
- Tornadoes
- Earthquakes
- Strikes
- Terrorist threats and civil unrest

I.1.8.2 Emergency Response Equipment
HCWD1 will keep a complete emergency equipment inventory, with an updated listing that includes all equipment, materials, and chemicals available. Equipment includes: confined space equipment, such as self-contained breathing apparatus, gas detectors, and ventilators; chemical leak response equipment; heavy equipment (backhoes, loaders, dump trucks, etc.); and pumps, tools, hand tools, and personal protective equipment. Using this inventory, emergency equipment and supplies will be purchased and stockpiled within HCWD1 to enable staff to be prepared for emergencies. A copy of this inventory will be kept in an appendix of the ERP.

I.1.8.3 Emergency Response Personnel
The ERP will contain an Emergency Response Organizational Chart showing the number of staff available and their specific disciplines of performance under emergency conditions. This list will include emergency contact numbers, as well as specific duties to be performed in the event of an emergency.

I.1.8.4 Emergency Response Actions
Our ERP will contain general and, where possible, specific actions from discovery to containment to be performed in the event of the various types of emergencies. The plan will contain details on reporting procedures, first responders and their priorities, and response times and actions to protect personnel, property, and to ensure the continuation of service.
I.1.8.5 Emergency Response Training

Members of the HCWD1 team are already trained to address the emergencies in this area and have worked with the local Emergency Management Agency (EMA) in emergency responses. Team safety experts and a designated onsite safety coordinator provide training for the HCWD1 staff including first aid, cardiopulmonary resuscitation, vehicle safety, lifting, electrical lockout/tagout, confined space entry, excavation and trenching (competent person), and responses to emergency conditions. All HCWD1 subcontractors are responsible for meeting or exceeding OSHA compliance standards.

Vendors and public safety personnel will also provide training in areas of their specific expertise. The Safety/Security Officer will monitor safety performance. An Annual Safety Review will be conducted and corrective actions initiated when warranted. SOPs developed for the facility will also incorporate safety considerations.

I.1.8.6 Coordination with Agencies and Adjacent Utilities

A detailed list of agencies and contact names and numbers will be developed and maintained in the ERP. All onsite personnel will be provided a wallet-sized version for their immediate reference, and the onsite safety team will post the listing at key facility locations.

In order to ensure the most effective and prompt response to emergency situations involving the facility staff, it is important to coordinate emergency notification and response activities at the facility, in planning and in implementation, with other agencies and parties involved. Key coordinating agencies include client representatives and Fort Knox’s Public Safety (fire, military police, and emergency management services agencies). The Emergency Communications section of the ERP will be developed in concert with these parties.

Operating staff on Post will report any emergency situation, such as fire, accident, criminal act, or threatening act or condition by dialing 911 or reporting directly to the Fire Department or military police. In cases of water service emergencies, we will initiate corrective action and notify the COTR. We will record time and date, person notified, and scope of accident or repair. HCWD1 will provide the government two copies of the notification record and maintain a copy for a minimum of 2 years. We will provide keys to the DPW to allow for emergency access to all secured facilities included under this contract.

I.1.8.7 Disaster Recovery/Service Restoration

As part of HCWD1’s ERP, the Disaster Recovery/Service Restoration Plan will identify the priority of restoration of service on Post following emergency issues. As previously stated, all emergency calls will be addressed immediately, 24 hours per day. In-house personnel will assess and prioritize all service calls. If a call is prioritized as a major emergency that cannot be addressed with HCWD1’s crew, an outside contractor will be used. HCWD1 has an established a list of available contractors who respond to emergencies immediately and work hand-in-hand with the HCWD1 crews. Crews and equipment can typically be at the gate within 30 minutes.

In any recovery efforts, HCWD1 can call upon the resources of their subcontractor, LWC. With staff of over 450 employees who are located in the Louisville area, LWC is able to devote the necessary resources to assist in the utility system recovery from emergency conditions. In addition, LWC maintains contingency contracts with local contractors to provide assistance, in the event of a plant or distribution emergency.

The recovery/restoration priorities for the water systems address health and safety priorities, as well as mission-critical facilities during national emergencies, deployments, and alerts and in accordance with the Force Protection Plan. They are as follows:

1. Hospitals/medical facilities
2. Critical Command Facilities
3. Major Command Headquarters
4. Family housing and barracks areas
5. Motor pools and other facilities
I.1.9 Installation-Specific Requirements

No additional installation-specific requirements are included in this proposal. However, HCWD1 will work closely with Fort Knox to ensure that all work is conducted in accordance with installation requirements.

Exhibit I.1-8

<table>
<thead>
<tr>
<th>HCWD1’s Approach to Potential Service Interruptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cause of Service Interruption (Examples)</strong></td>
</tr>
<tr>
<td><strong>Natural disasters (Earthquake, high winds, etc.)</strong></td>
</tr>
</tbody>
</table>
| o Acts of God, which might include things like high wind-induced power outages, to the wastewater collection system, heat, or water distribution equipment or a fire. | ✓ Coordinate restoration priorities with Fort Knox.  
   |                                                                                     | ✓ Mobilize all available local staff per the ERP.  
   |                                                                                     | ✓ Assess damage to the facilities and associated components.  
   |                                                                                     | ✓ Engage additional external staff and resources as deemed necessary (e.g., engineering staff to assess structural damage, potable water tanks, etc.).  
   |                                                                                     | ✓ Notify relevant state and federal permitting agencies of the status and condition of facilities.  
   |                                                                                     | ✓ Project Health & Safety Manager mobilizes to site to conduct site safety assessment.  
   |                                                                                     | ✓ Communicate situation overview, assessment, and recommendations for restoration of services with Fort Knox.  
   |                                                                                     | ✓ Provide temporary services until final assessment and permanent service is restored.  
   |                                                                                     | ✓ Begin restoration of facilities and all affected components.  
   |                                                                                     | ✓ Provide other (non-utility) emergency response support to Fort Knox as requested and able.  |
| o Natural disasters include events, such as earthquakes or floods. Both of these scenarios have the potential to cause severe damage to the buried utility service lines, lift stations, buildings and delivery of electricity, etc. |                                                           |
| o These outages will typically be caused by ice and snow loading, causing mechanical failure of overhead conductors. Wind damage to overhead conductors, or conductor “slap” causing fuses to blow. Lightning strikes, causing fuse, transformer, or conductor damages, can occur to either overhead or underground systems. |                                                           |
| **Human Error**                                     |                                                           |
| o Inadvertently close valves that would lead to a water main freezing during winter months because the water was not allowed to circulate in a looped system | ✓ Once error identified, Project Manager notifies COTR and begins procedures to correct deficiency.  
   |                                                                                     | ✓ Mitigate the emergency before it causes additional problems or damages throughout the water distribution system.  
   |                                                                                     | ✓ If error results in permit violation, proper state notification will be provided.  
   |                                                                                     | ✓ If processes are affected, immediate action will be taken to bring said process under control within operating specifications.  
   |                                                                                     | ✓ Investigate cause and effect to evaluate employee causing error.  
   |                                                                                     | ✓ Define if further training is needed, is employee routinely causing problems, etc.  
   |                                                                                     | ✓ Conduct remedial training and lessons learned.  
   |                                                                                     | ✓ Provide correspondence to COTR and State (where applicable)  
   |                                                                                     | ✓ Overcome these events by redundancy in the system and having well trained and certified system operators.  |
| o Failure to properly maintain or service the valves, or improperly connecting bypass pumps to the power supply, or improperly operating the fire hydrant operating nuts causing damage to the valve are all possible events |                                                           |
| o Improper switching or synchronizing generating equipment |                                                           |
### Exhibit I.1-8
**HCWD1’s Approach to Potential Service Interruptions**

<table>
<thead>
<tr>
<th>Cause of Service Interruption (Examples)</th>
<th>How HCWD1 Will Respond</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equipment Failure (bearings go out, motor burns out, pump failure, etc)</strong></td>
<td>✓ Set up work order and review history of equipment.</td>
</tr>
<tr>
<td>o No heat at valve pits or meter vaults or other key utility buildings</td>
<td>✓ Once failure identified, go to inventory of critical spare parts and repair defective equipment.</td>
</tr>
<tr>
<td>o Unavailability of fuel (pumping) from fueling stations for vehicles or equipment</td>
<td>✓ If failed equipment is not in inventory, procure through national contracts and/or basic ordering agreements.</td>
</tr>
<tr>
<td>o Frozen water lines</td>
<td>✓ Repair or replace equipment as soon as possible.</td>
</tr>
<tr>
<td>o Flooding of water pits where seals have deteriorated and result in surface water flooding the pits.</td>
<td>✓ Investigate cause of failure (environment, maintenance deficiency, age, etc.).</td>
</tr>
<tr>
<td>o Fuel, condensate, or feedwater pumps failure</td>
<td>✓ Maintain proper lubrication and inspections for all associated equipment.</td>
</tr>
<tr>
<td>o Fans or compressor failures</td>
<td>✓ If failure appears to be recurring, modify frequency of PM to mitigate failure occurrence.</td>
</tr>
<tr>
<td></td>
<td>✓ Properly insulate water mains and service lines with sprayed on urethane and designed as circulating loops that use water movement to prevent freezing action.</td>
</tr>
<tr>
<td></td>
<td>✓ Constant monitoring of distribution system water temperature, low flow areas can be enhanced by activation of fire hydrants to speed flows when water temperatures drop to unacceptably low temperatures.</td>
</tr>
<tr>
<td></td>
<td>✓ Controlled fire hydrant flushing can markedly improve service even during the winter months and it improves water quality to the customer because it refreshes water that may have gone “stale” from not moving or circulating.</td>
</tr>
<tr>
<td></td>
<td>✓ Have thawing equipment available to thaw mains and services.</td>
</tr>
<tr>
<td></td>
<td>✓ Implement predictive maintenance on critical equipment.</td>
</tr>
<tr>
<td><strong>Fire</strong></td>
<td>✓ Mobilize all available local staff per the ERP.</td>
</tr>
<tr>
<td></td>
<td>✓ Assess damage to the facilities and associated components.</td>
</tr>
<tr>
<td></td>
<td>✓ Engage additional external staff and resources as deemed necessary (e.g., engineering staff to assess structural damage, potable water tanks, etc.)</td>
</tr>
<tr>
<td></td>
<td>✓ Project Health &amp; Safety Manager mobilizes to site to conduct site safety assessment.</td>
</tr>
<tr>
<td></td>
<td>✓ Communicate situation overview, assessment, and recommendations for restoration of services with Fort Knox.</td>
</tr>
<tr>
<td></td>
<td>✓ Provide temporary services until final assessment and permanent service is restored.</td>
</tr>
<tr>
<td></td>
<td>✓ Begin restoration of facilities and all affected components.</td>
</tr>
<tr>
<td><strong>Employee Strikes</strong></td>
<td>✓ During transition, additional security and supervision will ensure that no processes or equipment can be sabotaged or tampered with.</td>
</tr>
<tr>
<td>o Operators fail to report for work based upon a bargaining agreement dispute</td>
<td>✓ Project Manager will notify COTR and immediately call internal labor relations representative to begin discussions.</td>
</tr>
<tr>
<td>o Intentional sabotage of key utility components by striking employees</td>
<td>✓ Support personnel from nearby HCWD1-affiliated companies will bring in key positions to sustain service to Fort Knox.</td>
</tr>
<tr>
<td></td>
<td>✓ Proceed with discussions to resolve issues.</td>
</tr>
</tbody>
</table>
**Exhibit I.1-8**

**HCWD1’s Approach to Potential Service Interruptions**

<table>
<thead>
<tr>
<th>Cause of Service Interruption (Examples)</th>
<th>How HCWD1 Will Respond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terrorism</td>
<td>✓ Provide site employees with specific training in preparing for and responding to terrorists activities involving public and private utilities.</td>
</tr>
<tr>
<td></td>
<td>✓ Perform periodic utility vulnerability threat assessments.</td>
</tr>
<tr>
<td></td>
<td>✓ Notify Government official and COTR of situation.</td>
</tr>
<tr>
<td></td>
<td>✓ Mobilize all available local staff per the ERP.</td>
</tr>
<tr>
<td></td>
<td>✓ Assess damage to the facilities and associated components.</td>
</tr>
<tr>
<td></td>
<td>✓ Engage additional external staff and resources as deemed necessary (e.g., engineering staff to assess structural damage, potable water tanks, etc.)</td>
</tr>
<tr>
<td></td>
<td>✓ Notify all state and federal permitting agencies of the status and condition of treatment facilities.</td>
</tr>
<tr>
<td></td>
<td>✓ Project Health &amp; Safety Manager mobilizes to site to conduct site safety assessment.</td>
</tr>
<tr>
<td></td>
<td>✓ Communicate situation overview, assessment, and recommendations for restoration of services with Fort Knox.</td>
</tr>
<tr>
<td></td>
<td>✓ Provide temporary services until final assessment and permanent service is restored.</td>
</tr>
<tr>
<td></td>
<td>✓ Begin restoration of facilities and all affected components.</td>
</tr>
<tr>
<td></td>
<td>✓ Provide any assistance as needed by Fort Knox.</td>
</tr>
</tbody>
</table>

Details follow on how the various types of responses (emergency, urgent, and routine) will be managed to restore water service to Fort Knox in the event of a service interruption.

**Step 1: Establish a central organization/location**

- Assess the severity of the damage to the water distribution system and tailor the response to include the following steps as necessary.
- Establish an Emergency Response Center where all organization and coordination takes place. This would be an on-site, temporary emergency location at the HCWD1 operations center if the building is structurally sound. Responses to emergencies are expected to be fluid and the operators will, of necessity, be required to react to the situation rather than follow rigid guidelines. The on-site water distribution operators will be expected to request additional resources early in the emergency response time line and those resources would be secured from area businesses immediately after being requested. The Operations Manager will be in constant communications with HCWD1 operators during emergency activities.

**Step 2: Work crews and manning**

- As soon as initial damage assessment and control are complete, the Operations Manager will split available personnel into two shifts and send one half home with a recall time. For the duration of the emergency, each shift will work 12 hours on and 12 hours off until the emergency is over. The on-duty crew will be split into as many crews as can be fielded along with temporary workers, and will be dispatched to begin repair work at the direction of the person in charge.
- HCWD1 will supplement labor at the Post with labor from a pre-designated list of HCWD1 and LWC personnel, and subcontractors working under the direction of the Operations Manager.

**Step 3: Damage assessment and priority of restoration**

- As soon as a workforce is gathered, they will take immediate steps to mitigate the damage. The utility operators will ensure actions are taken to protect key facilities and prevent additional damage to facilities or to the water distribution system, and to ensure that key facilities, such as medical, child
care, fire protection, and mission essential facilities, are being served on a priority basis. Inherent in the initial response is the utility worker’s follow-up requirements outlined below:
- Identify portions of the water distribution system where breaks have occurred. This can be done using visual inspection of water main routes, reports from customers, or from inspection of meter readings at various locations in Fort Knox’s water distribution system.
- Activate emergency power for water pumps needed to establish bypass operations when necessary using on-site standby generators or truck mounted generators. Emergency power will only be activated after the system has been assessed to ensure activation of the generator power will not cause additional damages to the infrastructure or equipment.
- Take action to enclose and heat damaged facilities, as necessary, using stockpiled emergency supplies listed earlier in this proposal. Temporary heating sources are available from local rental businesses in the Fort Knox area. There are few facilities that would require supplemental heat; therefore, it is not practical to maintain large portable heaters on hand.

Step 4: Priority for restoration of water service to Fort Knox
- Restore the water distribution system mains/piping network.
- Restore water distribution meter pits and valve buildings.

Step 5: Restoration of water service to buildings and facilities
- Restoration will be accomplished according to the Fort Knox ERP. Priority will be established by the Post commander and the COTR.
- It will be the responsibility of HCWD1 employees to determine if the utility system is sufficiently stable to restore connections to individual buildings or facilities. If the building is not structurally intact or stable enough for work to be performed, HCWD1 on-site personnel will coordinate with the Post representative and the COTR to develop an acceptable temporary service to serve the customers and the Post. In no case will the utility personnel be required to work in unsafe buildings; however, the utility representative is obligated to find an acceptable solution to providing water service to the residents of Fort Knox.
- Once all components of the water system have been restored to usable condition, the system will be thoroughly cleaned of any silt or other debris and put back into service. Water quality will be tested to ensure safety to consumers.

These steps would be slightly modified, as follows, in a smaller-scale outage.

Step 1: Notification of Emergency Service Request. Authorized Government representative will notify the Call Center of the emergency condition.
Step 2: Duty Operator/or Operations Manager will notify maintenance crews and/or first responder.
Step 3: Crews will respond within the required response times.
Step 4: Government personnel will be notified when the condition has been assessed and estimated restoration times have been arrived at.
Step 5: After downgrading to Urgent or complete restoration Government personnel will be notified.

Emergencies as the Result of Human Error
Emergencies related to human error are considered differently and the response is more rapid than deliberate acts of sabotage because the employee is immediately aware of their error. In cases where an employee clearly makes a mistake, the response is normally identified very quickly and the operator has the ability to mitigate the emergency before it causes additional problems or damages throughout the water distribution system.

The most likely accidental damage would be caused to mechanical equipment, valves, control panels, or structural equipment of the distribution system. An inexperienced operator could damage equipment or
components and cause water service disruption within the service lines or to segments of the distribution system. It would also be possible for an inexperienced operator to inadvertently close valves that would lead to a water main freezing during winter months because the water was not allowed to circulate in a looped system.

Operators may also damage key components of the water treatment/distribution system through inadvertent and unintentional acts. Most likely equipment to be damaged through a mistake is water distribution valves or control panels. Failure to properly maintain or service the valves, or improperly connecting bypass pumps to the power supply, or improperly operating the fire hydrant operating nuts causing damage to the valve are all possible events. These events can be overcome by redundancy in the water distribution system and having well-trained and state-certified water distribution system operators. It is our intent to employ only state-certificated operators to operate the water distribution system.

The likelihood of damage by an operator to the distribution system piping components is considered extremely remote. These facilities and structures are difficult to damage through inadvertent acts; thus, concern would be more appropriately placed with the more sensitive and easily damaged components.

HCWD1 employees will be trained in the O&M of the water treatment/distribution system, as well as in the health and safety issues in and around the system. The water system will be maintained in a responsible manner so that equipment failures will be kept to a minimum. All HCWD1 employees and the closely affiliated companies are subject to pre-hire and random drug and alcohol testing. We operate in a zero tolerance industry and employees are expected to maintain very high standards of conduct. We take the extraordinary steps of ensuring employees are highly skilled and that they do not participate in personally destructive behavior that would extend to the workplace.

Accidental Destruction
Immediately notify the customer and the COTR of the situation. If the destruction is isolated to one component, then the component will be replaced. If the destruction covers a wider segment of the water utility, the on-site operator will prioritize his/her efforts to complete repairs, and if additional assistance is needed, will he/she immediately contact the Operations Manager for additional resources. Those resources may be from external HCWD1, LWC, or contracted businesses in the local area. The urgency of repairs and the degree of expertise required for repairs will determine the resources that are applied. In many cases, there is adequate inventory of supplies and materials to support immediate needs of HCWD1. One of the many advantages of standardizing equipment and materials within a joint venture is the immediate availability of repair parts. It will be our intent to standardize as many water treatment/distribution system components as possible.

Standardization of inventory also favors cost containment for operations. Inventory is expensive, and a reduction of just 10 percent in inventory lines is directly reflected as a cost savings under a regulated proposal.

Specific components include standardization of pipe, control panels, water meters, fire hydrants, and valves.

Emergencies as a Result of Equipment Failure
There are relatively few pieces of equipment in the water distribution system that are prone to failure. The most likely event is a failure of an isolation valve or the failure of a water meter. Proactively addressing valve maintenance to include proper lubrication, exercising valves and isolation equipment, servicing pressure reducing devices, routinely checking water meter readings, and proper maintenance of electronic controls all contribute to enhanced reliability. Our team has a long history of providing aggressive equipment maintenance to prevent equipment failures and that same philosophy will be implemented at Fort Knox.

The most likely event to occur at Fort Knox (based upon information provided in the utilities privatization documentation and the site visit) is the likelihood of failure of treatment or pumping equipment failure.
HCWD1 will implement an aggressive predictive and preventative maintenance program. This program has proven to reduce unplanned equipment failure, reduce operating cost, and extend the lifespan of equipment. During transition, HCWD1 will review all facilities and identify “critical spares.” These are defined as system components that are necessary for safety and environmental compliance, or are required to maintain continuous service. This will serve as the catalyst for maintaining spare equipment on-site or at the HCWD1/LWC offices.

I.1.11 Catastrophic Loss Plan

HCWD1’s Catastrophic Loss Plan (CLP) has the following elements:

- Vulnerability/Threat Assessment
- Planning
- Emergency Restoration Plan
- Lessons Learned/Plan Updates

I.1.11.1 Vulnerability/Threat Assessment

Prevention of catastrophic loss is the key goal of our plan. This begins with the identification of critical operations, products, and services. Then a hazard assessment must be completed for each of the critical areas. The assessment reviews potential hazards (i.e., fire, flood, weather related, and acts of terrorism). Then each of the elements are assessed based on the likelihood of occurrence and the impact to critical service. A ranking system uses both of these review elements to prioritize response during a catastrophic event. Since an effective CLP must be “site-specific,” HCWD1 will complete this site-specific assessment during the first 120 days of the contract.

A key element of protecting a utility from catastrophic loss is the vulnerability assessment. As required under the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (Bioterrorism Act) HCWD1 assumes that the required vulnerability assessment was completed by the 30 June 2004 deadline. This plan will be reviewed and incorporated into the SOPs, as appropriate. HCWD1 will maintain the appropriate levels and types of insurance for critical facilities to ensure that prompt resources are available to mitigate the loss, and replace or renew damaged assets.

I.1.11.2 Planning

The CLP must then be integrated with employees and other Fort Knox agencies. Employees and others play an essential role in the prevention of loss. Employees should ensure facilities are secure at all times, security systems are active and functioning correctly, and report unusual or non-regular activities in and around critical facilities. Communicating the plan to other Fort Knox agencies allows them to assist in surveillance activities.

I.1.11.3 Emergency Restoration Plan

Should a catastrophic event occur, restoring service and mitigating impact are key considerations. HCWD1’s ERP is detailed in Section I.1.8. The ERP covers restoration of service from catastrophic events both man made and naturally occurring. Should a widespread catastrophic event occur, HCWD1 will work with local, state, and federal agencies to integrate our CLP with restoration efforts of these agencies. This participation would include all aspects of disaster recovery, including application for grants and low-interest loans to restore facilities completely, should the damage exceed the insured amount, or not be a covered event.

I.1.11.4 Lessons Learned/Plan Updates

The CLP is a plan, and as such will be reviewed periodically to ensure it accurately reflects the hazards present during the course of the contract. Lessons learned are a key part of preventing reoccurrence of catastrophic failures. If a catastrophic event occurs, immediately after the emergency restoration is complete, a team will be convened to identify, collect, and disseminate lessons learned, both from the event, and the restoration phase. The plan will be updated to reflect the lessons learned.
I.2 O&M Plan and Quality Management Plan

I.2.1 O&M Plan

HCWD1’s philosophy is based on stewardship of assets and it is HCWD1’s goal to enhance everything entrusted to us. In some instances, this means improvement of assets, while in other cases it means maintaining value and operating efficiency. Selecting the right O&M strategies results in timely replacement of assets and maximizing efficiencies. We achieve these objectives through optimizing facilities’ processes, implementing our maintenance program, and optimizing staff utilization. HCWD1 has developed the following O&M Plan in accordance with Section L.4.2 of the RFP.

The major components of the Plan are:

• Staffing Plan
• Operations Plan
• Maintenance Plan
• O&M Policies and Procedures

I.2.1.1 Staffing

Staffing will be used to maximize operations efficiency, ensure optimal levels of maintenance, and provide consistently reliable service to Fort Knox. Exhibit I.2-1 shows the staffing for daily O&M responsibilities. We have analyzed the organization and staffing required to best perform the requirements of the SOW and are proposing the contract site organization as presented in Exhibit I.2-1.

Exhibit I.2-2 provides further detail of utilities services staffing. The majority of services will be performed by on-site staff and employees of HCWD1. The full-time equivalents (FTEs) below represent the O&M effort for 1 year.

I.2.1.2 Operations Plan

HCWD1’s Operations Plan for Fort Knox will deliver proven, cost-effective solutions that increase performance. Our approach involves key strategies that guarantee a significant increase in the value of services provided. To achieve this, the following programs will be implemented:

• A state-of-the-art CMMS (Jobs Plus®)
• A regulatory compliance plan that will meet all federal and state requirements of the Safe Drinking and Clean Water Acts
• A comprehensive staff evaluation and training program
• A communications plan that will provide a reporting system to the appropriate management team at Fort Knox

System Description. Fort Knox’s potable water utility system includes 13 groundwater wells; 2 raw water intake structures at the dams; a low-lift pumping station; 48,700 linear feet (LF) (9.2 miles) of raw water line; 2 WTP facilities (Central and Muldraugh); 3 clear wells; 2 high lift pump stations; 1 booster pump station; 8 elevated storage tanks; the main cantonment area’s potable water distribution system, which includes roughly 810,329 LF (153.5 miles) of potable water distribution pipe; and the 3 range areas' potable water distribution systems, which include roughly 48,397 LF (9.2 miles).

Current Operations. Based on our observations and information provided to bidders, the water quality for this system appears to meet all of the State of Kentucky standards. However, a thorough compliance analysis will be performed during the first 120 days of the contract (transition period).

Operational Changes. Exhibit I.2-3 details several operational practices currently conducted and changes proposed.

Planned Operational Strategy. The first step to developing a strategy to operate the facilities will be to further evaluate the current status of operations during the system characterization activities.

Maintenance needs will be cataloged and prioritized at all facilities according to the following requirements:

1. Maintaining required water quality
2. Maintaining service to the base
3. Cost of equipment
Operation of the water storage facilities will be in accordance with national and local fire codes and AWWA-recommended practices. Specifically, minimum levels of water will be maintained in the storage reservoirs to meet fire flow requirements, domestic emergency storage, and pressure equalization.

An annual fire hydrant flushing and testing program will be initiated to ensure the highest level water quality is delivered to our Fort Knox customers. In addition, this program will verify the system readiness for emergency operations with emphasis on adequate capacity and pressure. HCWD1 will coordinate with the Fort Knox Fire Department prior to any testing, repair, or maintenance of the fire hydrants.

HCWD1’s goal of compliance will adhere to all of the primary and secondary standards as promulgated by the Safe Drinking Water Act (SDWA) and the State of Kentucky. By applying HCWD1’s proactive approach for compliance with the recently promulgated and the proposed regulations by developing water quality goals that are more stringent than current regulations, HCWD1 is well positioned to meet current and future regulations. Drinking water regulations that impact HCWD1 can be divided into three categories:

1. Existing regulations
2. Recently promulgated regulations
3. Future regulations

For this contract, the applicable existing regulations that impact the Water System are highlighted in Exhibit I.2-4.
EXHIBIT I.2-2
Utilities Services Staffing

<table>
<thead>
<tr>
<th>Positiona</th>
<th>Company</th>
<th>FTE - Treatment</th>
<th>FTE - Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Manager</td>
<td>HCWD1</td>
<td>Combined</td>
<td>Combined</td>
</tr>
<tr>
<td>Operations Manager</td>
<td>HCWD1</td>
<td>Combined</td>
<td>Combined</td>
</tr>
<tr>
<td>Water Treatment Project Manager</td>
<td>LWC</td>
<td>0.2</td>
<td>0</td>
</tr>
<tr>
<td>Water Distribution Supervisor</td>
<td>HCWD1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Plant Maintenance Manager</td>
<td>LWC</td>
<td>0.2</td>
<td>0</td>
</tr>
<tr>
<td>Water Treatment Supervisor</td>
<td>LWC</td>
<td>0.2</td>
<td>0</td>
</tr>
<tr>
<td>Operators</td>
<td>LWC/HCWD1</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Equipment Operators</td>
<td>HCWD1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Treatment Plant Mechanics</td>
<td>LWC</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Administrative Assistant</td>
<td>HCWD1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>GIS Technician</td>
<td>HCWD1</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

aSee Exhibits I.2-6 and I.2-7 for a description of the qualifications and personnel proposed for each position.

EXHIBIT I.2-3
Operational Strategies for Water System

<table>
<thead>
<tr>
<th>Operational Condition</th>
<th>Current Operations</th>
<th>HCWD1 Plan</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM Scheduling</td>
<td>Unknown method of scheduling of PM tasks</td>
<td>Condition-based scheduling of PM tasks</td>
<td>Lower life cycle equipment costs</td>
</tr>
<tr>
<td>Predictive Maintenance</td>
<td>Unknown</td>
<td>Use of current monitoring, vibration monitoring, and used oil analysis</td>
<td>Establish baseline equipment condition and set up proper PM</td>
</tr>
<tr>
<td>Inventory Management</td>
<td>Unknown method of ordering, receipt, and disbursement of commodities and supplies</td>
<td>Identify critical parts, and minimum/maximum stock levels. Routine verification of stock levels.</td>
<td>Lower inventory costs and increase reliability of critical systems</td>
</tr>
<tr>
<td>Water Tank Maintenance</td>
<td>Unknown maintenance level of water tanks</td>
<td>HCWD1 will subcontract maintenance of the water tanks</td>
<td>Frequent maintenance allows for higher water quality and extended life of tanks</td>
</tr>
<tr>
<td>Water Distribution System</td>
<td>No known regular frequency for water balance</td>
<td>HCWD1 will conduct an annual water balance for the water production and distribution system</td>
<td>Annually assess water loss and identify sources</td>
</tr>
</tbody>
</table>
EXHIBIT I.2-4

Regulations That Impact Water System

Existing Regulations

Kentucky Division of Water – Kentucky Administrative Regulations Title 401, Chapter 8

<table>
<thead>
<tr>
<th>Regulation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Coliform Rule</strong></td>
<td>The Total Coliform Rule was promulgated on June 29, 1989. Total coliforms include both fecal coliforms and <em>E. coli</em>. Compliance with the Total Coliform Rule is based on the results of sampling in the distribution system. The frequency and number of collected samples are a function of the system size (number of people served). HCWD1’s plan will maintain compliance with the Total Coliform Rule by (1) maintaining adequate distribution system disinfectant residual, and (2) frequently flushing low flow areas.</td>
</tr>
<tr>
<td><strong>Arsenic</strong></td>
<td>Environmental Protection Agency (EPA) has set the arsenic standard for drinking water at .010 parts per million (10 parts per billion) to protect consumers served by public water systems from the effects of long-term, chronic exposure to arsenic. Water systems had to comply with this standard by January 23, 2006, providing additional protection to an estimated 13 million Americans.</td>
</tr>
<tr>
<td><strong>Long Term 2 Enhanced Surface Water Treatment Rule (LT2ESWTR or LT2 Rule)</strong></td>
<td>The purpose of the LT2 Rule is to reduce illness linked with the contaminant Cryptosporidium and other disease-causing microorganisms in drinking water. The Rule will supplement existing regulations by targeting additional Cryptosporidium treatment requirements to high-risk systems. This Rule also contains provisions to reduce risks from uncovered finished water reservoirs and to ensure that systems maintain microbial protection when they take steps to decrease the formation of disinfection byproducts that result from chemical water treatment.</td>
</tr>
<tr>
<td><strong>Stage 2 Disinfectants and Disinfection Byproducts Rule (DBP Rule)</strong></td>
<td>The Stage 2 DBP Rule builds upon earlier rules that addressed disinfection byproducts to improve drinking water quality and provide additional public health protection from disinfection byproducts. This Rule strengthens public health protection for customers by tightening compliance monitoring requirements for two groups of DBPs, trihalomethanes (TTHM) and haloacetic acids (HAA5). The Rule targets systems with the greatest risk and will reduce potential health risks related to DBP exposure and provide more equitable public health protection.</td>
</tr>
<tr>
<td><strong>Groundwater Rule</strong></td>
<td>EPA published the Groundwater Rule in the Federal Register on November 8, 2006. The purpose of the rule is to provide for increased protection against microbial pathogens in public water systems that use ground water sources. EPA is particularly concerned about ground water systems that are susceptible to fecal contamination since disease-causing pathogens may be found in fecal contamination. The Groundwater Rule will apply to public water systems that serve ground water. The rule also applies to any system that mixes surface and ground water if the ground water is added directly to the distribution system and provided to consumers without treatment.</td>
</tr>
<tr>
<td><strong>Lead and Copper Rule</strong></td>
<td>On June 7, 1991, the EPA published Action Limits (ALs) and national primary drinking water regulations for lead and copper. Under this regulation, lead and copper levels must not exceed ALs of 0.015 milligrams per liter (mg/L) and 1.3 mg/L, respectively, in 90 percent of the samples collected. Actions required for AL exceedances include collecting source water samples, conducting public education, conducting a corrosion control study, and establishing a corrosion control program. This Rule also requires that lead and copper be monitored at consumers’ taps every 6 months. Samples at consumers’ taps must be taken at high-risk locations, which include homes with lead solder installed after 1982, lead service lines, and lead interior piping. Revisions to the Lead and Copper Rule were promulgated in April 2000. The revisions reduced the frequency of monitoring required for low lead and copper tap levels and updated the analytical methods used for analyzing lead and copper levels.</td>
</tr>
</tbody>
</table>

I.2.1.3 Maintenance Plan

HCWD1’s maintenance program has the following objectives:

- Maintain the facilities to the highest standard of care to preserve aesthetics and protect against deterioration.
- Maintain equipment in a manner that maximizes operational life and endeavor to prevent
HCWD1 will use a whole lifecycle approach combined with our CMMS, as discussed later in this section, to monitor the condition of the facilities and schedule routine inspections, maintenance, and repairs. The CMMS will also track performance, service history, and repair costs. The data generated will be used to evaluate the need to replace or rehabilitate the portion of the system. An equipment assessment will be conducted during the system characterization phase for this purpose. Using the equipment condition data developed during the system characterization phase, the “criticality of failure” factor will be established for each piece of equipment. Using the criticality of failure, along with the maintenance characteristics and the availability of replacement parts, HCWD1 will develop a maintenance strategy for each piece of equipment. This strategy ensures that:

- Sources of spare parts and replacements are planned and availability is targeted to the needs of the specific facility to minimize both scheduled and unscheduled downtime
- Maintenance skill requirements are determined, skill gaps identified, and training planned and implemented

The maintenance strategy selected for each piece of equipment will be based on three levels of maintenance:

- Preventive Maintenance (PM)
- Corrective Maintenance (CM)
- Predictive Maintenance (PdM)

PM is defined as routine and/or repetitive activities required or recommended by the equipment or facility manufacturer or HCWD1 to maximize the service life and reliability of the system components. Proper PM is the all-important first line of defense against deterioration and failure.

CM encompasses activities required for operational continuity, safety, and performance. The status of CM work orders will be maintained in the CMMS, and work will be scheduled to the extent possible with groups of equipment to save time and reduce labor requirements. Based on HCWD1’s maintenance evaluation, critical spare parts will be stocked on-site or held in reserve at a supplier’s warehouse to ensure that downtime is minimal. Each type of maintenance will be scheduled and its completion monitored using the CMMS.

PdM virtually eliminates unexpected equipment failure because of normal wear. PdM activities will range from simple, periodic inspections to sophisticated condition measurements. The baseline condition for each critical piece of equipment will be identified and the equipment will be monitored against selected critical performance criteria.

The following outlines the basic components of HCWD1’s maintenance approach. It provides an overview of our plan for predictive, preventive, and CM corrective maintenance, as well as the implementation of the CMMS. While this is a concept for a detailed maintenance plan, which will be developed during the system characterization phase, it provides an overview.

PM Plan. HCWD1’s approach to minor (routine) maintenance focuses on PM. Proper PM decreases the total lifecycle cost of equipment or facilities. The lifecycle cost of equipment and facilities that have been properly maintained is a fraction of the cost of equipment and facilities that have been poorly maintained.

During HCWD1’s evaluation of the Fort Knox facilities, we identified opportunities for improvements to maintenance practices. During the evaluation, HCWD1 could not determine how PM tasks were being performed, generated, and tracked. Upon
award, HCWD1 will start by creating a Master Equipment List (MEL). All equipment identified in the MEL will be assigned a unique asset number and location code. Once this is completed, the detailed nameplate data will be entered for each asset. HCWD1 will then enter PM tasks and frequencies.

Specific tasks, frequencies, and preventative maintenance procedures will be based on the manufacturer’s O&M Manual, Department of the Army standards, and standards developed by HCWD1 that are based on our experience in maintaining similar equipment at levels above industry standards.

Each PM task will be assigned an identification number that will be unique to the task being performed. This unique PM task will describe the procedure needed, tools required, materials needed, all safety requirements, and any Department of the Army issues involved. Each PM task will also be assigned a cycle for completion. For example, a generator oil change may occur once per year, whereas a vehicle oil change would occur in a quarterly cycle. If a PM task is not completed due to extraordinary circumstances, that PM task will appear again as a flagged, higher-priority task.

Each individual PM task will contain the date of the last revision, drawing reference numbers, O&M Manual number, and location, as well as any other documents that relate to the operation or maintenance of the equipment requiring maintenance.

CM Plan. CM is defined as those non-repetitive activities necessary to correct a malfunction or replace a failed component of the system for operational continuity, safety, and performance. Unplanned CM activities are generally performed because of system components failure. Planned CM is the result of proactive PM and PdM processes that identify the equipment’s needs before a failure occurs. There are many reasons why planned CM is preferred to unplanned CM. For example, it provides:

- Increased process reliability due to decreased critical equipment failure
- Reduced manpower costs due to improved job planning and scheduling

HCWD1 will prepare standard maintenance procedures for major CM activities. The standard maintenance procedures are procedural documents with staffing requirements to accomplish the CM tasks. The procedures will include lists of tools, instruments, and materials to perform each task. The procedures will be part of the CMMS and can be printed in hard copy for the maintenance staff to carry to perform the maintenance procedure.

CM needs often generate decision points that require expert evaluation and recommendations. The CMMS will provide a valuable tool by maintaining a library of information on each piece of equipment. This information will be searchable by equipment type, location, application, manufacturer, and repair type. By using this data, HCWD1 will be able to make the best overall decisions for equipment needs. For example, HCWD1’s team will be able to predetermine repair costs and evaluate equipment histories to determine a repair/replace breakpoint. If an estimated repair cost exceeds the agreed upon cost/benefit ratio, HCWD1 will be able to make an effective decision on equipment type, size, and manufacturer to ensure optimal overall system performance.

PdM Plan. HCWD1 proposes to provide a level of PdM services that can considerably reduce unexpected equipment failure due to normal “wear and tear” or improper repair. The benefits of PdM include:

- Increased process reliability due to decreased equipment failure
- Improved job planning and scheduling
- Reduced overall repair costs
- Reduced capital improvement costs

HCWD1 will establish a “baseline” condition for each critical piece of equipment identified and periodically monitor the equipment for critical performance criteria. The information provided on the following pages defines these elements in detail and
demonstrates how our approach will exceed Fort Knox’s expectations for PdM services.

As described, we will perform the initial evaluation to establish equipment condition and provide specific, detailed recommendations for remedial repair needed at that time. Monitoring will be performed, with additional performance criteria added, at a frequency that will be dictated by the condition of equipment as monitoring occurs. In every case, this approach will improve the predictability of equipment performance and quality service.

**Initial Equipment Condition Evaluation.** The equipment condition evaluation will establish a baseline for PdM services. It will define what actions need to be taken immediately to avoid immediate and expensive failure, as well as prescribe when monitoring levels must be adjusted to protect equipment. The results will be entered into the CMMS for tracking and modeling.

To provide a continual baseline for all pieces of equipment at the facility and throughout the system, special inspections will be conducted similar to the initial evaluations performed. These follow-up inspections are recommended whenever a new piece of equipment is installed or when existing equipment is overhauled. This policy has the advantage of identifying equipment or installation/repair problems early in the warranty periods.

All data, measurements, remarks, and conditions for each piece of equipment will be entered into the CMMS as field data or text (as appropriate). Equipment needing repairs will automatically be assigned a work order with the appropriate priority level.

**Vibration Monitoring.** Each machine selected for monitoring will be checked at a predetermined interval, as recommended by the monitoring software. The data collected will be the complex displacement and velocity of the worst position of each accessible bearing on the machine. This data will then be entered into a computer program, and statistical analysis on the data will be performed to determine limits for the vibration.

**Current Measurement.** Each machine selected for monitoring will be checked at a predetermined interval. The data collected will be the current or amperage of each electrical phase. This data will then be entered into a computer program, and statistical analysis on the data will be performed to determine performance and equipment wear.

Electrical testing will also be conducted for voltage drop, power factor, kilovolt-ampere (Kva), kilovolt-ampere-reactance (Kvar), and kilowatt (Kw). These tests are useful in determining problems with motors and pumps. Voltage drops can help determine and define problems and reconfirm thermographic results. In fact, HCWD1 will perform thermographic monitoring at the same frequency as the electrical monitoring.

Elapsed time meters will be installed and monitored in order to generate more precise data on equipment operation between monitoring periods. Data will be collected on elapsed time and compared with readings on equipment; this information can also be useful in energy management or PM programs.

**Computerized Maintenance Management System (CMMS)**

HCWD1 proposes to use a state-of-the-art, in-place computer software system to maximize the O&M of the water utility and lift stations located at Fort Knox. The CMMS utilizes Jobs Plus® and will be referred to as Jobs Plus® or the CMMS for this proposal.

Our goals for installation and implementation of our Jobs Plus® work order program for Fort Knox include:

- Install a full-featured CMMS that is easy to use.
- Maintain the integrity of the existing equipment data for future use.

Jobs Plus® is a full-featured CMMS that uses a viewing screen similar to those of Windows-type programs. This type of interface is easy to use and familiar to today’s computer users. This simplifies use of the system for employees who may be unfamiliar with computers in general through use of intuitive icons and interactive “point-and-click” buttons.

As part of this implementation, we will gather any additional information not contained in the MEL that
will be necessary to achieve maximum system benefit. As needed, HCWD1 will develop a coding system that assigns costs and historical data into groupings required for financial and administrative purposes. HCWD1 will import such data as is available from Fort Knox’s maintenance database to HCWD1’s CMMS to ensure valuable historical maintenance information is available for review. CMMS will have the capability, at a minimum, of:

- Maintaining repair records for each piece of equipment
- Scheduling and monitoring PM activities
- Issuing work orders and purchase orders
- Maintaining spare parts inventories
- Automatically issuing exception reports, equipment status reports, and an equipment repair priority report

The Jobs Plus® software is organized around several modules (depicted in Exhibit I.2-5):

- Work orders
- Maintenance tasks
- Scheduling
- Work order analysis
- Reporting
- Equipment

The Jobs Plus® program has several additional features that will benefit Fort Knox. The HCWD1 staff will be able to easily generate custom reports when requested based on predetermined and customized analysis tools. This will permit generation of summary reports rather than the basic raw data-only type of reports typically provided for monthly reporting. The CMMS will provide concise, easy-to-read equipment reports that detail specific information based on manufacturer, type, location, or operating system and subsystem. This information can include lifecycle costs, maintenance frequencies and histories, and status reports on all maintenance functions. Reports can focus on issues, such as job completion reports, work order status, and manpower utilization.

The maintenance staff will be responsible for obtaining the following data for entry into the CMMS:

- All nameplate data and other pertinent information, such as bearing sizes, total dynamic head (TDH), and flow available for each piece of equipment
- Equipment identification number, equipment description (name), and location

The database will be populated during the transition phase of the project and will continue until all elements of the MEL are incorporated once the users are trained on the program. As maintenance procedures are dynamic in nature (e.g., motors/pumps are repaired and replaced), the database will be continuously updated accordingly.

Service Quality

For this contract, HCWD1 will draft an initial set of benchmarks developed specifically for this project in the form of performance metrics. HCWD1 will establish goals for continuous improvement of the systems. The goal of this process will be to measure our success at delivering continuous service to Fort Knox in the most efficient manner and with the highest degree of customer satisfaction. We track all usable data for the project in the CMMS to measure performance. The CMMS allows for continual archiving and tracking of maintenance data so that reports that contain key
indicators of facility maintenance performance can be generated. Administrative data, such as customer calls and complaints, are recorded, and this data is tracked over time as an indicator of performance.

There will be no compromising of quality in order to cut costs.

Communications
Communication is critical to the success of emergency management and day-to-day deployment and coordination of the workforce. The size of Fort Knox makes good communication essential to operations. HCWD1 will equip each work crew in the field, supervisors, and other key personnel with cellular telephones. HCWD1 will have immediate access to each of the work crews in the field and all of the supervisors. Auto dialers will be deployed as a key part of the communications plan. Should any alarm conditions develop, for example, if a pump station goes into alarm, the SCADA system will page and/or phone the supervisor or employee responsible for that station. This is especially beneficial for unmanned facilities and during off-duty hours.

Engineering and Renewal and Replacement Program
HCWD1 has assembled a team of the industry’s best to lead and manage the Fort Knox Water Utility Privatization, specifically the Engineering R&R Program. HCWD1, LWC, and CH2M HILL have unmatched experience in this area. Our approach will provide a Project Engineering Manager, who will be supported by the vast resources of team members. The engineering team will manage:

- Planning and Programming
- Mapping and GIS
- Utility Design Review
- Utility Inspection
- Fire Protection/Hydraulic Modeling
- Renewal and Replacement Planning/Management

Safety/Security
The safety/security of potable water supplies has come under heightened scrutiny since the events of September 11, 2001. The Department of Defense (DoD) and Fort Knox have heightened their safety/security measures since then. The Safety/Security Officer, Mr. David Simmons, will be responsible for the overall safety and security program, as well as for the emergency/disaster operations assistance. During transition, HCWD1 will conduct a preliminary assessment of the physical safety/security and vulnerability/effectiveness of the water distribution and water treatment systems. During the transition period, HCWD1 will seek to review the Vulnerability Assessment to ensure all identified security measures have been completed.

Evaluate Current Physical Protection Effectiveness. The current effectiveness of the physical protection system for each critical asset will be evaluated based on an expected or likely threat scenario and DoD criteria. For a physical protection system to be useful in protecting a critical asset, the following must occur:

- Detection. The facility/station must have proper detection of a hostile act. HCWD1 will review the current security equipment to determine if it is appropriate.
- Delay. Any element of the current security system that causes the threat to take more time to reach its objective is considered a delay. When used properly, delay elements, such as locks, can provide sufficient protection of critical assets. HCWD1 will review existing delay elements.
- Response. Fort Knox Military Police and HCWD1 will provide a coordinated response to security threats.

All three of these elements are needed to determine the Probability of Effectiveness (Pe) of the existing physical protection system. Some of the questions that will be asked to evaluate the probability of effectiveness are:

- How many persons require access to the facility/station by shifts?
- Who is responsible for key control? Are there written procedures?
- Who holds the master keys and is there a list of them?
• Are keys signed for?
• Are any keys lost at this time?
• Are there alarms on any components of the water system?
• Where do the alarms terminate (who answers alarm)?
• Is there perimeter lighting? What type?
• Are all perimeter lights on at night?
• Are lights turned on automatically or manually?
• Who is responsible for lighting maintenance?
• Is there an auxiliary power system for lights?

I.2.1.4 O&M Policies and Procedures

HCWD1 will operate the facilities to accepted standards published by the AWWA, the Water Environment Federation (WEF), and the State of Kentucky Division of Water. The standards include:

- Kentucky Administrative Regulations Title 401 KAR Chapter 8
- CIPRA Handbook
- Factory Mutual Global – FM Approvals
- ASCE
- National Pollutant Discharge Elimination System (NPDES) Permits
- AWWA C700-95
- AWWA C500-93
- National Fire Protection Association and Standards, NFPA-1
- Kentucky Occupational Health and Safety, General Industry Standards
- CIPRA Handbook
- 10 States Standards – Recommended Standards for Waterworks 2007 Edition
- AWWA C700-95
- AWWA C500-93
- National Fire Protection Association and Standards, NFPA-1

HCWD1 has developed an operations program for its water systems, which includes SOPs. This O&M Plan will be encapsulated in an O&M Manual for Fort Knox’s water system—a user-focused, living document that will be updated and revised by the staff.

O&M Manuals

Our O&M Manuals will be developed by the operations staff. Our team of systems experts and engineers review the technical content, but the manuals are written from an experienced operator’s perspective and provide immediate access to the information an operator needs to know, in a logical, practical format.

Typically, the O&M Manual is developed at two levels—the individual component level and the system-wide level. The component-level data, which is provided by manufacturers and equipment vendors, will be assembled and organized in a consistent, indexed format for easy reference. Upon reviewing this information on equipment and systems and developing a basic understanding of their operation—as well as studying the Fort Knox facility design—our operations specialists will extract pertinent data developed by the various disciplines (e.g., operating limits, warnings, notes) and integrate it into an overall O&M Manual.

The purpose of the O&M Manual is to consolidate data on the background, principles, and purpose of each piece of equipment in the system. The Manual will provide the staff with a clear understanding of the system goals and objectives, and will serve as a single reference source for locating all the information and approaches necessary to successfully operate the system. The O&M Manual will be a valuable resource for the staff, especially when faced with operating processes that are not frequently employed, or to refresh their understanding of system operating limitations. For new staff members, the Manual also will serve as a secondary training tool, because it contains all the information necessary to understand the systems.

Standard Operating Procedures

The facility’s O&M Manual includes SOPs that will be updated at least annually and whenever the equipment is modified or changed. We will store SOPs in an online format in the CMMS to provide ready access for reference and field use and updating.

SOPs are the backbone of any water system operational strategy. Equipment SOPs detail the
operation of a single piece of equipment, such as a booster station pump. The SOP is a basic guideline to be followed to ensure proper operation.

SOPs include instructive guidelines for startup, shutdown, and emergency operations. Each SOP includes safety notes, warnings, and cautions. For clarity and to facilitate comprehension, SOPs also include tables, diagrams, and drawings as appropriate. HCWD1 will refine and expand current SOPs as needed for all aspects of Fort Knox's distribution system.

SOPs provide operators with a quick reference to verify proper procedures. Typically, they are placed in key areas to be easily accessible. With these guides, operators have a quick reference source always available to them.

SOPs are useful in training new associates to operate specific pieces of equipment or perform testing procedures and in reminding associates of the specific procedures to follow before they start a task that they may not have performed recently. However, SOPs do not tell associates why they are performing a certain task or what the outcome will be both short-term and long-term.

Qualifications of Each Staff Position for the Operation of the Utility System

Key members of the project team are HCWD1 employees. Qualifications for key management staff are provided in Exhibit I.2-6. Support staff qualifications and duties are provided in Exhibit I.2-7.

Approach to Ensuring Personnel Are Current in Training and Certifications

HCWD1 management selects and assigns personnel performing work affecting quality who are competent based on applicable education, training, skills, and experience. The following are the responsibilities of HCWD1 management to ensure that personnel remain current in their training and certifications:

- Determine the necessary competence for personnel performing activities affecting quality.
- Provide training or take other actions to satisfy these needs.
- Evaluate the effectiveness of the actions taken.
- Ensure that HCWD1 employees are aware of the relevance and importance of their activities and how they contribute to the achievement of the quality objectives.
- Maintain appropriate records of education, training, skills, and experience.

Training and Certification Required for Each Staff Position

Exhibit I.2-8 provides the training and certifications required for the proposed staff positions.
## Position Qualifications for Key Management Staff Positions

<table>
<thead>
<tr>
<th>Management Staff Credentials</th>
<th>Position Qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Manager – Jim Bruce</strong>&lt;br&gt;Mr. Bruce’s experience includes 26 years in water and sewer utility management. For the last 14 years, he has been the General Manager of HCWD1 in Radcliff, Kentucky. HCWD1 currently owns four utility systems, which include a water system serving 35,000 people with 4 wholesale customers; 122 square miles of service area with a water treatment facility; and two sanitary sewer systems with two wastewater treatment plants (4 and 6 million gallons per day [mgd]), containing over 200 miles of sewer mains and 30 lift stations serving over 45,000 persons and the wastewater utility on Fort Knox.</td>
<td><strong>General Manager Position Qualifications</strong>&lt;br&gt;• BA/BS degree in Civil Engineering, Environmental Engineering, or Business Administration&lt;br&gt;• 7-10 years work-related experience in engineering management&lt;br&gt;• Considerable knowledge of principles and practices of civil, mechanical, and electrical engineering, public administration, municipal accounting, and budget procedures&lt;br&gt;• Familiarity with water and wastewater plant operations, water and sewer line construction, and maintenance procedures&lt;br&gt;• Proficient in management, supervision, and communication&lt;br&gt;• Mastery of interpreting local, state, and federal codes, acts and policies, and grant availability concerning water and wastewater&lt;br&gt;• Good communication skills (oral and written)</td>
</tr>
<tr>
<td><strong>Operations (Alternate) Project Manager – Brett Pyles</strong>&lt;br&gt;Mr. Pyles’ experience includes 22 years in water and sewer utility management. For the last 3 years, he has been the Operations Manager of HCWD1 in Radcliff, Kentucky. HCWD1 currently owns four utility systems, which include a water system serving 35,000 persons with 4 wholesale customers; 122 square miles of service area with a water treatment facility; and two sanitary sewer systems with two wastewater treatment plants (4 and 6 mgd), containing over 200 miles of sewer mains and 30 lift stations serving over 45,000 persons and the wastewater utility on Fort Knox.</td>
<td><strong>Operations (Alternate) Manager Project Manager Position Qualifications</strong>&lt;br&gt;• BA/BS degree in Civil Engineering, Environmental Engineering, or Business Administration&lt;br&gt;• 5+ years work-related experience in civil or environmental engineering&lt;br&gt;• Considerable knowledge of principles and practices of civil, mechanical, and electrical engineering, public administration, municipal accounting, and budget procedures&lt;br&gt;• Familiarity with water and wastewater plant operations, water and sewer line construction, and maintenance procedures&lt;br&gt;• Proficient in management, supervision, and communication&lt;br&gt;• Mastery of interpreting local, state, and federal codes, acts and policies, and grant availability concerning water and wastewater&lt;br&gt;• Good communication skills (oral and written)</td>
</tr>
<tr>
<td><strong>Engineering Manager – Robert Neath</strong>&lt;br&gt;Mr. Neath is a graduate of South Dakota State University with a MS in Environmental Engineering. He is a licensed Professional Engineer with over 17 years of experience. He is currently a Senior Project Manager with CH2M HILL and is currently supervising the engineering staff for the Army Post at Fort Campbell, Kentucky. In this role, he supervises the staff performing the studies and design projects, and serves as the client contact for engineering related topics.</td>
<td><strong>Engineering Manager Position Qualifications</strong>&lt;br&gt;• BA/BS in related occupational field of study&lt;br&gt;• 1 - 3 years in similar position or sufficient experience to perform principal duties and responsibilities&lt;br&gt;• Considerable knowledge of principles and theories of civil engineering, water and sanitary sewer materials and construction, surveying and design principles and practices, construction estimating, and backflow prevention and installation&lt;br&gt;• Proficiency in administering construction contracts; mastery of operating personal computers and using drafting and surveying instruments&lt;br&gt;• Good communication skills (oral and written)</td>
</tr>
</tbody>
</table>
### Position Qualifications for Key Management Staff Positions

<table>
<thead>
<tr>
<th>Management Staff Credentials</th>
<th>Position Qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water Treatment Project Manager – Jim Smith</strong>&lt;br&gt;Mr. Smith holds a masters degree in Environmental Engineering from the University of Louisville and a Bachelors degree in Biological Sciences from Indiana University. Mr. Smith’s experience includes over 25 years in water utility operations and management at the LWC. He currently serves as the Director of Infrastructure Planning and Business Development and previously held roles at LWC of Manager of Plant Operations, Manager of Water Quality and Research, Manager of Plant Engineering and Research Engineer. Mr. Smith has been active with AWWA at the national level serving on the Research Advisory Council, Coagulation and Filtration Committee, Disinfection Committee, Technical Publication Committee, and AWWARF Project Advisory Committees.</td>
<td><strong>Water Treatment Project Manager Position Qualifications</strong>&lt;br&gt;• BS in Engineering and 10 years of experience in water supply and treatment, including 7 years of management experience at a public utility or equivalent business&lt;br&gt;• Knowledge and experience in water treatment and water supply operations, including fundamental knowledge of water quality regulations and monitoring requirements&lt;br&gt;• Knowledge and experience in asset management and infrastructure renewal&lt;br&gt;• Knowledge of hydraulic principles and analysis&lt;br&gt;• Demonstrated ability in systems planning, capital budgeting, and in performing engineering feasibility studies&lt;br&gt;• Demonstrated ability in business management, including operational planning and budget preparation&lt;br&gt;• Knowledge of GIS systems, automated mapping, and facility management systems</td>
</tr>
<tr>
<td><strong>Plant Maintenance Manager – John Azzara</strong>&lt;br&gt;Mr. Azzara received an MS in Mechanical Engineering from the University of Louisville. Prior to joining LWC, he worked in private industry for 11 years in various engineering capacities. He has been with LWC for 6 years, serving as the Process Owner of Filter Plant Maintenance. Mr. Azzara manages a workforce of approximately 17 employees, responsible for providing maintenance for two filter plants, approximately 48 booster pumping stations, and 39 tank sites throughout the City of Louisville and surrounding areas.</td>
<td><strong>Plant Maintenance Manager Position Qualifications</strong>&lt;br&gt;• BS in Engineering (mechanical, electrical, chemical) or related discipline, and 5 years of experience in industrial maintenance, chemical plant maintenance or water treatment plant maintenance&lt;br&gt;• Three years of management experience&lt;br&gt;• Experience supervising employees covered by a collective bargaining agreement&lt;br&gt;• Knowledge and experience with water treatment and pumping operations, and an understanding of the O&amp;M of rotating equipment, power distribution equipment, electrical control and instrumentation system, and chemical processing equipment (including demonstrated knowledge, skills and experience in developing and maintaining predictive and preventative maintenance programs for the listed equipment)</td>
</tr>
</tbody>
</table>
**Position Qualifications for Key Management Staff Positions**

<table>
<thead>
<tr>
<th>Management Staff Credentials</th>
<th>Position Qualifications</th>
</tr>
</thead>
</table>
| **Plant Operations Manager – Kent Horrell**  
Mr. Horrell graduated from the University of Louisville and holds an MS in Electrical Engineering, as well as his class IV Water Treatment License. He has been with LWC for over 25 years, initially as a Maintenance Supervisor for water treatment facilities. Mr. Horrell also managed capital improvement projects for the water treatment and pumping operations of the company, before becoming the Manager of Water Treatment and Pumping Operations in 1997. | **Plant Operations Manager Position Qualifications**  
- BA/BS degree in a technical discipline  
- 5 years in a similar position or sufficient experience to perform principal duties and responsibilities of the position  
- Class IV-A Kentucky Water Treatment License, or ability to obtain within 6 months  
- Possess valid drivers license  
- Considerable knowledge of principles and practices of civil, mechanical, and electrical engineering, public administration, municipal accounting, and budget procedures  
- Familiarity with water plant operations, water line construction, and maintenance procedures  
- Proficient in management, supervision, and communication  
- Mastery of interpreting local, state, and federal codes, acts and policies concerning water  
- Good communication skills (oral and written) |
| **Water Distribution Supervisor – Richard Stranahan**  
Mr. Stranahan’s experience includes 23 years in water, gas, and sewer utility industry. Mr. Stranahan currently holds a Class IV Distribution Certification with the State of Kentucky. For the last 3 years, he has been the Distribution Supervisor of HCWD1 in Radcliff, Kentucky. HCWD1 currently owns four utility systems, which include a water system serving 35,000 persons with 4 wholesale customers; 122 square miles of service area with a water treatment facility; and two sanitary sewer systems with two wastewater treatment plants (4 and 6 mgd), with over 200 miles of sewer mains and 30 lift stations serving over 45,000 persons and a stormwater utility on Fort Knox. | **Water Distribution Supervisor Position Qualifications**  
- Associate Degree or BS highly desirable  
- 5 years in a similar position or sufficient experience to perform principal duties and responsibilities of the position, 3 years in supervision  
- Class IV-D Kentucky Water Treatment License, or ability to obtain within 4 years of employment  
- Possess valid commercial drivers license  
- Considerable knowledge of principles and practices of civil, mechanical, and electrical engineering, public administration, municipal accounting, and budget procedures  
- Familiarity with water distribution system operations, water line construction, and maintenance procedures  
- Proficient in management, supervision, and communication  
- Mastery of interpreting local, state, and federal codes, acts, and policies concerning water distribution systems  
- Good communication skills (oral and written) |
### Exhibit I.2-6

**Position Qualifications for Key Management Staff Positions**

<table>
<thead>
<tr>
<th>Management Staff Credentials</th>
<th>Position Qualifications</th>
</tr>
</thead>
</table>
| **Safety/Security office – David Simmons**  
Mr. Simmons received an MS in Geology from Southern Illinois University in 1988. Since that time, he has worked for Indiana’s Division of Water, Department of Natural Resources, as well as consultants and private industry. In 2002, Mr. Simmons became the Production Safety and Quality Assurance Officer for LWC. In 2007, he assumed the duties of Process Owner of Engineering and Operations Safety. In this capacity, he is responsible for developing and implementing a Health, Safety & Environmental Program designed to ensure employee safety, protect property and the environment, and achieve compliance with OSHA, EPA, and Department of Transportation (DOT) regulations. | **Safety/Security Officer Position Qualifications**  
- BA/BS degree in a work-related occupational field of study or equivalent combination of education and experience  
- 3-5 years in a similar position or sufficient experience to perform principal duties and responsibilities of the position  
- Possess valid drivers license  
- Knowledge of systems operations in a variety of areas in order to recognize hazards  
- General knowledge of systems operations in a variety of areas in order to recognize hazards  
- Knowledge of relevant federal, state, and local laws, ordinances, and policies applicable to department operations  
- Knowledge of effective training techniques  
- Good communication skills, both oral and written  
- Skill in observation, detection, investigation, and prevention of occupational health/safety hazards  
- Ability to work independently |
## Qualifications of the Support Staff

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Qualifications and Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water Treatment Plant Operator</strong></td>
<td>Must comply with all medical requirements, pass self-contained breathing apparatus (SCBA) respirator exam and capable of wearing a Level A Suit. Must have the ability to read. Must have the ability to write legibly. Must have a high school education or GED. Must have proven driving experience and a valid Kentucky Driver's License. Attendance and safety record must be very good, as this job requires an individual who is capable of accepting responsibility. Must have a thorough knowledge of plant operations, equipment, rules, and regulations. Must pass necessary departmental test for this position. Must meet all Kentucky Division of Water requirements for Operators Certification. Must possess a Class IV-A Water Treatment Plant Operator's License from the State of Kentucky. Duties: Plant Operator will be responsible for the operation of the plant. His/her duties will include, but are not limited to, being responsible for water; directing and handling operations; in case of an emergency, responding and notifying supervision; making rounds; flushing sludge lines; taking readings, including, when necessary, changes in chemical dosages; keeping a daily log of incoming and outgoing chemical shipments; and changing chlorine tank cars or ton cylinders. All other duties as required.</td>
</tr>
<tr>
<td><strong>Distribution Operator</strong></td>
<td>Must have knowledge of the materials, equipment, and practices used in pipeline construction and maintenance; previous experience with the layout of water lines, including the location of valves and appurtenances; ability to operate power equipment and tools used in pipeline work; ability to read meters and accurately record readings; and ability to work in an independent manner with little supervision. High school diploma or equivalent required. Must work toward obtaining a valid Commercial Driver's License. Must be able to obtain certification for Distribution Operator license Class IV-D or higher within 4 years of employment. Must have 1 year experience in outdoor construction work. This individual must be authorized to drive a HCWD1 vehicle and must operate some small construction equipment. Duties: maintaining tools and equipment; installing fire hydrants and valves; removing and installing meters; performing water analysis tests; and providing general maintenance of HCWD1 property. Must be available for stand-by duty. This individual must be available when the situation arises that requires overtime. Must also live within a 20-minute drive time from the main gate at Fort Knox. This job description does not necessarily include all duties assigned.</td>
</tr>
<tr>
<td><strong>Equipment Operator</strong></td>
<td>Must have knowledge of the principles of operation of heavy equipment, Division of Water distribution regulations, and occupational hazards and proper safety precautions. Must be able to understand and follow oral instruction. Skill in the operation of assigned construction equipment required. High school diploma or equivalent required. Must have a valid Kentucky Commercial Driver's License or attain within reasonable time. Must have a valid Kentucky Commercial Driver's License or attain within reasonable time. Must be a certified Kentucky Division of Water Distribution Operator license Class I-V D or attain within reasonable time. Minimum 3 years experience in the operation maintenance of heavy equipment related to the construction end of the utility industry. Must be able to operate backhoe, trackhoe, dump truck, motor vehicle, dozer, air compressor, boring machine, tapping machine, trencher, tractors, mowers, gas-powered equipment, safety equipment, small hand tools, two-way radio, and valve and line location equipment, and other related equipment.</td>
</tr>
</tbody>
</table>
**Exhibit I.2-7**

**Qualifications of the Support Staff**

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Qualifications and Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Assistant</td>
<td>Performs a variety of administrative functions to support the supervisors of HCWD1. Duties include: operating and maintaining digital phone system; purchasing and maintaining inventory of office supplies; performing daily computer operations, such as data backup; maintaining database and records; composing correspondence and editing other authors for grammar and intent; using word processing and desktop publishing software to prepare documents and publications; maintaining, servicing, and operating copier, facsimile machine, and digital phone PBX system; maintaining records systems, including hard copy, hard disk, and LAN files on server; and maintaining confidential personnel, medical, and payroll files. This job description does not necessarily include all duties assigned. Must have excellent organization skills; previous experience and training using Word Perfect, Microsoft Word, or other Windows-based word processing programs; strong written communication skills; knowledge of office terminology and procedures; ability to maintain records systems. This position may require working overtime or late hours, as needed. Some travel required. High school diploma or equivalent, plus at least 2 years college level course work in Business Administration, Accounting, or Computer Information Systems (or equivalent). Three years increasing experience in professional office supporting management and other departments.</td>
</tr>
<tr>
<td>Water Treatment Maintenance Mechanic</td>
<td>Must have ability to troubleshoot mechanical, electrical, plumbing, and hydraulic problems using appropriate measurement/evaluation tools. Must have working knowledge of breakers, electrical wiring, motors, multiple volt systems, AC/DC, variable frequency drive (VFD), transformers, high voltage switch gear, solenoids, limit switches, and other electrical components, hydraulic controls, pumps, valves, mechanical drive systems, equipment alignments, hydraulic cylinders, chemical feed pumps, pipe systems, general plumbing (drains, gaskets, facets), various valves (gate, rising stem, check etc), plumbing codes, material compatibility, speed control valves, transmitters, tanks, pressure regulators, filter tables and sequences, PRV valves, modulator valves, pneumatic systems and hydraulic control systems, welding, millwright, rigging, and hydraulic lifts. Must have ability to read and interpret electrical schematics and mechanical drawings; understand electrical motor control; solder, thread pipe, glue polyvinyl chloride (PVC), braise pipe, fit pipes and valves, and weld and bolt flanges; understand and follow written and oral instructions and manuals in English; and communicate with coworkers and customers in face-to-face settings to explain repairs made or to discuss repair strategies. Must be aware of job-related OSHA and LWC safety rules (e.g., lock-out tag-out, confined spaces) and be able to understand and follow written and oral instructions and manuals in English. Must comply with all LWC's medical requirements, including respiratory requirements. Must have a high school education or G.E.D (2-year technical school certification with electrical license or HVAC certification preferred). Must have a valid Kentucky Driver’s License. Must successfully pass the Maintenance Mechanic written test. Must successfully pass the Maintenance Mechanic evaluation “hands-on” test. Must have a record of very good attendance and safety.</td>
</tr>
</tbody>
</table>
### EXHIBIT I.2-7
**Qualifications of the Support Staff**

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Qualifications and Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td>GIS Technician</td>
<td>Maintain, expand, and improve GIS Mapping System using GPS Devices and record drawings; Write specifications for new GIS/GPS software and hardware; Provide training to HCWD1 staff on use of GIS Mapping System; Coordinate integrated data exchange of GIS systems with other government, utility organizations; Perform field locates of existing system assets; Review construction plans and write comments for requirements to meet Construction Standards; Develop cost estimates for Main Extension Reimbursement Agreements and Commercial Water Meter Fees; Develop Leak Detection Program and specific planning for locating large leaks using Tim Transit Flow Meter and other leak detection equipment; Develop valve exercising program; Update and revise Standard Construction Specifications; Update and improve for efficiency Meter Reading Routes; Perform field locates of existing utilities; Write specifications and Request for Proposals for Distribution related construction equipment and technical computer hardware and software; Work with professional engineers on hydraulic modeling and analysis for system expansions and improvements; Assist Manager/Supervisor with planning annual work schedule, flushing schedule and other major tasks; Meet with builders and developers for planning future system expansions; Maintain distribution inventory records and Work Order close outs; Assist with Water Quality Sampling Program; Assist Distribution Crews and employees with routine projects and duties in emergencies (List is not inclusive or complete of all duties required or assigned). Knowledge of the materials, equipment and practices used in constructing water systems. Ability to read and interpret construction drawings and contract specifications; Ability to use GIS and CADD computer systems and learn the use of hydraulic modeling programs. Must have experience with writing letters and correspondence to contractors to communicate clearly the requirements of the contract. Associates Degree in Applied Science in Industrial Construction Management or Civil Engineering highly desirable. Must possess or be able to obtain within 3 years a Class III-D Distribution System Operator License from the KY Division of Water; Must understand the design and construction methods used with potable water systems; Understand hydrology and basic water system engineering design.</td>
</tr>
</tbody>
</table>

### EXHIBIT I.2-8
**Staff Training and Certifications Required**

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Training and Certification Required</th>
<th>Principal Duties and Responsibilities</th>
</tr>
</thead>
</table>
| Distribution Supervisor | • High school diploma, GED, trade school, or equivalent level of education  
• 5+ years similar experience  
• Valid state operator’s/driver’s license  
• Kentucky IV-D Certification in Water Distribution System Operator or Wastewater Collection System Operator | • Supervises and coordinates water and/or distribution services crews  
• Installs, repairs, and maintains water mains and lines  
• Makes water taps, lays pipe, and clears water rights-of-ways  
• Reads and interprets blue prints  
• Locates water lines and leaks, turns off water mains  
• Oversees water tank operations  
• Trains designated personnel  
• Hydrant flushing and maintenance  
• Answers service and emergency calls and responds to customer complaints |
### Exhibit 1.2-8
**Staff Training and Certifications Required**

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Training and Certification Required</th>
<th>Principal Duties and Responsibilities</th>
</tr>
</thead>
</table>
| **Water Treatment Supervisor**     | • BA/BS degree in technical discipline  
• Kentucky Class IV-A Water Treatment Plant Operator License  
• HAZMAT Technician Certification  
• 5+ years similar experience  
• Valid state operator’s/driver’s license | • Directs water treatment, pumping, and storage operations to ensure system and water suppliers meet regulatory and customer requirements  
• Supervises Water Treatment Operator staff  
• Analyzes treatment plant performance and operational production and water quality data  
• Prepares monthly operating reports per KDOW requirements  
• Determines chemical dosages and feed rates  
• Assures operator staff is fully trained and qualified per KDOW and OSHA requirements  
• Answers service and emergency calls and responds to customer complaints |
| **Water Treatment Plant Maintenance Manager** | • BS degree in Engineering or related discipline  
• Kentucky Class IV-A Water Treatment Plant Operator License  
• HAZMAT Technician Certification  
• 5+ years similar experience  
• 3 years management experience  
• Valid state operator’s/driver’s license | • Assures water treatment, pumping, and storage equipment operates per production needs and is maintained for optimal life cycle performance and cost  
• Supervises Water Treatment Maintenance Mechanic staff  
• Analyzes equipment performance, develops preventative and predictive maintenance plans, and schedules, maintains equipment, and maintenance records  
• Develops and maintains equipment and spare part inventory  
• Assures maintenance trained and qualified per KDOW and OSHA requirements  
• Answers service and emergency calls and responds to customer complaints |
| **Heavy Equipment Operator**        | • High school diploma, GED, trade school, or equivalent level of education  
• 1-2 years similar experience  
• Valid state operator’s/driver’s license  
• Kentucky Class IV Distribution Certification | • Operates and maintains heavy equipment  
• Repairs and/or replaces defective mechanical equipment and controls  
• Maintains pumping stations and storm water diversion structures  
• Maintains equipment records and reports  
• Loads trucks |
## Exhibit I.2-8 
**Staff Training and Certifications Required**

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Training and Certification Required</th>
<th>Principal Duties and Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Treatment Plant Operator</td>
<td>• Must possess a Class IV-A Water Treatment Plant Operator’s license for the state of Kentucky.</td>
<td>• Responsible for conducting water treatment, pumping and storage operations to ensure system and water supplies meet regulatory requirements.</td>
</tr>
<tr>
<td></td>
<td>• Must have thorough knowledge of plant operations, equipment, KYDOW rules and regulations.</td>
<td>• Maintains accurate water production/quality information</td>
</tr>
<tr>
<td></td>
<td>• Must comply with all medical requirements, pass SCBA respirator exam and be capable of working in a Level A protective suit.</td>
<td>• Answers telephones, takes service calls</td>
</tr>
<tr>
<td></td>
<td>• Must have a high school education or a GED and be able to read and write legibly.</td>
<td>• Performs laboratory analysis and maintains water quality records</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Measures records of water treatment and amounts of chemicals used.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• State and KDOW reporting/recordkeeping.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Makes changes in production rates and chemical feed systems based on water quality and system demand.</td>
</tr>
<tr>
<td>Engineering Manager</td>
<td>• BA/BS in related occupational field of study</td>
<td>• Administers the CIP Program</td>
</tr>
<tr>
<td></td>
<td>• 3-5 years similar engineering experience</td>
<td>• Administers construction standards</td>
</tr>
<tr>
<td></td>
<td>• PE licensing in State of Kentucky</td>
<td>• Evaluates water and sanitary sewer project needs</td>
</tr>
<tr>
<td></td>
<td>• Valid state operator’s/driver’s license</td>
<td>• Maintains current status reports and files; coordinates projects with other agencies</td>
</tr>
<tr>
<td></td>
<td>• HAZMAT Technician certification</td>
<td>• Prepares bid packages</td>
</tr>
<tr>
<td>GIS Technician</td>
<td>• AS degree in applied science in Industrial Construction Management or Civil Engineering</td>
<td>• Performs data entry and conversion</td>
</tr>
<tr>
<td></td>
<td>• 3 years of experience</td>
<td>• Coordinates with Engineering Manager for integration of GIS with CMMS</td>
</tr>
<tr>
<td></td>
<td>• Valid state operator’s/driver’s license</td>
<td>• Maintains accurate water and sanitary sewer information</td>
</tr>
</tbody>
</table>

### I.2.2 Quality Management Plan

HCWD1 has developed this Quality Management Plan in accordance with Section L.4.2 and paragraph C.12 of the RFP. This Quality Management Plan includes the following sections:

- Operating and Maintaining the Utility Systems That will Satisfy Requirements
- Obtaining Customer Feedback and Process Improvements
- System Inspections and Quality Assessment Procedures and Techniques
- Recordkeeping Processes
- Environmental Compliance Plan (Water Treatment System)
- How Performance Standards and/or Specifications Will be Met
- Other Standards and Specifications
- Process for Implementation of GovernmentRequested Facility Expansions
- Compliance with Applicable Environmental, Safety, and OSHA Laws and Regulations
- Safety and OSHA Compliance
- Opportunities for Efficiencies in Utility Operations
- Managing and Accessing Technical Information
- Specialty Skills Training
- Quality Awards and Certifications and Current Operating Standards and Procedures Required by the Kentucky Public Service Commission and the Kentucky Division of Water
I.2.2.1 Operating and Maintaining the Utility Systems That Will Satisfy Requirements

The quality management system proposed is composed of programs and processes that together ensure the elements that are central to customer satisfaction. These include:

- Management Responsibility
- Resource Management
- Product and Service Controls
- Measurement, Analysis, and Improvement

The components of each of these elements are described below.

Management Responsibility

- Establishing vision, mission, and organization. Management demonstrating its commitment to the development and improvement of the quality system.
- Conducting reviews of the system's performance and providing direction for improvement. Management reviewing the quality management system at planned intervals to ensure its continuing suitability, adequacy, and effectiveness.
- Quality Planning. Ensuring that change is conducted in a controlled manner and that the integrity of the quality management system is maintained during change.
- Document Control. Ensuring that the correct versions of reviewed and approved procedures are available for use by project staff, including SOPs for repetitive activities.
- Control of Records. Ensuring that records required for the quality management system are controlled and are maintained to provide evidence of conformance to requirements and of effective operation of the system.

Resource Management

- Assignment of resources necessary for project accomplishment. Needed to implement and improve the processes of the quality management system and to address customer satisfaction.
- Establish training. Identify competency needs for personnel performing activities affecting quality and provide training to satisfy these needs.
- Providing facilities and an adequate work environment. Identify, provide, and maintain or manage the facilities and the human or physical factors of the work environment needed to achieve conformity of the product.

Product and Service Controls

- Planning to Ensure the Completion of the Project. Identifying and performing the sequence of processes and sub-processes required to achieve the product.
- Identifying Customer Requirements. Determining product requirements specified by the customer, as well as those not specified but necessary for the intended or specified use and obligations related to product, including regulatory and legal requirements.
- Control of Engineering Designs. Includes determining responsibilities and authorities for design and/or development activities and the review, verification, and validation activities appropriate to each design and/or development stage.
- Purchasing. Control of purchasing processes to ensure purchased product conforms to requirements. Evaluate and select suppliers based on their ability to supply products in accordance with our requirements. Ensure supply economy by monitoring purchases and prevention of unnecessary transactions.
- Operations Control. Control of production and service operations through the availability of information that specifies the characteristics of the product, where needed, the availability of work instructions, use and maintenance of suitable equipment, monitoring activities, and the implementation of defined processes for release, delivery, and applicable Post delivery activities.
- Laboratory Certification and Quality Audits. Identifying, where appropriate, the product by suitable means throughout production and service operations.
Measurement, Analysis, and Improvement

- **Internal Audits.** Audits are performed to determine if the quality management system is implemented and effective. Audits are planned and scheduled based on importance and risk of processes. Auditors are trained and audits are conducted and reported.

- **Inspection Program.** Inspection of product and services will be conducted in accordance with written procedures. Contract requirements will be used as the basis for establishing inspection criteria. Non-conformances will be documented and defect percentages determined. Corrective action will be taken and effectiveness evaluated.

In Section 2.1, we described in detail the procedures that HCWD1 proposes to implement in the O&M of the utility systems in accordance with all applicable federal, state, and local laws/regulations and the most current version of any specific requirements defined in the utility-specific RFP attachments (Section J). The following provides a narrative description of how HCWD1 plans to operate and maintain the utility systems in a manner that will satisfy the RFP requirements.

All activities of the Fort Knox water utility will be governed by the professional standards of performance listed in the M series references of the AWWA. These references are available at HCWD1 offices and are used routinely by the operations and engineering staff. Water quality standards will be maintained in accordance with EPA- and KDOW-established standards for drinking water. Testing of the treated water will be performed by the on-site utility operator, and required compliance testing will be performed by a KDOW certified testing lab. Particular attention will be given to testing for total coliform, bacterial contamination, and chlorine residuals. Other tests will be performed at varied times, as required by the KDOW schedule. Results of the testing will be available by HCWD1 at the project office. Testing results will be reported to the KDOW. Water quality testing and reporting will be added as a separate component to the existing programs.

Water treatment at Fort Knox will be governed by the professional standards imposed by the AWWA and the EPA, as well as the requirements of the KDOW. Treatment plant operators will be certified by the State of Kentucky for their particular duties. Operators will be required to monitor operations of all aspects of the water treatment and distribution system.

It is our intention that water service will not be interrupted, except when necessary maintenance is required or new services are added to the utility. In those instances where an emergency situation arises that disrupts water operations, the on-site utility operator will identify the problem and restore water service as early as practical.

**I.2.2.2 Obtaining Customer Feedback and Process Improvements**

An overview of the HCWD1 customer feedback and process improvement is presented in Exhibit I.2-9. Monthly meetings with the CO/COTR and other identified stakeholders will be held to review customer satisfaction and metric performance. HCWD1 will submit a suggested agenda to the COTR, at least 1 week prior to each meeting. Minutes will be maintained for the meetings and will be reviewed for status at the ensuing meeting. These meetings and the feedback generated are crucial elements in our goal of Continuous Improvement.

Annually, EPA requires the preparation and mailing of a Consumer Confidence Report (CCR) to all customers of a public water system. HCWD1 has prepared the CCR each year since the requirement was established for their current customers. This single report provides a snapshot of the previous year regarding water quality, results of testing during the year, and any other items of interest to the customers. The CCR has also been used as a method to communicate with our customers about important upcoming events that will affect their utility. Included in the CCR are not only results of water quality tests, but also a section regarding information on the parameters used in the testing, a section informing customers who to call in the event of a problem, and
EXHIBIT I.2-9

Customer Feedback and Process Improvement is Built into Our Quality Assurance Process

water conservation tips. HCWD1 will prepare and distribute CCRs in accordance with the KDOW regulations and requirements.

I.2.2.3 System Inspections and Quality Assessment Procedures and Techniques

Inspection schedules and surveillance checklists will be developed for each utility system maintenance and operations element described in the O&M Plan and for each major CIP. An appropriate level of surveillance will be set for the performance requirements based on the number of items to inspect, how critical the Statement of Work is (based on an assessment of the risk associated with failure), and the characteristics of the item to be inspected.
Inspections schedules and checklist criteria will be reviewed and approved by the General Manager prior to implementation. The completion of scheduled inspections will be conducted by an assigned inspector and tracked by the responsible supervisor. Inspections not completed within the timeframe indicated will be reassigned and the reason for not being completed researched and resolved.

Inspectors will be trained and qualified to perform the inspections they are assigned. Qualifications include having the knowledge and experience regarding the equipment or operation they are inspecting, being familiar with the inspection procedure, and having the maturity to perform their tasks in a professional manner. They will review inspection and surveillance schedules and perform assigned inspections accordingly, reporting any discrepancies or nonconformance to the responsible supervisor who will review findings and initiate corrective action as required. O&M inspectors have the authority to stop activities if they feel they violate the health and safety of plant personnel or the efficiency of operations.

Periodic audits and assessments of the utility operations and administrative functions to evaluate the level of effectiveness and implementation of procedures and processes will be established to satisfy requirements. This includes project procedures and plans developed and approved in accordance with contract requirements. Inspectors that serve as auditors will be trained in the audit process and reports of their activities and findings will be provided to the General Manager. Corrective action will be taken on any findings of nonconformance. Inspectors also have the authority to stop any activity that they feel may threaten the health and safety of plant personnel or the efficiency of operations.

Major CIPs’ inspection plans will be reviewed and approved by the General Manager with input from the COTR as to the surveillance level and inspection criteria sought prior to being implemented.

For each definable feature of work established by the General Manager, the following events could be included in the inspection/quality assessment:

1. Confirm that the appropriate technical specifications are incorporated into the project delivery plan and review said specifications with the working foreman.
2. Confirm that the appropriate contract drawings are incorporated into the project plan and review said drawings with the working foreman.
3. Verify with the working foreman that all shop drawings and submittals have been approved by the proper approving authority (including factory test results, when required).
4. Confirm with the working foreman that the testing plan coincides with the delivery plan and that adequate testing is called for to assure quality delivery.
5. Confirm definition of preliminary work required at the work site and examine the work area with the working foreman to confirm required preliminary work has been properly completed.
6. Confirm availability of required materials and equipment. Examine same with the working foreman to confirm compliance with approved submittals. Examine mock-ups and any sample work product to confirm compliance with approved submittals.
7. Review the site safety plan and activity hazard analysis with the working foreman to ensure that safety concerns are adequately addressed and applicable safety requirements have been incorporated into the plan. Confirm that the appropriate Material Safety Data Sheets (MSDSs) have been identified and properly submitted.
8. Discuss with the working foreman construction methods to be employed during the remedial action. Identify checkpoints and areas of evaluation that will allow determination that the appropriate quality of construction is being achieved.

The General Manager will monitor performance of all utility systems under his purview through a review of reports, operating parameters of equipment, work order status and accomplishment of Repair and Replacement projects.
I.2.2.4 Recordkeeping Processes

HCWD1, Fort Knox, regulators, and other parties need timely access to specific utility information. We will implement effective tools and processes to manage information in a variety of formats and media to ensure that accurate, complete, and accessible records are maintained. Exhibit I.2-10 shows the types and formats of information retained. The types of information will evolve and grow from contract award as capital improvement and renewal and replacement projects are designed, constructed, and operated.

EXHIBIT I.2-10
Types and Formats of Information

<table>
<thead>
<tr>
<th>Type Information</th>
<th>Typical Format of Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility system maps</td>
<td>Electronic</td>
</tr>
<tr>
<td>GIS data</td>
<td>Electronic</td>
</tr>
<tr>
<td>Construction drawings</td>
<td>Electronic</td>
</tr>
<tr>
<td>As-built drawings</td>
<td>Hardcopy</td>
</tr>
<tr>
<td>Construction specifications</td>
<td>Electronic</td>
</tr>
<tr>
<td>Shop drawings</td>
<td>Hardcopy</td>
</tr>
<tr>
<td>Maintenance schedule</td>
<td>Electronic</td>
</tr>
<tr>
<td>Utility system reports and studies</td>
<td>Electronic</td>
</tr>
<tr>
<td>Hydraulic and flow models</td>
<td>Electronic</td>
</tr>
<tr>
<td>Cost records and reports</td>
<td>Electronic</td>
</tr>
<tr>
<td>Invoices</td>
<td>Electronic, Hardcopy</td>
</tr>
<tr>
<td>Purchase orders</td>
<td>Electronic, Hardcopy</td>
</tr>
<tr>
<td>Correspondence with regulators</td>
<td>Hardcopy</td>
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<tr>
<td>Monthly Operations Reports</td>
<td>Electronic</td>
</tr>
<tr>
<td>Customer surveys and feedback</td>
<td>Electronic</td>
</tr>
<tr>
<td>Contract documents, modifications</td>
<td>Electronic, Hardcopy</td>
</tr>
<tr>
<td>Correspondence</td>
<td>Electronic, Hardcopy</td>
</tr>
<tr>
<td>Inspection/Assessment Reports</td>
<td>Electronic, Hardcopy</td>
</tr>
</tbody>
</table>

As a general rule, data will be archived electronically and kept indefinitely. We will maintain backup tapes, compact disks, DVDs, or other similar media at a secure offsite location. Records will be kept in accordance with state and federal requirements, and a minimum of 2 years on-site, and then archived at an offsite storage area. As system upgrades and expansion activities take place, the system inventory and asset valuation will be updated and kept current with renewal or depreciation of the assets. HCWD1 will maintain this database electronically so that the asset value can be tracked on an annual basis, or more often if required.

It is anticipated that our continued maintenance and service of the utility systems will provide additional information on the location of utilities. This information will be put into the GIS, and the resultant maps will be updated periodically so our maintenance crews will have up-to-date information in the field and ensure that the documented system configuration is as accurate as possible. HCWD1 will provide Installation updates to utility maps within 30 days after completion of significant changes, and updated utility maps annually with the Capital Plan or upon reasonable request of the Government. As indicated in RFP Section C.5.1.5, HCWD1 will maintain record drawings for all existing and new facilities installed by HCWD1 within the service area. Upon reasonable request and with reasonable notice, the Government will be allowed to use and copy such drawings. HCWD1 will provide available drawings to the Government in the form of CAD-CAM disks using the latest release software compatible with Government systems. We will provide all updates and changes to utility system maps in both hard copy (full size) and electronic media formats to insure delineation of all contractor facilities within one year of contract award and annually thereafter as necessary.

I.2.2.5 Environmental Compliance Plan

According to the RFP, an Environmental Compliance Plan is required for wastewater treatment systems. The transfer of assets for this proposal does not include a wastewater treatment system. Our approach for the environmental compliance for the water utility system is shown in Section 2.2.9.

I.2.2.6 How Performance Standards and/or Specifications Will be Met

It is our standard procedure to implement verifiable performance measures in providing utility services to our customers. Performance standards and/or specifications for the provision of the proposed utility service are highlighted in Exhibit I.2-11 and include our proposed performance standards based upon RFP Table L-1. Upon award, HCWD1 will develop benchmark standards for those metrics and submit them to the CO/COTR for review and discussion.
**Proposed Performance Standards for Water System**

<table>
<thead>
<tr>
<th>MEASURE</th>
<th>PERFORMANCE INDICATOR</th>
<th>PROPOSED STANDARD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quality</strong></td>
<td>System will remain in compliance with the State of Kentucky permit requirements.</td>
<td>Compliance goal, in compliance 100% of the time.</td>
</tr>
<tr>
<td><strong>Reliability</strong></td>
<td>Provide water distribution services to all customers 24/7.</td>
<td>Restore temporary water service within 24 hours (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).</td>
</tr>
<tr>
<td><strong>Recurring and Preventative Maintenance</strong></td>
<td>Percentage of preventive maintenance work orders completed versus scheduled.</td>
<td>Spend more time on PM work to decrease CM work.</td>
</tr>
<tr>
<td><strong>Sampling/ Analysis</strong></td>
<td>QA/QC compliance; Performance evaluation testing utilizing blind samples.</td>
<td>100% pass rate with all sample results within the specified recovery percentile.</td>
</tr>
<tr>
<td><strong>Maintaining System Pressure</strong></td>
<td>Deliver water at the systems normal operating pressure and according to Kentucky Public Service Commission (KPSC).</td>
<td>Continuous pressure monitoring at the water treatment plant. Within KPSC standards.</td>
</tr>
<tr>
<td><strong>Demand and Distribution Capacity</strong></td>
<td>Water hydrant flushing, establish annual valve exercise program, establish PM program for pumps.</td>
<td>Hydrants and valves will be tested at least once every 2 years. Annually perform vibration testing, performance analysis, and lubricate within manufacturer’s recommended standards.</td>
</tr>
<tr>
<td><strong>Water Storage Requirements</strong></td>
<td>Storage tank water elevation report.</td>
<td>Storage tank water elevation consistently maintained above fire storage level.</td>
</tr>
<tr>
<td><strong>Fire Flow Capacity/ Duration</strong></td>
<td>Provide at the system’s normal operating pressure and KPSC standards.</td>
<td>Consistent water pressure to meet fire demands.</td>
</tr>
<tr>
<td><strong>Corrosion Control (To Include Cathodic Protection)</strong></td>
<td>Corrosion control system kept in working order (if applicable) Metal loss on coupons placed at strategic locations in system.</td>
<td>Check anode test stations as needed.</td>
</tr>
<tr>
<td><strong>Minimization of Leaks and Losses</strong></td>
<td>Leak and/or burst length of line; number per 10 miles.</td>
<td>10% unaccounted for water with annual reductions as pipe is replaced.</td>
</tr>
<tr>
<td><strong>Minimization of Water Use</strong></td>
<td>Accuracy of meter readings.</td>
<td>&lt;5% rereads per month.</td>
</tr>
<tr>
<td><strong>Service Connection Standards and Specifications</strong></td>
<td>Service connections installed in accordance with standards.</td>
<td>Compliance with Army, Fort Knox, AWWA, WEF, State of Kentucky standards.</td>
</tr>
<tr>
<td><strong>Exterior Backflow Prevention</strong></td>
<td>Backflow Prevention System kept in working order. Compliance with state regulations</td>
<td>State of Kentucky Cross Connection Control Regulations.</td>
</tr>
<tr>
<td><strong>Water and Sewer Line Separation</strong></td>
<td>Water and Sewer line separation in accordance with State of Kentucky (KDOW) requirements.</td>
<td>Compliance with State of Kentucky requirements 100% of the time.</td>
</tr>
<tr>
<td><strong>New Construction Standards</strong></td>
<td>Standards drafted and adopted.</td>
<td>Compliance with Army, Fort Knox, AWWA, WEF, State of Kentucky standards.</td>
</tr>
<tr>
<td><strong>Commissioning Standards</strong></td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td><strong>Color Identification and Markings</strong></td>
<td>Color coding or marking of plant piping according to Industry standards.</td>
<td>Meet industry standards 100% of time.</td>
</tr>
<tr>
<td><strong>System Inspections</strong></td>
<td>Standards drafted and adopted.</td>
<td>System inspected annually.</td>
</tr>
</tbody>
</table>
**EXHIBIT I.2-11**

*Proposed Performance Standards for Water System*

<table>
<thead>
<tr>
<th>MEASURE</th>
<th>PERFORMANCE INDICATOR</th>
<th>PROPOSED STANDARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meter and Equipment Calibration</td>
<td>Meters and equipment operational within KPSC specs.</td>
<td>Calibration of major meters and equipment within manufacturer’s specification.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Require annual service and calibration performed by certified technician.</td>
</tr>
<tr>
<td>Service Interruption Frequency</td>
<td>Provide water distribution services to all customers 24/7.</td>
<td>Provide water distribution services to all customers 24/7.</td>
</tr>
<tr>
<td>Operating Permits</td>
<td>Operated under appropriate permits.</td>
<td>Operated under appropriate permits.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Zero violations.</td>
</tr>
<tr>
<td>Employee Certifications</td>
<td>Training and certifications.</td>
<td>Meet Qualifications and Certifications required by the State of Kentucky 100% of the time.</td>
</tr>
<tr>
<td>Disaster Recovery</td>
<td>Priority restoration of service.</td>
<td>Meet response requirements. Work continues until service restored.</td>
</tr>
</tbody>
</table>

**I.2.2.7 Other Standards and Specifications**

The following standards and specifications (not established in the RFP) are applicable to the utility services that HCWD1 will apply in providing utility services to Fort Knox:

- Kentucky State Plumbing Law, Regulations & Code
- Kentucky Building Code

**I.2.2.8 Process for Implementation of Government-Requested Facility Expansions**

HCWD1 will provide water service to any facility as requested by the Army at Fort Knox. The process flow chart that describes how HCWD1 will implement expansions to the utility systems is shown in Exhibit I.2-13.

The primary drivers for facility expansion are upgrades to the system to serve new Army-requested facilities. HCWD1 staff will meet regularly with Fort Knox planning and engineering staff to coordinate and account for new facilities that are planned for construction and any new service connections or disconnections required. When Fort Knox adds a new project to the 5-Year Master Plan for the Post, HCWD1 will categorize each project to determine whether it can be managed by the on-site operations staff or whether the size of the project warrants initiating a full-scale capital upgrade project team. The two size categories include the following:

1. **Single Unit Project.** Requests for new connections will be handled by our engineering and operations staff. HCWD1 staff will review each application and provide approval once a checklist is completed that provides information on where the new service will attach to; when construction will take place so a HCWD1 inspector can be on-site to inspect the work by the contractor; and what proposed materials of construction, backfill, and restoration plans are needed for existing sidewalks, curbs, gutters, and paving sections. The operations staff will be responsible for interacting with the contractor and making the service connection to the existing system. Depending upon if the tenant is Fort Knox or a private contractor, time spent by operations staff on new connections projects will be tracked for compensation.

2. **Multi-unit or “Development” Project.** When Fort Knox undertakes a major development, such as a new barracks complex or a set of office buildings, HCWD1 will engage a capital upgrade project team to facilitate expansion of the utility systems. New construction projects will be accounted for by periodic reviews of the Fort Knox Master Plan for both short- and long-term planning horizons. HCWD1 staff will meet regularly with Army planning and engineering staff at the base to receive the latest information on
the construction schedules for new facilities. HCWD1 will design the new utility facilities and manage the construction with an on-site supervisor. HCWD1 will coordinate with the Master Planning department and the general contractor for the multi-unit project to obtain drawings, develop cost estimates, and share information. The process flowchart in Exhibit I.2-12 shows the three phases of project development, including defining scope, design, and finalizing cost.

We understand that the Government will provide us with an annual update to the 5-Year Master Plan for the Post. Such improvements will require a separate contract modification. Changes in the use of facilities or new facilities at Fort Knox will drive the need for expanded utility system capacity. In addition to design and construction of new utility facilities, HCWD1 will estimate water demands to size any new service infrastructure based on projected construction data provided by Fort Knox. The Plan then will include these projects to accommodate the future uses due to the expansion, alteration, and upgrade of the facilities at Fort Knox. New demands and new sources will be added to the water hydraulic models, respectively, to determine the effect of multi-unit projects.

HCWD1 will make the provision of utility service to Fort Knox as invisible as possible. We understand that Fort Knox will periodically identify a new requirement, such as a service connection, that we have not priced into our proposal. In these cases, we will use our partnering relationship with Fort Knox to continue meeting its mission requirements—working to define requirements, designing, financing, and constructing such connections through our annual planning process. HCWD1 will seek cost-effective ways to provide system enhancements, while ensuring the availability and reliability of high-quality services.

New service connections and special requirements will be provided and directly billed to the Army or the new user as requested. New connection charges will include actual costs for the installation of any service.

I.2.2.9 Compliance with Applicable Environmental, Safety, and OSHA Laws and Regulations

HCWD1 will oversee the environmental and safety component with qualified and trained personnel to ensure compliant day-to-day operations. The key objectives of our environmental and safety program include compliance, environmental stewardship, and sustainability. HCWD1 will provide policies and procedures to support these environmental objectives.

Environmental Compliance

Upon award of the contract, we will develop a comprehensive regulatory strategy plan that will identify all state and local regulatory and policy issues that may impact the utility privatization, along with the specific approaches to effectively address and manage these issues.

The operator certification for both the water treatment and water distribution systems will be in accordance with the KDOW operator certification program for the state of Kentucky. The system rating will determine the level of certification the operators must possess. It is our policy that all operators working on the water treatment or distribution system will attain and maintain their required certifications as a condition of employment. Periodic continuing education credits are required and those training sessions are reported and approved by the KDOW.

Drinking water standards will be maintained in accordance with EPA and KDOW guidance on drinking water. Routine testing of water quality will be performed by the assigned treatment plant operators, as well as testing by a state-accredited lab. Water quality will be monitored by HCWD1 and that information will be provided to the Government representatives at Fort Knox. An annual water quality report (CCR) will be prepared and distributed to all water consumers at Fort Knox, as required by the EPA.
EXHIBIT I.2-12
New Connection Process Flowchart

HCWD1 and Fort Knox attend master planning meeting and any meetings for new construction on-post

Fort Knox identifies location of facility expansion

Multi-unit Project
Define project scope and estimate cost to construct expansion

Army approval

HCWD1 to develop drawings with master planning staff and/or building contractor.

• Operations Review
• Constructability Review
• Utility Capacity Check

NO

Single-unit Project
Operations staff to perform

YES

Estimate level of effort for operations staff to modify and/or provide new service

Submit Construction Estimate

Develop cost estimate for design/build.

Army approval of configuration

Estimate level of effort for operations staff to modify and/or provide new service
Other Environmental Conditions

Our approach to other environmental conditions includes asbestos containing materials (ACM) and lead-based paint (LBP), and accidental spills and releases are described below:

Asbestos Containing Materials and Lead-Based Paints. Any ACM or LBP contained in the privatized buildings, structures, equipment, or appurtenances designated for transfer under this contract will be addressed in accordance with personnel health and safety requirements. The ACM and LBP abatement activities and the management of wastes generated during the abatement activities will be conducted in accordance with the applicable regulations.

Accidental Spills and Releases. We will take precautions to prevent oil and hazardous material spills or releases due to our activities associated with the O&M of the utilities. We will also conduct any response action and reporting in accordance with the Post Spill Prevention Control and Countermeasures (SPCC) Plan, and applicable regulations. We will comply with all Emergency Planning and Community Right-to-Know Act (EPCRA) and will submit all requested information to Fort Knox’s compliance office.

I.2.2.10 Safety and OSHA Compliance

HCWD1 brings a strong commitment to safety. The physical and procedural safety standards and systems currently employed at Fort Knox were not seen during our site visit. During transition, we will conduct a review of current procedures. At this time, we are recommending to adopt Fort Knox’s safety systems. Our safety procedures comply with the most stringent regulations.

The safety strategy recommended in this section consists of several distinct activities:

- Implement a comprehensive safety management program.
- Develop a site-specific Health and Safety Plan, with safety procedures and systems to support HCWD1’s safety program.
- Train employees at all levels in regards to OSHA requirements (29 CFR 1910 General Industry and 29 CFR 1926 Construction).
- Promote individual responsibility for Health and Safety standards in every task.

Safety Management

HCWD1 is committed to sound safety management principles that promote a zero accident philosophy inherent in all phases of work. The objective of safety management is to integrate health, safety, and environmental protection into all work practices at all levels of the job task. The approach to a sound safety management program must include integrating safety into all aspects of the work. HCWD1 will accomplish this objective by:

1. Ensuring that employees take complete ownership of the Health and Safety Program
2. Involving employees in the work planning process, development of the Health and Safety Program, and development and updating of procedures.

The Health and Safety Program will be tailored to site-specific activities and is essential to the success of this project. The program is used as a resource to help us accomplish our mission while integrating it into all levels of management and work practices to ensure the protection of workers, the public, and the environment.

Safety leadership starts with the total commitment to safety. With this commitment, HCWD1 will achieve excellence in all health and safety areas. It is imperative that employees take ownership of the Health and Safety Program in order to obtain zero accidents and zero environmental incidents. Each member of our team is accountable for protecting the environment and the health and safety of every worker at the site. The health and safety of workers and the public are protected by identifying, analyzing, and mitigating hazards and implementing effective work practices. We will not compromise safety for the sake of any other objective.
**HCWD1 has the following responsibilities to its employees:**

1. The first responsibility is to involve all employees in the task or job, including planning, hazard identification, pre-job hazard briefing, and all aspects of the task or job performance.
2. The responsibility of management is to ensure that all employees (labor, planners, supervisors, QA, and Health and Safety) are involved in all aspects of the job or task at hand. Management ensures that all work is performed within the controls that have been identified and continually reviews the job for any new hazards. Management will assign only qualified and appropriately trained personnel to perform the job or task.
3. The responsibilities of Health and Safety personnel are to review implementation of the safety program, to provide guidance on the selection and use of safe work practices, and to help identify, analyze, and mitigate hazards. Health and safety personnel will be vigilant in providing oversight of work activities and will provide technical support and professional knowledge to the personnel performing the job.

There are several avenues that HCWD1 will use in order to accomplish improvements in our safety program:

- Initial walk down of work site to understand what issues are present.
- The generation of a site-specific Health and Safety Plan that is tailored to the needs of the Fort Knox work site and the implementation of revisions to the Health and Safety Plan that may be needed to address new or unrecognized work activities.
- The training of employees on the requirements and information included in the Health and Safety Plan, as well as other mandated training.
- Regularly scheduled site/work area inspections that can lead to quick hazard identification and therefore control of these hazards.
- The hazard abatement Job Hazard Analysis/Pre-Job Hazard Briefing (JHA/PJHB) process, which will need the input of all persons involved in the work being planned.
- Gathering and utilizing employee feedback to continually improve our processes.
- Employee empowerment—employees have stop work authority if safety or gross violations of work requirements occur.

By using the above-mentioned procedures, HCWD1 strives to continuously improve working conditions for employees, lower operating costs for employers, and maintain a workplace that is socially responsible.

**Health and Safety Plan**

We will develop a complete site-specific Health and Safety Plan during transition, before transfer of full O&M responsibility from the Government. The Health and Safety Plan will establish the work practices necessary to ensure the safety of all personnel throughout the contract and will include provisions for accident prevention strategies consistent with Army (applicable sections of USACE Health and Safety Requirements Manual No. 385-1-1), OSHA, and Kentucky OSHA Program requirements. Risk issues will be identified and included in our preliminary safety action plan and will be further developed during operations. This safety action plan will identify deficiencies, assign responsibilities, and mandate timelines for completion. We will maintain our Health and Safety Plan current throughout the contract and submit updates annually as they occur to the CO.

All project operations will be performed in accordance with applicable sections of OSHA Standards, 29 CFR 1910 and 29 CFR 1926, DOD, United States Army Regulations, and all other applicable policies and procedures incorporated into the contract for this work activity. All personnel, subcontractors, and visitors will be required to comply with the requirements of the Health and Safety Plan.

At a minimum, the Health and Safety Plan will include a discussion of:

- Safety Requirements and Systems
- Hazard Assessment and Control
• Personal Protective Equipment
• Personnel Medical Surveillance
• Project Appearance and Housekeeping

Safety Requirements and Systems

The General Manager will select a Project Safety Team Lead from the onsite staff. This individual will have sufficient experience and desire to train and enforce HCWD1’s safety program. This position will be a part-time responsibility encompassing approximately 10 to 20 percent of one position. Typically, a senior O&M person on staff will fill the Project Safety Team Lead role. Duties of the Project Safety Team Lead include leading a safety team composed of representatives from the O&M staff, preparing safety tailgate briefings, conducting monthly safety audits of the water facilities, assisting with job hazard analyses, following up on any unsafe conditions cited, investigating safety-related incidents, and coordinating with the Health and Safety Manager for project oversight and accountability of the project safety program. The Project Safety Team Lead is required to stop any activity conducted by the HCWD1 staff that does not conform to our safety standards. Additionally, the Project Safety Team Lead has the authority to recommend disciplinary actions to the General Manager for staff who do not comply with our safety standards.

The project safety team will consist of the Project Safety Team Lead and at least two or three volunteer members that represent a cross-section of the project team. They will determine trends, review and investigate incidents/accidents, schedule training, review unsafe acts and conditions, and conduct monthly project walkthrough inspections.

The Fort Knox utility systems will be required to comply with all regulatory health and safety laws and any other local administration agency rules. We will develop specific safety requirements in each of the following areas, at a minimum:

• Confined space procedures and training
• Asbestos training
• Machine guarding
• Hazard communications
• Inspections of safety and emergency equipment
• Personal protective equipment
• Walking and working surfaces
• Electrical Safety
• Security monitoring at booster and lift stations
• Housekeeping
• Bloodborne pathogens
• Control of hazardous energy
• Excavation safety
• Welding, burning, and hotwork
• Hazardous material safety
• Fall protection
• Fire protection
• Material handling and storage
• Hand and powered portable tools
• Compressed gases

Prior to start of work, the supervisor will complete a pre-job hazard briefing with all employees who are involved in the work activities. This briefing will be used to discuss the work to be performed, to identify the hazards, and to discuss the controls (e.g., procedures, permits, PPE) involved with the safe performance of work. This briefing will also serve as a forum for which employees can provide additional input on safe work performance by discussing lessons learned from prior experiences.

Because hazards contribute to accidents, injuries, and occupational illnesses, it is important to identify all hazards. Examples of hazards commonly associated with jobs are the following:

• The worker can be struck by, or strike against, or otherwise make harmful contact with an object.
• The worker can be caught in, by, or between objects.
• The worker can slip or fall.
• The worker can strain a muscle or joint by pushing, pulling, lifting, bending, or twisting.
• The worker can be exposed to toxic gases, vapors, fumes, or particulates.

It is the responsibility of every HCWD1 employee to identify and aid in the correction of all work area physical and behavioral hazards. Because each employee brings a unique set of skills and
experiences to the work area, various employees can identify different potential hazards. Only through working together and combining all areas of expertise can we truly eliminate hazardous environments and behaviors. It is beneficial to look beyond the obvious hazards—at the entire environment—to discover every conceivable hazard that might exist. Note the importance of examining health hazards as well, even though the harmful effects may not be immediate (e.g., the harmful effect of inhaling a solvent or chemical dust over a long period of time).

Personal Protective Equipment

During new employee orientation, our employees will be provided initial PPE along with introductory training on the required PPE and how to use and maintain it in a sanitary and reliable condition. The General Manager and Project Safety Team Lead will ensure that each individual has the proper PPE and is trained in its use. HCWD1 requires that annual refresher training be conducted on the proper wear and care of the PPE. In accordance with OSHA’s published proposed rule (64 [FR] 15402), we provide all required PPE, including footwear.

Typical PPE used by our staff for utility operations includes the following: hard hats, eye protection, face protection, steel-toed shoes and rubber boots, level ‘B’ chlorine protective suits, ear protection, uniforms (long sleeve), rain suits, rubber gloves, electrical gloves, and rubber aprons.

We assume that no safety-related equipment will be provided by the Government. Therefore, we intend to purchase the following equipment, as a minimum, for the Fort Knox facility:

- Excavation/trench safety,
- PPE as mentioned above,
- Fall protection,
- Traffic control equipment (cones, barricades),
- Site-specific training tools (videos, training courses), and

Project Appearance and Housekeeping

One of the key issues in ensuring a safe and orderly work place is to maintain the facilities in a manner that always promotes safety. A work place that lacks proper housekeeping invites accidents and poor performance to standards. In HCWD1, proper housekeeping is required so that facilities are free of debris and equipment is properly maintained to minimize the potential for on-site accidents. Because even office environments are the sites of frequent safety incidents, our program emphasizes proper housekeeping there, as well.

At a minimum, HCWD1 will implement the following training programs at Fort Knox:

- Confined space training
- Machine guarding
- Hazard communications
- Inspections of safety and emergency equipment
- Personal protective equipment
- Walking and working surfaces
- Electrical safety
- Housekeeping
- Bloodborne pathogens
- Control of hazardous energy
- Excavation safety
- Hazardous material safety
- Fall protection
- Fire protection
- Material handling and storage
- Hand and powered portable tools
- Compressed gases
- Health and safety plan
- First aid/CPR training
Health and Safety Training

Prior to commencement of site activities, the Health and Safety Manager will ensure that all new employees are informed of the nature and degree of exposure to hazards that are likely to result from performance of work activities. HCWD1 will accomplish this by ensuring that prior to performing any work activities, all personnel entering the site have received the applicable OSHA and project-specific training required.

As an integral part of the overall training program for the utility systems, general and site-specific safety training courses, will be introduced. Specialized courses such as CPR/first aid, hazardous materials handling, confined space entry, and others will be held to ensure that a safe, accident-free work environment exists. The emphasis will be on results, not training for training’s sake. At least quarterly, drills will be held regarding the use of SCBA, and gas detection equipment. “Mock disasters” will be held periodically to test each employee’s role in responding to specific types of emergencies, such as floods, earthquakes, fires, explosions, or chemical leaks. These drills will be coordinated with Post Emergency Response organization.

Because safety must be a continuous part of every employee’s daily activities, it is integrated into every part of the training program. In addition to the specialized courses and drills already described, safety tips, warnings, and recommendations will be common elements of our SOPs. Special maintenance training will be held as assurance that proper tools and techniques are used at all times to avoid accident and injury.

Responsibility for Health and Safety

Each employee is directly responsible for ensuring their own safety, as well as the safety of other team members. Employees will be dedicated to establishing a safe environment in which work is performed without injury or illness to employees, visitors, or the public by complying with all Army, federal, state, and local safety requirements, legislation, and regulations. However, the formal Health and Safety team begins with the Project Safety Team Lead who provides input into implementing HCWD1’s safety program, including procedures, policies, QA/QC, and planning and measurement systems.

A key aspect of our safety program is the oversight of the project by our Health and Safety Manager. The Health and Safety Manager is responsible for periodic safety assessments of the facility and follow-up reviews to ensure that all issues have been identified and addressed. He has the authority to enforce safety requirements for HCWD1 staff and facilities. During the transition to privatization, a detailed safety review will be conducted, and the necessary safety equipment and facility improvements will be identified and acquired. The Health and Safety Manager will be directly involved in the startup of the project, development of the Health and Safety Plan, and training of the employees.

As part of our standard practice, we will conduct annual safety reviews of the facility. This review will cover training records, site-specific safety plans, work environment, and work practices. A corrective action plan matrix will be finalized for a systematic approach to mitigate safety concerns in order to meet all Army, OSHA, federal, state, and local requirements for the project.

1.2.2.11 Opportunities for Efficiencies in Utility Operations

To ensure efficient operation of the utility systems and compliance with regulatory requirements, HCWD1 will establish process optimization goals for Fort Knox’s utility systems. During preparation of this proposal, HCWD1 identified a substantial cost savings associated with replacing the capacity of the Central WTP with a commodity water supply from LWC.

For purposes of startup at Fort Knox, we will initially assume that incumbent personnel have received this training until we discover otherwise.
I.2.2.12 Managing and Accessing Technical Information

Technical information management will be critical in providing timely access to specific utility information. Proper record-keeping and reporting are vital to enable all parties to make knowledgeable decisions regarding capital replacement or other matters that could impact rates. Our MIS is designed to keep current and past records secure yet accessible. The types of information stored in the MIS will evolve and grow from contract award as capital improvement and renewal and replacement projects are designed, constructed, and operated.

During the transition period, we will review our approach to managing technical information with the Post to ensure it supports the mission and the Post’s technical requirements. HCWD1 has established proven record and data management systems that we will provide for Fort Knox.

HCWD1 will minimize hardcopy information that must be maintained on-site. Existing information that we receive from Fort Knox will be scanned and stored electronically to the maximum extent possible. As a general rule, data will be archived electronically and kept indefinitely. Hardcopy records will be kept in accordance with state and federal requirements, and then archived at an offsite storage area for at least the remainder of the contract period. Record drawings will be maintained for all existing and new facilities. As system upgrades and expansion activities take place, the system inventory and asset valuation will be updated and kept current with renewal or depreciation of the assets. HCWD1 will maintain this database electronically so that the asset value can be tracked on an annual basis, or more often if required.

It is anticipated that our continued work on the utility systems will provide additional information on the location of utilities. This additional information will put into the GIS, and the resultant maps will be updated periodically so our maintenance crews will have up-to-date information in the field. Maps will be maintained and provided to the Post.

I.2.2.13 Specialty Skills Training

As part of our quality management approach, all employees are expected to attain the highest level of certification possible on the system they operate and maintain that level of certification through continuing educational credits. Periodic training for all operators will be scheduled. In addition to seasonal construction topics, classes in such matters as confined space training, competent man training, first aid/ CPR, PPE, and hazardous communication training will be offered to Fort Knox operators.

In general, the Fort Knox Utilities employees will be certified and/or qualified operators and/or craftsmen under the KDOW operator certification. The operators will be required to not only maintain their certifications and/or qualifications as a condition of employment, but also attain the periodic continuing education credits necessary to retain their certificates or qualifications. The cost of training will be greatly reduced due to the larger pool of operators that may take advantage of the classes.

Because of the types of duties the utility workers perform, they will each be required to obtain and maintain First Aid and CPR certificates. The training will be provided by the Red Cross or other certified agency and retraining will be scheduled to prevent certificates from lapsing.

HCWD1 selects and assigns personnel who are competent based on applicable education, training, skills, and experience. The following are the General Manager’s responsibilities to ensure that personnel remain current in their training and certifications:

- Determine the necessary competence for personnel performing activities affecting quality.
- Provide training or take other actions to satisfy these needs.
- Evaluate the effectiveness of the actions taken.
- Ensure that employees are aware of the relevance and importance of their activities and
how they contribute to the achievement of the quality objectives.

- Maintain appropriate records of education, training, skills, and experience.

HCWD1 will ensure that training and certification are part of the employee’s job description, annual performance review, and personal development goals.

LWC will have full responsibility to operate the Fort Knox water treatment system. All water treatment operators will be licensed through certification by the KDOW. LWC also has a well-trained resource of highly experienced employees that will serve as mentors and technical resources for LWC personnel working at Fort Knox. The availability of a large pool of highly skilled operators provides a synergistic impact to the skills of the on-site operators at Fort Knox.

**I.2.2.14 Quality Awards and Certifications and Current Operating Standards and Procedures Required by the State Utility Regulatory Commission**

Industry leadership is evidenced by an organization that achieves results. Results are best verified and validated by a group of peers. HCWD1 has been recognized as an industry leader by several state and national peer organizations. The following is a brief summary of these recognitions:

- 2008 Award of Excellence by AWWA Kentucky/Tennessee Chapter
- 2007 Finalist for Wooden Bucket Award, U.S. Department of Agriculture
- 2007 Recognized as having a "Totally Optimized Water Plant" by KDOW
- 2005 Selection as one of the Top 3 "Best Tasting Water" in Kentucky by the Kentucky Rural Water Association
- 2004 Nominee for Public Water System Excellence Award by EPA Region 4
- 2003 Award of Excellence for Safety by the AWWA Kentucky/Tennessee Chapter
- 2002 First Place Award for Internal Relations by AWWA Kentucky/Tennessee Chapter
- 2001 Second Place Award for Marketing and Customer Relations, AWWA Kentucky/Tennessee Chapter
- 2001 Recognition for Excellent Customer Service by the Kentucky Senate
- 2000 First Place Award for Marketing and Customer Relations, AWWA Kentucky/Tennessee Chapter
- 2000 Design Honor Award for Fort Knox Interconnect Pump Station, American Council of Engineering Companies/Kentucky Council of Engineering Companies
- 2000 First Place Award for Marketing and Customer Relations, AWWA Kentucky/Tennessee Chapter
- 2001 Second Place Award for Marketing and Customer Relations, AWWA Kentucky/Tennessee Chapter
- 2001 Recognition for Excellent Customer Service by the Kentucky Senate
- 2000 First Place Award for Marketing and Customer Relations, AWWA Kentucky/Tennessee Chapter
- 2000 Design Honor Award for Fort Knox Interconnect Pump Station, American Council of Engineering Companies/Kentucky Council of Engineering Companies
I.3 Initial System Deficiency Corrections and Initial and Renewals and Replacements Plan - ALTERNATE

HCWD1 has developed an Initial System Deficiency Corrections (ISDC) and Renewals and Replacements (R&R) Plan that will result in a water system that (1) meets required standards; (2) protects the system from degradation; and (3) protects the Government from potential cost increases that might result from inadequate maintenance and consequent EPA fines. The approach used for identifying, characterizing, prioritizing, and programming these projects follows the HCWD1 proven methodology, which is based on the team’s extensive knowledge of conditions unique to the Fort Knox area. The proposed system improvements resulting from application of the HCWD1 approach will yield dramatic benefits in system performance within the initial years of the contract and will provide long-term reliability and quality into the future. The ISDC and R&R Plan will enhance the reliability of the Army’s water system and reduce unscheduled O&M needs. HCWD1 is confident that the continuing application of our proven methodology for future R&R will serve the Army well through the duration of this contract, providing a water distribution system that meets the Army’s needs for quality, reliability, and cost-effectiveness.

A preliminary inventory and assessment of the water system condition was one of the components that formed the basis for the ISDC and R&R projects presented herein. Our preliminary inventory and condition assessment was developed based on the limited information provided in the J Attachment in the RFP and from observations during the July 2008 site visit. Although the documentation and site visits provided a solid general understanding of the overall capacity, age, condition, and appearance of some of the facilities, this information and the length of field observations were not sufficient to provide a detailed condition assessment of all system components, identify all deficiencies, or develop options for correcting all deficiencies. Assumptions have been noted with this Technical Proposal (see Attachment 1).

The Fort Knox Water System is comprised of raw water supplies, water treatment facilities, and distribution piping systems. Raw water is supplied from four sources, including Otter Creek, McCracken Spring, the West Point Well Field, and the HCWD1 Well Field. Raw water is treated at either the Central WTP or the Muldraugh WTP. Finished water is conveyed to customers in the main cantonment area and the range area through approximately 162.7 miles of pipe. The water system is technically defined as all components from the supply points to the points of demarcation as defined in RFP Section J1.2.1.2.

The primary sources of raw water supply to the Central WTP come from Otter Creek and McCracken Spring. Small impoundment dams on the creek and the spring feed water to the Otter Creek (low lift) Pump Station, which in turn pumps the raw water to the Central WTP for treatment.

The primary sources of raw water supply to the Muldraugh WTP come from the 13 Government-owned wells located in the West Point Well Field and the 3 leased wells from HCWD1. The wells are located in an alluvium adjacent to the Ohio River. The well depths range from 82 to 134 feet below ground surface and typically produce 1.1 to 1.4 mgd.

The Central WTP is a 3.5 mgd facility located in the “central area” of the main cantonment. Treatment processes include flocculation, sedimentation, filtration, and chlorination. Finished water is stored in either a 2.0 million gallons (MG) or 0.5 MG clear well and is pumped into the distribution system from the Central WTP high lift pump station.

The Muldraugh WTP is a 7.0-mgd facility located on the northwest side of the Post near the town of Muldraugh, Kentucky. Treatment processes include aeration, flocculation, sedimentation, filtration, and chlorination. Finished water is stored in a 1.0 MG clear well, and pumped into the distribution system from the Muldraugh WTP high lift pump station.

Both WTPs would be decommissioned within the first 5 years as part of the Alternate Proposal.
The distribution system consists of pipes, valves, hydrants, meters, elevated storage tanks, and a booster pump station. Including both the main cantonment and range areas, the distribution system consists of approximately 162.7 miles of pipe ranging in size from ¾ inch to 24 inches. Existing pipe materials include cast iron, transite, ductile iron, polyvinyl chloride (PVC), and polyethylene (PE). The system contains a reported 1,935 valves and 875 fire and flush hydrants. There are eight elevated steel storage tanks ranging in volume from 250,000 gallons to 500,000 gallons, with a total storage capacity of 3.55 MG to equalize system pressures and provide adequate flow for peak demands and fire flows. The distribution system also contains the Voorhis Booster Pump station, which is equipped with three pumps (rated 175 gpm each) and one fire protection pump (rated at 2000 gpm).

This ISDC and R&R Plan was developed by tailoring the existing HCWD1 project planning methodology to reflect key criteria for the Fort Knox facilities. The Plan identifies projects that will provide optimum timing for upgrading the water system. These projects will provide the best balance between reliability and length of service life.

The guidelines and requirements listed in RFP Section L.4.3 Subfactor 3: Initial System Deficiency Corrections and Initial Renewals and Replacements Plan, were used to develop the purpose, scope and costs of the ISDC and R&R Plan. The information is presented in the following subsections:

• **ISDC and R&R.** This section summarizes the ISDC and R&R projects that are designed to renovate existing water system facilities and pipelines that have already reached or exceeded their useful lives.

• **Long-Term R&R Methodology.** This section presents the conceptual methodology we used to schedule R&R for the duration of the contract. The proposed methodology provides an efficient level of service over the long term.

The proposed ISDC and R&R Plans will improve the operations and reliability of the water system at Fort Knox to bring these systems into compliance with the existing requirements. These initial projects are required to renew and replace system components that have failed or have reached the end of their useful lives. Our Plan was developed from the following information sources:

- Observations of the water facilities during the site visit in July 2008
- Review of the supporting documentation for the RFP and amendments to the RFP
- Review of responses to questions submitted by us and other contractors

Our intent is to allow for revisions to our Plan by using information developed from the system characterization studies that we will complete during the first years of contract operations. We will examine in detail both the condition and the capacity of the water distribution system by performing condition assessment, leak detection, mapping, and modeling studies. HCWD1 will also review any existing studies to confirm that efforts are not being duplicated. The results of these studies will enable us to develop, confirm, and prioritize a list of upgrades. The most appropriate improvements can then be designed and constructed.

The ISDC and R&R projects were priced based upon the information that was available to HCWD1 at the time of the proposal submittal. The price estimate is considered a Class 5 estimate that was prepared in accordance with the guidelines of the Association for the Advancement of Cost Engineering (AACE) International. The Class 5 estimates are prepared based on some limited information, where the preliminary engineering is from 0 percent to 2 percent complete.

Order of magnitude estimates are prepared for a number of purposes, including, but not limited to, detailed strategic planning, business development, project screening, alternative scheme analysis, confirmation of economic and or technical feasibility, and preliminary budget approval or approval to proceed to the next stage. Some examples of estimating methods we used include equipment or system process factors, scale-up factors, and parametric and modeling techniques. Our estimates were based primarily on historical data, MEANS,
Richardson, and data from similar project estimates where practical, or on allowances when the actual scope was unknown.

All upgrades/replacements proposed by HCWD1 are based on one or more of the following specific and clearly defined drivers:

- Regulatory compliance, including drinking water quality standards and all applicable codes, including health and safety codes
- Performance and service requirements specified in the RFP
- Operational efficiencies resulting in lower costs for Fort Knox
- Repair or replacement of aging or failing components for system dependability and reliability

Potential projects not driven by at least one of the above criteria are not considered beneficial and are therefore not proposed in HCWD1’s work plan.

A partial list of the codes and standards typically considered in developing upgrades is provided below:

- OSHA
- ADA
- Federal Codes and Regulations including CFR 141 and 143
- EM 38 3-1.1 USACE Safety and Health Requirements Manual
- Standards for Water Facilities Industry
- AWWA Recommended Practices
- Federal EPA and KDOW Regulations
- U.S. Public Health Service Standards
- Army and Fort Knox Regulations
- NFPA Codes and Standards
- Great Lakes Upper Mississippi River Board of State Public Health & Environmental Managers Recommended Standards for Water Works

The ISDC and R&R Plans provided in this proposal address these codes to the extent that we are aware of the current condition of the facilities. All new facilities identified in the capital improvement plans will be designed and constructed to meet these applicable standards.

The HCWD1 Project Manager will provide an oversight and strategic planning role. The Project Manager will:

- Develop the Annual Plan and the Budget and Expenditure Report before submission to the Contracting Officer for approval.
- Make recommendations and review strategies for R&R.
- Identify new technologies and management initiatives.
- Conduct management and environmental compliance reviews based on performance metrics
- Review overall project performance and customer satisfaction
- Participate in regular meetings with Fort Knox leadership

I.3.1 Initial System Deficiency Correction Plan

The ISDC plan is summarized in Exhibit I.3-1 and discussed in detail in this section. The projects listed represent upgrades/replacements that the Government has recognized and that HCWD1 believes need to be completed soon after transfer of ownership, as indicated in the exhibit.

The immediate timing of these projects is required to allow HCWD1 to comply with regulatory and service requirements or to maximize operational cost savings. We understand the constraints (both legal and budgetary) within which Fort Knox must operate, so we do not expect that HCWD1 will be permitted to construct any projects before transfer of ownership. Therefore, these projects are expected to be implemented after transfer of ownership, unless they are implemented by Fort Knox before that time.

Improvements to Fort Knox’s water systems are described in this section. The improvements range from performance of studies to construction of piping improvements.
### EXHIBIT I.3-1

**Initial System Deficiency Corrections Summary**

<table>
<thead>
<tr>
<th>Project</th>
<th>Project Name</th>
<th>Contract Completion Year</th>
<th>Project Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water System</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISDC#1</td>
<td>System Survey/Assessment and Re-Map the Utility System</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#2</td>
<td>Leak Detection Survey</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#3</td>
<td>Hydraulic Model</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#4</td>
<td>Master Flow Meters at the WTPs</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#5</td>
<td>20-inch Valves</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#6</td>
<td>New Raw Water from the Muldraugh WTP to the 16-inch Raw Water Line Between Otter Creek PS and Central WTP</td>
<td>1</td>
<td>Will not be completed in the Alternate Proposal</td>
</tr>
<tr>
<td>ISDC#7</td>
<td>Otter Creek PS</td>
<td>1</td>
<td>Will not be completed in the Alternate Proposal</td>
</tr>
<tr>
<td>ISDC#8</td>
<td>Muldraugh HLPS</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#9</td>
<td>Central WTP</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#10</td>
<td>Central WTP Clear Well</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#11</td>
<td>Fire Hydrants</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#12</td>
<td>Water Storage Tank No. 3</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#13</td>
<td>Water Storage Tank No. 5</td>
<td>1</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#14</td>
<td>Automatic Transfer Switches</td>
<td>2</td>
<td>Reduced to 2 ATS in the Alternate Proposal</td>
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<tr>
<td>ISDC#15</td>
<td>Pipe between Otter Creek PS and Central WTP</td>
<td>2</td>
<td>Will not be completed in the Alternate Proposal</td>
</tr>
<tr>
<td>ISDC#16</td>
<td>Water Storage Tank No. 6</td>
<td>2</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#17</td>
<td>Water Storage Tank No. 8</td>
<td>2</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#18</td>
<td>Water Storage Tank No. 7</td>
<td>3</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#19</td>
<td>SCADA System</td>
<td>3</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#20</td>
<td>Distribution System Pipe and Valves</td>
<td>3</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#21</td>
<td>Distribution System Pipe and Valves</td>
<td>3</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#22</td>
<td>Distribution System Pipes and Valves</td>
<td>3</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#23</td>
<td>Distribution System Pipe and Valves</td>
<td>4</td>
<td>Government Recognized Deficiency</td>
</tr>
</tbody>
</table>

**ISDC#1 – System Survey/Assessment and Re-Map the Utility System.** HCWD1 will complete a system survey/assessment and re-map of the potable water distribution system, complete with GIS coordinates. A comprehensive survey of the water distribution system will be conducted. The survey will use GPS to provide X,Y coordinates and approximate ground elevation at visible water system features in the system, including hydrants, valves, meters, and water storage tanks. Updated maps and hydrant coordinate database shall be provided to the CO for use by the fire department. Naming conventions used in the database will support linking with other physical attributes and condition attributes prepared for the water system GIS and hydraulic models.

In order to establish what information already exists and what new information needs to be collected, a gap analysis will be performed on the current GIS database. Existing GIS files will be analyzed for content, and known CAD drawings will be converted into GIS and populated with attributes. The water system GIS database will be populated with the new inventory and field survey data. This task will incorporate new location and elevation data from the field survey with other data previously collected for the water system. This task also includes the development of an accurate computerized model of the system.

The project is anticipated to be completed within the first year after the contract start date.
ISDC#2 – Leak Detection Survey. HCWD1 will conduct a leak detection survey of the entire potable water system lines within the main cantonment area and the range areas, as well as the raw water lines.

The project is anticipated to be completed within the first year after the contract start date.

ISDC#3 – Hydraulic Model. HCWD1 will develop a hydraulic model of the entire potable water utility system. This model will be used during the design and replacement of the existing potable water distribution system.

The water distribution system hydraulic model will be created with the inventory data and used to model the flows in the water distribution system. All electronic input files (inventory, system water demands, fire flows, etc.) will either be used from an existing water system hydraulic model (if one exists), or the files will be built based on water demand, inventory, and fire flow data. The model input files will be updated based upon the new inventory and GPS/GIS data for all main water pipes that are 6-inch diameter and larger.

A non-proprietary software-based water distribution system hydraulic model will be created with the inventory data and used to model the flows in the water distribution system. The system will be modeled for existing flow demands and for a design fire flow condition. Upon completion of the updates and verification of model results, the updated hydraulic model will be used to identify the location and size of improvements necessary to the water distribution system. These improvements will be sized to maintain the needed pressure and flow capacity for average day, maximum day, minimum hour plus tank replenishment, and fire flow conditions.

The model will be used to evaluate the system and identify the size and location of new infrastructure necessary for the water system. The model will be used to simulate the system’s performance. We will then develop a system upgrade program to address the defects of each segment and to evaluate the cost of renewal and replacement of the pipelines. The results will be used to identify projects for the annually updated R&R Plan.

The project is anticipated to be completed within the first year after the contract start date.

ISDC#4 – Master Flow Meters at the WTPs. The finished water master meter at the Muldraugh WTP pump house is well beyond the useful design life and will be replaced with a new magnetic flow meter or similar meter. The finished master water meters at the Muldraugh and Central WTPs will also be calibrated to allow for more accurate measurement and totalization.

The project is anticipated to be completed within the first year after the contract start date.

ISDC#5 – 20-inch Valves. The original 20-inch valves on the 24-inch cast iron pipe from the West Point well fields to the Muldraugh WTP are the original valves and are not operable, so they will be replaced in kind with fully body valves.

The project is anticipated to be completed within the first year after the contract start date.

ISDC#6 – New Raw Water from the Muldraugh WTP to the 16-inch Raw Water Line between Otter Creek PS and Central WTP. The project will not be completed in the Alternate Proposal.

ISDC#7 – Otter Creek PS. The project will not be completed in the Alternate Proposal.

ISDC#8 – Muldraugh HLPS. HCWD1 will install new windows and doors, paint the exterior face of the concrete block façade, and replace the roof.

The project is anticipated to be completed within the first year after the contract start date.

ISDC#9 – Central WTP. HCWD1 will replace the roof of the Central WTP.

The project is anticipated to be completed within the first year after the contract start date.

ISDC#10 – Central WTP Clear Well. HCWD1 will replace the roof, coat the tank interior, and replace the tank vents located at the Central WTP 2.0 MG clear well.

The project is anticipated to be completed within the first year after the contract start date.
ISDC#11 – Fire Hydrants. To improve fire protection reliability, HCWD1 will replace roughly 600 fire hydrants identified by the Fort Knox Fire Department. In as much as is practical, the installation of the new hydrants will be completed to coincide with distribution system piping improvements projects. The project is anticipated to be completed within the first year after the contract start date.

ISDC#12 – Water Storage Tank No. 3. HCWD1 will completely renovate Tank No. 3 to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tank, a new rectifier on the outside of the tank, and a new altitude valve. The project is anticipated to be completed within the first year after the contract start date.

ISDC#13 – Water Storage Tank No. 5. HCWD1 will completely renovate Tank No. 5 to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tank, a new rectifier on the outside of the tank, and a new altitude valve. The project is anticipated to be completed within the first year after the contract start date.

ISDC#14 – Automatic Transfer Switches. To improve electrical system reliability, HCWD1 will design and install automatic transfer switches at the Central WTP facility and the Muldraugh HLPS. The operation and monitoring of the switches at the Central WTP and Muldraugh WTP will be tied into the new Supervisory Control and Data Acquisition (SCADA) system. This project will not include the installation of an automatic switch at the Otter Creek PS as part of the Alternate proposal. The project is anticipated to be completed within the second year after the contract start date.

ISDC#15 – Pipe between Otter Creek PS and Central WTP. The project will not be completed in the Alternate Proposal.

ISDC#16 – Water Storage Tank No. 6. HCWD1 will completely renovate Tank No. 6 to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tank, a new rectifier on the outside of the tank, and a new altitude valve. The project is anticipated to be completed within the second year after the contract start date.

ISDC#17 – Water Storage Tank No. 8. HCWD1 will completely renovate Tank No. 8 to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tank, a new rectifier on the outside of the tank, and a new altitude valve. The project is anticipated to be completed within the second year after the contract start date.

ISDC#18 – Water Storage Tank No. 7. HCWD1 will completely renovate Tank No. 7 to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tank, a new rectifier on the outside of the tank and a new altitude valve. The project is anticipated to be completed within the third year after the contract start date.

ISDC#19 – SCADA System. HCWD1 will design and install a comprehensive SCADA system to assist in monitoring and controlling the utility water system components, including the raw water wells and pumps and other critical system features. The design and installation will be coordinated with the Post’s Directorate of Information Management. The selection of the SCADA upgrade will also seek to allow integrated implementation of the new water meters. The project is anticipated to be completed within the third year after the contract start date.

ISDC#20 – Distribution System Pipe and Valves. HCWD1 will replace approximately 23,462 LF of transite pipe ranging from 1 inch to 10 inch. This pipe is located in the North Dietz Housing area. All pipes that are 10 inches and smaller in diameter will be replaced with PVC pipe. The transite pipe will be abandoned in place.

- 834 LF of 1-inch
- 1,988 LF of 1.5-inch
- 3,726 LF of 2-inch
• 284 LF of 3-inch
• 4,231 LF of 6-inch
• 6,472 LF of 8-inch
• 5,927 LF of 10-inch

The project is anticipated to be completed within the third year after the contract start date.

**ISDC#21 – Distribution System Pipe and Valves.**
HCWD1 will replace approximately 73,735 LF of ductile iron pipe ranging from 1 inch to 14 inches. This pipe is located in the Van Voorhis Housing area. Pipe that is 10 inches and smaller in diameter will be replaced with PVC pipe. Pipe that is 12 inches and larger in diameter will be replaced with Ductile Iron pipe.

• 180 LF of 1-inch
• 7,076 LF of 1.25-inch
• 4,293 LF of 1.5-inch
• 11,436 LF of 2-inch
• 1,115 LF of 3-inch
• 25,835 LF of 6-inch
• 18,034 LF of 8-inch
• 4,677 LF of 10-inch
• 897 LF of 12-inch
• 192 LF of 14-inch

The project is anticipated to be completed within the third year after the contract start date.

**ISDC#22 – Distribution System Pipes and Valves.**
HCWD1 will replace approximately 4,237 LF of 8-inch pipe at the site of the new Human Resource Center. This pipe will be replaced with PVC pipe.

• 994 LF of 1-inch
• 29 LF of 1.25-inch
• 759 LF of 1.5-inch
• 3,720 LF of 2-inch
• 483 LF of 2.5-inch
• 4,280 LF of 3-inch
• 3,754 LF of 4-inch
• 61,582 LF of 6-inch
• 38,255 LF of 8-inch
• 17,066 LF of 10-inch
• 4,153 LF of 12-inch
• 1,665 LF of 14-inch

The project is anticipated to be completed within the fourth year after the contract start date.

**I.3.2 Offeror Recommended Additional Upgrades**

In addition to the Government Recognized ISDC Upgrades, HCWD1 has also identified a few other system deficiencies that we recommend for improvement based on our site visits. Those additional upgrades and corresponding schedule for improvement are as follows:

<table>
<thead>
<tr>
<th>Project</th>
<th>Project Name</th>
<th>Contract Completion Year</th>
<th>Project Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water System</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISDC#24 Water Storage Tank No. 1</td>
<td>3</td>
<td>Interior/Exterior spot cleaning, surface preparation, epoxy priming enamel finish</td>
<td></td>
</tr>
<tr>
<td>ISDC#25 Water Storage Tank No. 2</td>
<td>3</td>
<td>Interior/Exterior spot cleaning, surface preparation, epoxy priming enamel finish</td>
<td></td>
</tr>
<tr>
<td>ISDC#26 Water Storage Tank No. 4</td>
<td>3</td>
<td>Interior/Exterior spot cleaning, surface preparation, epoxy priming enamel finish. Install new 8” overflow pipe</td>
<td></td>
</tr>
<tr>
<td>ISDC#27 West Point Well Field</td>
<td>1</td>
<td>Will not be completed in the Alternate Proposal.</td>
<td></td>
</tr>
<tr>
<td>ISDC#28 Van Voorhis Pump Station</td>
<td>1</td>
<td>Rehabilitate Pump House</td>
<td></td>
</tr>
<tr>
<td>ISDC#29 Decommission Muldraugh WTP</td>
<td>5</td>
<td>Purchase Off-Post Water</td>
<td></td>
</tr>
<tr>
<td>ISDC#30 Decommission Central WTP</td>
<td>2</td>
<td>Purchase Off-Post Water</td>
<td></td>
</tr>
</tbody>
</table>
In order to decommission both WTPs and distribute potable water from off-Post facilities, HCwWD1 will need to construct some additional facilities. Supplementing the ISDCs will be a new 4-mgd booster pump station at the West Point Well Field and a new liquid sodium hypochlorite system to allow for conversion of chloramines to free chlorine residual.

**ISDC#24 – Water Storage Tank No. 1.** HCWD1 will perform a partial renovation of Tank No. 1 to include interior and exterior spot cleaning followed by surface preparation/epoxy priming/enamel finish coating. The project is recommended to be completed during the third year after the contract start date.

**ISDC#25 – Water Storage Tank No. 2.** HCWD1 will perform a partial renovation of Tank No. 2 to include interior and exterior spot cleaning followed by surface preparation/epoxy priming/enamel finish coating. The project is recommended to be completed during the third year after the contract start date.

**ISDC#26 – Water Storage Tank No. 4.** HCWD1 will perform a partial renovation of Tank No. 4 to include interior and exterior spot cleaning followed by surface preparation/epoxy priming/enamel finish coating. In addition, HCWD1 will also install a new 8-inch-diameter overflow pipe. The project is recommended to be completed during the third year after the contract start date.

**ISDC#27 – West Point Well Field.** HCWD1 will perform a partial renovation of each of the well platforms to include spot-blasting and application of top coat finish. The project is recommended to be completed during the first year after the contract start date.

**ISDC#28 – Van Voorhis Pump Station.** HCWD1 will perform a partial renovation of the pump station to include spot-blasting and application of top coat finish. The project is recommended to be completed during the first year after the contract start date.

**ISDC#29 – Decommission Muldraugh WTP.** The Army is planning to replace the potable water capacity at the Muldraugh WTP with purchased water from a local municipality within 5 years. HCWD1 will perform demolition of above-ground facilities to an elevation just below grade and decommission the operation of the facility. The project is recommended to be completed during the fifth year after the contract start date.

**ISDC#30 – Decommission Central WTP.** In following the philosophy of decommissioning the Muldraugh WTP in favor of purchased water, HCWD1 will replace the potable water from off-Post. HCWD1 will perform demolition of aboveground facilities to an elevation just below grade and decommission the operation of the Central WTP. Facility 1205 will be preserved. The project is recommended to be completed during the second year after the contract start date.

In addition to the HCWD1 ISDC, HCWD1 has also priced an O&M building as an R&R in Year 1 of this proposal. The O&M building will provide the necessary space for staff to work and store tools, equipment, materials, records, and vehicles. Dedicated space for our water utility is essential to providing a safe, healthy, and efficiently work environment to best serve Fort Knox.

**I.3.3 Conceptual Plans for, Including Methods for Monitoring the Effectiveness of, Energy Efficiencies and Conservation**

As evidenced by the in-place Conservation Plans and continuing improvement of Standards of Operation, HCWD1 has set the goal of developing “Benchmark” energy- and water-efficient systems. Procedures now in place for the Fort Knox water system will be strengthened and ultimately incorporated into the HCWD1 operations plan.

HCWD1 will work with the Government to facilitate any future energy- and/or water-savings projects determined to reduce the Government’s costs, while still meeting their service requirements. Current HCWD1 water conservation programs encourage
system efficiency within the service area and may be applied to the Government’s facilities.

Water Conservation

Unaccounted-for-water (UAW) is defined as the difference between the total amount of water pumped into the water system from the treatment facilities and the amount of (metered) use by the customers of the water system expressed as a percentage of the total water pumped into the system. UAW generally includes system leakage, inaccurate meters, accounting errors, and unmetered use, such as fire fighting, line flushing, broken water mains, etc. A standard industry goal of 10 percent UAW in municipal systems the size of Fort Knox’s is optimal.

The current UAW for Fort Knox is unknown because the system is largely not metered. To immediately address conservation objectives, HCWD1 will initiate the first defined meter installation projects during the transition period to improve measurement of water use and more clearly understand water losses. This effective approach to water conservation will incorporate the Fort Knox Service Area, enabling more accurate measurement of water use. This also assists maintenance personnel identify potential problem areas with unusual water use/loss before they develop into major losses.

HCWD1 will undertake the following steps to decrease water loss in the Fort Knox Service Area:

- Respond to customer requests about leaking pipes, hydrants, and other visible leaks in the water system. Maintenance is performed on components that are found faulty by the Leak Detection Crew.

- HCWD1 will incorporate the Fort Knox water distribution system information into our current maps (ArcView system), including all pipes. This will reduce time and money spent for leak detection and system maintenance.

- The water storage tanks will be monitored on the SCADA system. SCADA allows for all water level information to be monitored at a central location by HCWD1 system operators. If the tank level becomes too high and is detected early enough, water wastage is significantly reduced.

- HCWD1 has several programs in place pertaining to water loss and conservation. Although not all would apply to Fort Knox services, HCWD1 will work with Fort Knox to investigate what improvements could be made to conservation measures currently in place in the Fort Knox service area. Some of these might include:
  - Leak Detection and Meter Maintenance Programs
  - Plumbing Fixture Replacement
  - Plumbing Retrofit Programs
  - Residential Water Use
  - Landscaping Programs
  - Educational Programs (school and community)

Raw water supplies will also be measured in order to monitor losses during the treatment processes.

Energy Conservation

When UAW is minimized, pumping and treatment energy use is reduced. Greater diligence in finding and correcting distribution system failures that cause wasted water not only improves system performance, but also conserves energy. The approach noted above will facilitate this conservation. For the water system, HCWD1 will perform an assessment during initial site characterization studies to assess energy efficiency with regard to motors, heating, venting, and air conditioning (HVAC) and lighting. The energy supplier will be invited to participate in these reviews. Operational procedures will also be reviewed as compared with actual application. HCWD1 will develop a water production energy management plan and facility-specific energy management plans.

I.3.4 Description of the Contractor’s Conceptual Methodology for Scheduling R&R for Contract Duration

Each year, HCWD1 will develop an Annual Capital Upgrades and R&R Plan (Annual Plan) that will serve
as the mechanism for communicating scope, schedule, and estimated cost for known deficiencies. The path to the preparation of the first and subsequent Annual Plans is shown in Exhibit I.3-2. Note that the first Annual Plan will be predominantly developed based on the initial system characterization studies that will be performed to establish the baseline condition of the water system. Developing hands-on specific knowledge of system condition will result in "just-in-time" annual R&R to allow the water system to be maintained in a reliable and sustainable condition.

HCWD1 consistently practices a "just-in-time" approach to system renewal, such that the right amount of system investment is applied at the right time. This suggests that no more renewal investment is made in the systems than is required. HCWD1 does not intend to replace the entire water system in the early years of this project. However, it is common utility practice and to be expected that over 75 years, a majority of each system will be renewed due to age and condition.

Our current projected R&R schedule is shown in Exhibit I.3-3. It is based on the inventory, estimated ages, and projected replacement years for system components, as included in Exhibit I.3-3, and these inventory and projected replacement years was adjusted based on the site visits and extensiveness of the ISDC identified during the solicitation process. The R&R schedule is intended to be updated during system characterization studies conducted during the transition period in the initial year of the contract.

I.3.4.1 Identifying Deficiencies and Defining Scope of Upgrades and Replacements

A list of capital renewals and upgrades will be developed based on periodic studies, collection of routine O&M data, requests for new utility connections or disconnections, and knowledge of new regulatory requirements, and then correlated through our annual planning process.

I.3.4.2 Annual Plan

After the completion of the system characterization study, transition period, and project definition studies that will initially bring the available data on the systems up to date, HCWD1 will consistently and frequently assess the condition and performance of the utility systems on an annual basis. We will conduct periodic studies on a regular basis and produce an Annual Plan with the results. This plan will be updated and submitted annually to Fort Knox as not only a work plan, but also a vehicle to facilitate partnering to meet our mutual goals, define our course for the coming years, and set a reasonable budget for reliable service and asset management. The plan will include ownership issues, O&M, upgrades, modifications, expansions, planned replacements, and overall changes from the previous year. We will break down costs and will describe the methodology to arrive at the proposed costs.
## Exhibit I.3-3

### Renewal and Replacement Schedule - Alternate

This table generally follows the format included in RFP Schedule 2--Renewsals and Replacements--50 YEAR SCHEDULE

<table>
<thead>
<tr>
<th>Item and Size</th>
<th>Quant</th>
<th>Unit</th>
<th>First Expected Replacement Date</th>
<th>New Item</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Expected Subsequent Replacement Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Raw Water Sources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>McCracken Spring Intake</td>
<td>1</td>
<td>Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>50</td>
<td></td>
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<tr>
<td>CI Line to Otter Creek PS - 16&quot;</td>
<td>2,500</td>
<td>LF</td>
<td>Decommission</td>
<td>Decommission</td>
<td>75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Otter Creek PS (Facility No. 9213) - Structure</td>
<td>1,701</td>
<td>SF</td>
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<td>Decommission</td>
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<td></td>
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</tr>
<tr>
<td>Intake / Mechanical Screen</td>
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<td>Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump Controls and Telemetry</td>
<td>1</td>
<td>Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>20</td>
<td>2035</td>
<td>2055</td>
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<td>Each</td>
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<td>30</td>
<td>2047</td>
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<tr>
<td>Pump No. 9 - 2,100 gpm, 230 HP</td>
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<td>Each</td>
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<td>Decommission</td>
<td>30</td>
<td>2047</td>
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</tr>
<tr>
<td>Pump No. 10 - 2,100 gpm, 250 HP</td>
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<td>Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>30</td>
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</tr>
<tr>
<td>Emergency Generator - 350 KW</td>
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<td>Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>35</td>
<td>2051</td>
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</tr>
<tr>
<td>CI Line to Central WTP - 16-inch</td>
<td>11,963</td>
<td>LF</td>
<td>2017</td>
<td>Ductile Iron Pipe</td>
<td>75</td>
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<tr>
<td>Central WTP (Facility No 1205) - 3.5 MGD</td>
<td>1</td>
<td>Each</td>
<td>Decommission</td>
<td>Decommission</td>
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<td>SF</td>
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<td>2012</td>
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<td>Chemical Feed Systems (value included in Central WTP cost)</td>
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<td>Decommission</td>
<td>Decommission</td>
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<tr>
<td>Clarifier - 3.5 MG</td>
<td>1</td>
<td>Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-Media Filters - 1 MG</td>
<td>3</td>
<td>Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>75</td>
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<tr>
<td>Filter Back Wash Tank - 150,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>75</td>
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<tr>
<td>Clear Well No. 1 - 0.5 MG</td>
<td>1</td>
<td>Each</td>
<td>2021</td>
<td>Same as existing</td>
<td>75</td>
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<tr>
<td>Clear Well No. 2 - 2 MG - 1945</td>
<td>1</td>
<td>Each</td>
<td>2035</td>
<td>Same as existing</td>
<td>75</td>
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<tr>
<td><strong>Central WTP High Lift</strong></td>
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<td></td>
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</tr>
<tr>
<td>Pump No. 1 &amp; Controls - 4,850 gpm, 250 HP</td>
<td>1</td>
<td>Each</td>
<td>2014</td>
<td>Same as existing</td>
<td>30</td>
<td>2044</td>
<td></td>
</tr>
<tr>
<td>Pump No. 2 &amp; Controls - 1,000 gpm, 70 HP</td>
<td>1</td>
<td>Each</td>
<td>2014</td>
<td>Same as existing</td>
<td>30</td>
<td>2044</td>
<td></td>
</tr>
<tr>
<td>Pump No. 3 &amp; Controls - 1,400 gpm, 60 HP</td>
<td>1</td>
<td>Each</td>
<td>2014</td>
<td>Same as existing</td>
<td>30</td>
<td>2044</td>
<td></td>
</tr>
<tr>
<td>Filter Back Wash Pump &amp; Controls - 5,400 gpm</td>
<td>1</td>
<td>Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>30</td>
<td>2054</td>
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<td>Emergency Generator - 750 KW</td>
<td>1</td>
<td>Each</td>
<td>2023</td>
<td>Same as existing</td>
<td>35</td>
<td>2058</td>
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<td><strong>West Point Well Field</strong></td>
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</tr>
<tr>
<td>Well No. 1. Pump/Controls - 750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>50</td>
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<tr>
<td>Well No. 2. Pump/Controls - 750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Well No. 3. Pump/Controls - 750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Well No. 5. Pump/Controls - 750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>50</td>
<td></td>
<td></td>
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<tr>
<td>Well No. 6. Pump/Controls - 500 gpm, 75 HP</td>
<td>1</td>
<td>Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>50</td>
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<td></td>
</tr>
<tr>
<td>Well No. 7. Pump/Controls - 750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Well No. 8. Pump/Controls - 750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>50</td>
<td></td>
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</tr>
<tr>
<td>Well No. 9. Pump/Controls - 750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>50</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Exhibit I.3-3
### Renewal and Replacement Schedule - Alternate

This table generally follows the format included in RFP Schedule 2--Renews and Replacements--50 YEAR SCHEDULE.

<table>
<thead>
<tr>
<th>Item and Size</th>
<th>Quant</th>
<th>Unit</th>
<th>First Replacement Date</th>
<th>New Item and Size</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Expected Subsequent Replacement Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well No. 10. Pump/Controls - 750 gpm, 125 HP</td>
<td>1 Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>750 Year</td>
<td>R&amp;R</td>
<td>Second R&amp;R</td>
<td>Third R&amp;R</td>
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<td>Well No. 11. Pump/Controls - 750 gpm, 125 HP</td>
<td>1 Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>750 Year</td>
<td>R&amp;R</td>
<td>Second R&amp;R</td>
<td>Third R&amp;R</td>
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<td>Well No. 12A. Pump/Controls - 750 gpm, 125 HP</td>
<td>1 Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>750 Year</td>
<td>R&amp;R</td>
<td>Second R&amp;R</td>
<td>Third R&amp;R</td>
</tr>
<tr>
<td>Well No. 12B. Pump/Controls - 750 gpm, 125 HP</td>
<td>1 Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>750 Year</td>
<td>R&amp;R</td>
<td>Second R&amp;R</td>
<td>Third R&amp;R</td>
</tr>
<tr>
<td>Well No. 13. Pump/Controls - 750 gpm, 125 HP</td>
<td>1 Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>750 Year</td>
<td>R&amp;R</td>
<td>Second R&amp;R</td>
<td>Third R&amp;R</td>
</tr>
<tr>
<td>Well Field Header - 16-inch</td>
<td>3,960 LF</td>
<td>2015</td>
<td>Ductile Iron Pipe</td>
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<td></td>
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<tr>
<td>CI Line to Muldraugh WTP - 24 inch</td>
<td>15,840 LF</td>
<td>2019</td>
<td>Ductile Iron Pipe</td>
<td>75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Muldraugh WTP (Facility No. 3009) - 7.0 MGD</td>
<td>1 Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>75</td>
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<tr>
<td>Muldraugh WTP (Facility No. 3009) - Structure</td>
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<td>Decommission</td>
<td>75</td>
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<tr>
<td>Chemical Feed Systems (value included in WTP cost)</td>
<td>1 Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>75</td>
<td></td>
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<tr>
<td>Clarifier No. 1 - 5.0 MG</td>
<td>1 Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>75</td>
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<tr>
<td>Clarifier No. 2 - 2.0 MG</td>
<td>1 Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>75</td>
<td></td>
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</tr>
<tr>
<td>Multi-Media Filters - 1 MGD</td>
<td>7 Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Filter Back Wash Tank - 150,000 gallons</td>
<td>1 Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>75</td>
<td></td>
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<tr>
<td>Clear Well - 1.0 MG</td>
<td>1 Each</td>
<td>2064</td>
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<td>75</td>
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<tr>
<td>Sludge Lagoons</td>
<td>4 Each</td>
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<td>Decommission</td>
<td>75</td>
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<tr>
<td>Muldraugh High Lift (Facility No. 3008) - Structure</td>
<td>1,840 SF</td>
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<td>Same as existing</td>
<td>75</td>
<td></td>
<td></td>
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<tr>
<td>Pump A &amp; Controls - 3,500 gpm, 250 HP</td>
<td>1 Each</td>
<td>2014</td>
<td>Same as existing</td>
<td>30</td>
<td>2044</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump B &amp; Controls - 4,850 gpm, 350 HP</td>
<td>1 Each</td>
<td>2014</td>
<td>Same as existing</td>
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<td>2044</td>
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<td></td>
</tr>
<tr>
<td>Pump C &amp; Controls - 2,200 gpm, 150 HP</td>
<td>1 Each</td>
<td>2014</td>
<td>Same as existing</td>
<td>30</td>
<td>2044</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Filter Backwash Pump &amp; Controls - 5,400 gpm</td>
<td>1 Each</td>
<td>Decommission</td>
<td>Decommission</td>
<td>25</td>
<td></td>
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</tr>
<tr>
<td>Emergency Generator - 600 KW</td>
<td>1 Each</td>
<td>2025</td>
<td>Same as existing</td>
<td>35</td>
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<tr>
<td>CI Line to Cantonment Area - 24 inch</td>
<td>10,449 LF</td>
<td>2016</td>
<td>Ductile Iron Pipe</td>
<td>75</td>
<td></td>
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</tbody>
</table>

### Valves

Valves: Note--Replacement of valves will occur with pipe replacement

<table>
<thead>
<tr>
<th>Size</th>
<th>Quant</th>
<th>Unit</th>
<th>Included with pipe</th>
</tr>
</thead>
<tbody>
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<td>0.75&quot;</td>
<td>3 Each</td>
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<tr>
<td>1&quot;</td>
<td>28 Each</td>
<td>Included with pipe</td>
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<tr>
<td>1.25&quot;</td>
<td>13 Each</td>
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<td>1.25&quot;</td>
<td>3 Each</td>
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<td>1.5&quot;</td>
<td>51 Each</td>
<td>Included with pipe</td>
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<tr>
<td>1.5&quot;</td>
<td>65 Each</td>
<td>Included with pipe</td>
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</tr>
<tr>
<td>2&quot;</td>
<td>137 Each</td>
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<td></td>
</tr>
<tr>
<td>2&quot;</td>
<td>13 Each</td>
<td>Included with pipe</td>
<td></td>
</tr>
</tbody>
</table>
Exhibit I.3-3
Renewal and Replacement Schedule - Alternate

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

<table>
<thead>
<tr>
<th>Item and Size</th>
<th>Quant</th>
<th>Unit</th>
<th>First Expected Replacement Date</th>
<th>New Item</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Second R&amp;R</th>
<th>Third R&amp;R</th>
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<tbody>
<tr>
<td>2.5&quot;</td>
<td>15</td>
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Zussman Range (Mt.Eden) - Valves

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<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Second R&amp;R</th>
<th>Third R&amp;R</th>
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## Exhibit I.3-3
### Renewal and Replacement Schedule - Alternate

This table generally follows the format included in RFP Schedule 2--Renews and Replacements--50 YEAR SCHEDULE

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<th>New Item Service Life</th>
<th>Rehab Year</th>
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<td>1.25&quot;</td>
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<td></td>
<td>Included with pipe</td>
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</tr>
<tr>
<td>6&quot;</td>
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<td>Each</td>
<td></td>
<td>Included with pipe</td>
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<td>2039</td>
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<td>Install switches at Otter creek PS, Central WTP and Muldraugh HLPS</td>
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<td>SF</td>
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<td>2055</td>
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<td>Pump No. 1 &amp; Pressure Tank - 175 gpm, 10 HP</td>
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<td></td>
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<td>Same as existing</td>
<td>30</td>
<td>2055</td>
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<td>Same as existing</td>
<td>30</td>
<td>2055</td>
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<tr>
<td>Pump No. 3 &amp; Pressure Tank - 175 gpm, 10 HP</td>
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<td>2025</td>
<td>Same as existing</td>
<td>30</td>
<td>2055</td>
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<td>2055</td>
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<td><strong>Elevated Storage Tanks (Steel)</strong></td>
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<td>Tank No. 1 &amp; cathodic protection - 250,000 gallons</td>
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<td>2029</td>
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<td>2054</td>
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<td>Tank No. 2 &amp; cathodic protection - 500,000 gallons - 1937</td>
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<td>2029</td>
<td>Same as existing</td>
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<td>2054</td>
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<tr>
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<tr>
<td>Tank No. 4 &amp; cathodic protection - 500,000 gallons - 1941</td>
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<td>Same as existing</td>
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<tr>
<td>Tank No. 6 &amp; cathodic protection - 500,000 gallons</td>
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<td>2070</td>
<td>Same as existing</td>
<td>75</td>
<td>2036</td>
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Exhibit I.3-3  
Renewal and Replacement Schedule - Alternate

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

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<th>Item and Size</th>
<th>Quant</th>
<th>Unit</th>
<th>First Expected Replacement Date</th>
<th>New Item</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Expected Subsequent Replacement Dates</th>
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<td>Tank No. 7 &amp; cathodic protection - 500,000 gallons</td>
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<td>Tank No. 8 &amp; cathodic protection - 500,000 gallons</td>
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DISTRIBUTION PIPE - CAST IRON

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<td>PVC</td>
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<td>2014</td>
<td>PVC</td>
<td>75</td>
</tr>
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<td>2014</td>
<td>PVC</td>
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<td>LF</td>
<td>2014</td>
<td>PVC</td>
<td>75</td>
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<td>LF</td>
<td>2014</td>
<td>PVC</td>
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<td>PVC</td>
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DISTRIBUTION PIPE - DUCTILE IRON

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### Exhibit I.3-3
Renewal and Replacement Schedule - Alternate

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<table>
<thead>
<tr>
<th>Item and Size</th>
<th>Quant</th>
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<th>First Expected Replacement Date</th>
<th>New Item</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Expected Subsequent Replacement Dates</th>
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### Exhibit I.3-3
Renewal and Replacement Schedule - Alternate

This table generally follows the format included in RFP Schedule 2--Renews and Replacements--50 YEAR SCHEDULE

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I.3.4.3 Periodic Studies

HCWD1 will conduct periodic system studies consistently and frequently to assess the condition and performance of the utility systems. For example, we will conduct water distribution system studies periodically to comply with the Safe Drinking Water Act and other regulations. We will update the study plan annually and propose additions, changes, or deletion of studies. The studies will define the system condition in terms of age and functional state, and verify the current adequacy of the system in terms of capacity, flow, dynamic characteristics, environmental compliance, and system failure protection. This involves updating mathematical models to define and characterize the current critical system parameters. The studies will also serve to identify requirements for system expansion/ modifications including upgrades necessary to meet Fort Knox’s current and future needs and any new regulatory compliance requirements.

Proposed studies and their frequency include the following:

- Hydraulic Modeling – Every 5 years
- Inventory and GIS Updates – Annually
- Mapping Updates – Annually
- Leak Detection Studies – Every 5 years
- Hydrant Flow Testing – Every 5 years

Hydraulic Modeling

A hydraulic model for the water system will be updated to identify capacity limitations and properly size system upgrades. System deterioration over time, system reconfiguration, extensions to the system, and the addition of new zones (system expansions) may also necessitate a hydraulic evaluation. The model input files will be updated based on new inventory and GPS/GIS data for main water pipes. The hydraulic evaluation will determine the adequacy of the existing water distribution to meet current and future needs. Based on the computer model, we will use network analyses to identify deficiencies in the systems and to develop the most cost-effective improvements.

GIS and Inventory Updates

After the completion of the site characterization phase, transition period, and project definition studies, the existing inventory will be brought up to date and new data due to equipment replacement, system rehabilitation, etc. will be added to the inventory at least annually throughout the life of the contract. Additional physical and condition attributes will be added to the inventory as required to meet the needs of the O&M crews.

The GIS database will be populated with new inventory and survey data collected during each year. The GIS will then be updated periodically during the year and submitted annually to show changes in the systems.

Mapping Updates

After the completion of the site characterization phase, transition period, and project definition studies, the existing maps will be brought up to date, and maps of the water system will be updated annually to reflect changes in the water system. New utility lines constructed during the year will be added to the maps. Lines not previously mapped will be added as encountered and located.

Leak Detection Studies

Leak detection studies are proposed to be performed every 5 years to determine water losses in the system due to unidentified leaks in pipes. High losses are generally associated with older water systems where leakage, no meters, or faulty meters are more commonplace than in new systems. Leak detection studies will identify leaks in the system and help make appropriate recommendations to reduce system leakage.

Hydrant Flow Testing

Flow testing will provide the necessary flow parameters for calibrating the periodic hydraulic model update. Every 5 years, a combination of flows will be measured in order to calibrate and update the hydraulic model so that the model is representative of what is in the system.
I.3.5 Procedures for Identifying, Financing, and Scheduling Long-Term Capital Removals and ISDC/Upgrades

Of primary importance when considering the urgency and timing of improvement are compliance, health and safety, and customer needs—followed closely by cost budgets. This section presents the methodology we used to schedule capital upgrades and R&R over the duration of the contract. Our overall asset management strategy is to provide a well-conceptualized, comprehensive, and flexible plan to provide modernization, technological improvement, and improved functionality, reliability, and appearance.

Each year, an Annual Plan will be developed. The first Annual Plan will rely upon information developed as part of the system characterization studies, as diagrammed in Exhibit I.3-4. Subsequent Annual Plans will be developed and delivered according to the process presented below.

The Contract Year 2 and subsequent Annual Plans will place an ongoing reliance on the performance of periodic studies and learned O&M data to develop and prioritize improvements meant to maintain regulatory compliance and meet system expansion requirements. The Annual Plan will also reflect on staffing and O&M procedures, upgrades, modifications, expansions, planned replacements, and overall changes from the previous year. It is intended to serve as a tool to facilitate communication between all parties, define our path for upcoming years, and set a reasonable budgeted cost for reliable service and asset management. The Annual Plan will provide cost budgets for recommended projects, including the basis of estimate. Each Annual Plan will be submitted for CO review and approval prior to implementation.

I.3.5.1 Pricing Review

HCWD1 will develop a basis of estimate for each project specific to its location and installation requirements. Subsequently, we will proceed with financing and implementation of approved projects in accordance with the Public Service Commission (PSC) regulated model.

I.3.5.2 Technical Review

HCWD1 proposes to establish overall technical direction associated with the Annual Plan by convening a Senior Advisory Panel. This advisory panel would consist of senior HCWD1 staff and senior representatives from LWC and CH2M HILL to review the Annual Plan documents and comment on the prioritization and schedule of capital improvements projects. These strategic planning “checkpoints” will ensure that the water system is being operated, maintained, and managed consistent with Government expectations.

I.3.6 Process for Responding to Government Requests for System Enhancements, Including Financing and Installation Arrangements

Most projects will be programmed and implemented as part of our annual planning process, which will take into consideration the R&R schedule, recommendations from completion of periodic studies, and coordination with Post Master Plans. In this fashion,
most of the Government-requested system enhancements can be integrated into improvements planning. For those projects that are not identified early on in the planning process, we will work with the Government to define the scope of the work and re-evaluate the entire project prioritization. Collectively, we can then determine if it is in the best interest of the Installation to either add a project to the list of projects that has already been programmed or to move a programmed project to a lower priority so that a new, more mission-critical project can be inserted. Either way, we will make system improvements to meet the immediate and ongoing needs of the Installation.

Similar to programmed projects, HCWD1 will develop each project’s scope of work and the basis of cost estimate. We will proceed with financing and implementing the approved projects in accordance with the PSC regulated model.
I.4 Operational Transition Plan

The transition of the Fort Knox Water Systems from the Department of the Army to HCWD1 will take place over a 120-day period defined as the transition period. To achieve a smooth transition from Fort Knox’s operations to HCWD1’s, without risk of degrading the quality or reliability of the utility service, both parties must plan for the transition. This plan recommends the implementation of tasks prior to and during the transition period.

HCWD1 proposes a transition period beginning at contract award and not to exceed 120 days. The transition period will be phased to be as effective as possible. HCWD1 will relieve the Department of the Army from as many O&M responsibilities as early in the transition period as possible, while we conduct our remaining transition activities. At the end of the 120-day transition period, we will assume full ownership responsibility for the utility systems.

During the transition period, we will update our knowledge of the system and develop a foundation of utility system documents from current records. Effectively completing this activity is not only vital to the overall success of the privatization of the Water Utility Systems at Fort Knox, but ultimately to the effective and efficient O&M of the system by HCWD1. The tasks accomplished during the transition period will include:

- On-site Familiarization
- Human Resource Transition
- Administrative Transition
- Safety and Security Transition
- System Operations Transition
- System Maintenance Transition
- Ownership Transfer
- Perform Purchasing Requirements
- Prepare Work Plans for Initial Capital Upgrade Projects

By selecting the HCWD1 team, the Government gets an experienced, local supplier of water utility services with a working knowledge of Fort Knox and the issues related to startup and transition of government utility systems.

Immediately upon taking over operation and maintenance responsibilities, HCWD1 will assume all emergency calls 24/7. Inventories and transfers of equipment, tools, materials, and records are proposed to take place in the 120-day transition period. All personnel will be in place and trained prior to the end of the transition and transfer of O&M responsibilities. After that time, we will ensure the utility systems remain in continuous operation. Our proposed transition and startup schedule is shown on Exhibit I.4-1.

I.4.1 On-site Familiarization

On-site familiarization would occur during the transition period. During this time, HCWD1 will update the knowledge base for long-term O&M of the water systems and develop a foundation of utility system planning documents based on that information. Effectively completing this activity is not only vital to the overall success of the privatization of the water systems at Fort Knox, but ultimately to the effective and efficient O&M of the systems by the Government or by HCWD1. HCWD1’s objectives for on-site familiarization are to gather the information needed to develop a better understanding of the water utility systems at Fort Knox.
Exhibit I.4-1 Transition Schedule

Project: Fort Knox Transition Schedule
Date: Wed 10/1/08

Task Name | Duration | Start | Finish
---|---|---|---
1 | On-Site Familiarization | 86 days | Sun 11/1/09 | Mon 1/25/10
2 | First Meeting with Army | 1 day | Sun 11/1/09 | Sun 11/1/09
3 | Legal Due Diligence | 61 days | Thu 11/5/09 | Mon 1/4/10
4 | Contact Regulatory Agencies | 12 days | Thu 11/19/09 | Mon 11/30/09
5 | Joint Inventory of facilities & fixed equipment | 26 days | Thu 11/26/09 | Mon 12/21/09
6 | Joint Inventory of non-fixed equipment | 33 days | Thu 12/3/09 | Mon 1/4/10
7 | Inventory of manuals and records | 26 days | Thu 12/17/09 | Mon 1/11/10
8 | Initial joint meter reading | 26 days | Thu 12/31/09 | Mon 1/25/10
9 | HR Transition | 96 days | Thu 11/5/09 | Mon 2/8/10
10 | Clearances, special access, badges | 12 days | Thu 11/5/09 | Mon 11/16/09
11 | Evaluate Existing Employees for Employment | 27 days | Thu 12/3/09 | Tue 12/29/09
12 | Initial meetings with all interested employees | 5 days | Thu 12/31/09 | Mon 1/4/10
13 | Interviews | 12 days | Thu 1/7/10 | Mon 1/18/10
14 | Conduct New Employee Training & Orientation | 26 days | Thu 1/14/10 | Mon 2/8/10
15 | Administrative Transition | 40 days | Thu 12/17/09 | Mon 1/25/10
16 | Install and startup accounting/financial system | 26 days | Thu 12/17/09 | Mon 1/11/10
17 | Set up monthly billing | 12 days | Thu 12/24/09 | Mon 1/11/10
18 | Set up monthly reporting (Service Intermittency, etc.) | 12 days | Thu 1/14/10 | Mon 1/25/10
19 | Purchasing | 15 days | Thu 2/4/10 | Mon 2/22/10
20 | Purchase Required Equipment and Material | 15 days | Thu 2/4/10 | Mon 2/22/10
21 | Safety and Security | 25 days | Mon 2/1/10 | Thu 2/25/10
22 | Safety instruction and training with equipment | 20 days | Mon 2/1/10 | Thu 2/25/10
23 | Transition of System Operations | 54 days | Thu 12/17/09 | Mon 2/22/10
24 | Transition of Mailing lists | 40 days | Thu 12/17/09 | Mon 2/22/10
25 | Amalgamation of old mail list, log files | 20 days | Thu 12/17/09 | Mon 2/22/10
26 | Final joint meter reading | 5 days | Thu 2/18/10 | Mon 2/22/10
27 | Transition of System Maintenance | 67 days | Thu 12/24/09 | Mon 3/30/10
28 | Implement Maintenance Management System | 26 days | Thu 12/24/09 | Mon 1/18/10
29 | Develop Preventive Maintenance Tasks and Activities | 10 days | Thu 11/4/10 | Mon 1/25/10
30 | Facility management major and replacement requirements | 12 days | Thu 11/11/10 | Mon 1/25/10
31 | Establish inventory control system | 12 days | Thu 11/11/10 | Mon 1/25/10
32 | Assume Maintenance Responsibility | 2 days | Sat 2/20/10 | Sun 2/21/10
33 | Ownership Transfer | 1 day | Sun 2/21/10 | Sun 2/21/10
34 | Water | 1 day | Sun 2/21/10 | Sun 2/21/10
35 | Prepare Workplan for Initial Capital Upgrade Projects | 103 days | Mon 11/16/09 | Fri 2/26/10
36 | Prepare workplan for studies | 80 days | Mon 11/16/09 | Fri 2/12/10
37 | Prepare workplan for initial capital upgrade | 94 days | Mon 1/4/10 | Fri 2/26/10

Exhibit I.4-1

Exhibit I.4-1 Project Summary

Exhibit I.4-1 External Milestone

Exhibit I.4-1 Deadline

Exhibit I.4-1 Project Summary

Exhibit I.4-1 External Milestone

Exhibit I.4-1 Deadline
The HCWD1 General Manager, Mr. Jim Bruce, will be assisted in mobilization efforts by a Startup Support Team consisting of the Operations Manager (Brett Pyles), O&M specialists, human resources, safety, computer systems, and communications professionals. The on-site familiarization will address the following issues, as required by the RFP:

- Contract Start Date
- Implementing New Connections
- Implementing New Meter Requirements
- Approach and Time Schedule for obtaining any required operating permits
- Inventory and Transfer of Utility Assets (Fixed and Non-Fixed) Manuals and Records
- Initial Meter Readings
- Authorized Personnel and Points of Contact

This section provides a description of each element of the on-site familiarization.

I.4.1.1 Contract Start Date

The transition period will begin when HCWD1 is given the Notice to Proceed (NTP) and will end not more than 120 days later. Contract award is anticipated to occur around September 28, 2009, and we have assumed that the notice to proceed for the transition period will start on November 1, 2009. All HCWD1 actions will be in compliance with the RFP and with the resulting Contract.

Upon the receipt of the NTP, HCWD1 will plan weekly meetings during the transition period with the CO or designated representative. Weekly meetings will serve as an opportunity to discuss the implementation of the transition plan. This will also serve to coordinate with Fort Knox functions, to communicate with the Department of the Army entities, and to discuss other issues that may affect the transition process.

HCWD1 plans to assume all O&M responsibilities 120 days after award of the contract. Immediately upon taking over O&M responsibilities, we will assume all emergency response tasks 24/7. Inventories and transfers of equipment, tools, materials, and records will take place within the first 4 to 5 weeks of transition. All HCWD1 personnel will be in place and trained prior to the 120-day transfer of O&M responsibility.

HCWD1’s mobilization process establishes the systems and procedures for smooth operations over the life of the contract. Responsibility for O&M of the water utility systems is scheduled to transfer not later than 120 days after NTP. This will allow time for HCWD1 to:

- Mobilize
- Hire staff
- Acquire equipment and materials
- Perform any operations testing or environmental testing
- Become familiar with the systems
- Conduct inventories with the Government and initiate preliminary repairs or improvements required for operation of the systems

This will also provide the opportunity for Fort Knox to terminate or complete any existing contracts related to the water utilities.

I.4.1.2 Implementing New Connections

Section J of the RFP indicated that there are no service connections or disconnections required upon system transfer.

I.4.1.3 Implementing New Meter Requirements

HCWD1 proposes to replace the existing water meters with 50 new radio read meters. Assuming preventive maintenance is completed on schedule, the meters are estimated to last for 20 years when they will be replaced as part of the renewals and replacement schedule.

I.4.1.4 Approach and Time Schedule for Obtaining Any Required Operating Permits

HCWD1 will work with the KDOW to change over the water use permit from the Government to HCWD1.
I.4.1.5 Inventory and Transfer of Utility Assets (Fixed and Non-fixed), Manuals, and Records

To facilitate transfer of all facilities, fixed and non-fixed equipment, and specialized tools, a comprehensive joint inventory will be conducted. The joint inventory will be used to update the maps of the water facilities and to support the easement document that will support the bill of sale for the transfer of assets.

Inventory and Transfer of Facilities and Fixed Equipment

A joint inventory and transfer of all fixed equipment for the water systems will be completed. The inventory and transfer will include all facilities and installed equipment as identified in the RFP.

Inventory and Transfer of Non-Fixed Equipment and Specialized Tools

If any property, such as tools, equipment, or spare parts, is transferred with the utility systems, a joint inventory will occur with Fort Knox and HCWD1 transition staff. Any material or equipment not wanted by HCWD1 will be disposed of in accordance with Army policy.

Transfer of Manuals and Records

HCWD1 needs to acquire all operating manuals, as-built drawings, plans and specifications, maintenance records, and other such documents for the water utility systems. This inventory and transfer should occur as early within the transition period as possible to enhance the transition of O&M. Ownership of the water systems will be transferred to HCWD1 as soon as the Bill of Sale and appropriate contract documents are completed and executed. HCWD1 and the Government will negotiate a date for ownership transfer. It is proposed that ownership transfer occur as shown on the transition schedule.

Joint Inventory

HCWD1 will perform a joint inventory during the transition phase. System inventory will be used to update the inventory database and assess the value of the existing facilities. The inventory will be used in the initial system studies to locate system deficiencies related to capacity, compliance, and current and projected reliability. The equipment inventory will define the exact pieces of equipment and tools to be transferred with the utility systems. Each inventory item will be listed down to the major component level (e.g., pump, motor, valve, and age). The inventory will also be used to prepare updated current utility maps for the water system. The updated inventory and maps will support the easement document that will be used to facilitate transfer of the water utility systems. The end result will be an itemized listing of assets to be attached to the Bill of Sale. This listing will include all assets that HCWD1 will own and assume responsibility for. The inventory of system equipment will be entered into the CMMS for tracking and monitoring. The types of inventory data that will be collected during the on-site familiarization phase are highlighted in Exhibit I.4-2.

Exhibit I.4-2

Types of Inventory of Data to be Collected during On-Site Familiarization

<table>
<thead>
<tr>
<th>Pipes (Water)</th>
<th>Mainline Valves</th>
<th>Fire Hydrants</th>
<th>Pumping/Treatment Stations</th>
<th>Water Storage Tanks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research record drawings and maps</td>
<td>Research record drawings and maps</td>
<td>Research record drawings and maps</td>
<td>GPS X,Y</td>
<td>GPS X,Y at tank locations</td>
</tr>
<tr>
<td>ID #</td>
<td>ID #</td>
<td>ID #</td>
<td>ID #</td>
<td>ID #</td>
</tr>
<tr>
<td>Upstream node #</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Downstream node #</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Diameter</td>
<td>Size</td>
<td>Z</td>
<td>Z</td>
<td>Z</td>
</tr>
<tr>
<td>Length</td>
<td>Valve Box Diameter</td>
<td>Size</td>
<td>Design Head (ft)</td>
<td>Diameter</td>
</tr>
<tr>
<td>Material</td>
<td>Number of Turns</td>
<td>Type</td>
<td>Design Flow (gpm)</td>
<td>Initial Level (ft)</td>
</tr>
<tr>
<td>Building or facility served</td>
<td>Location (pavement/grass)</td>
<td>Location (pavement/grass)</td>
<td>Description</td>
<td>Min Level (ft)</td>
</tr>
<tr>
<td>Closest Building</td>
<td>Closest Building</td>
<td>Digital Photo</td>
<td>Max Level (ft)</td>
<td></td>
</tr>
</tbody>
</table>
I.4.1.6 Initial Meter Readings

HCWD1 will assign one technician to go with the Fort Knox Meter Reader to read and locate the meters. HCWD1 will have a map prepared showing which buildings and facilities are metered and will then collect a GPS location reading on each meter. The initial meter reading will be completed within 9 weeks of contract award.

I.4.1.7 Authorized Personnel and Points of Contact

Exhibit I.4-3 shows the individuals that hold authority to sign for the final transfer of operations and property as indicated.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Authority</th>
<th>Limit of Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Bruce</td>
<td>General Manager,</td>
<td>Transfer of Operations and</td>
<td>As directed by Board</td>
</tr>
<tr>
<td></td>
<td>HCWD1</td>
<td>Property</td>
<td></td>
</tr>
</tbody>
</table>

Exhibit I.4-4

Anticipated Positions Needed to be Filled

<table>
<thead>
<tr>
<th>Position Title</th>
<th>Number of Personnel Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution Operators</td>
<td>3 (HCWD1)</td>
</tr>
<tr>
<td>Plant Mechanics</td>
<td>2 (LWC)</td>
</tr>
<tr>
<td>GIS Technician</td>
<td>1 (HCWD1)</td>
</tr>
<tr>
<td>Heavy Equipment Operator</td>
<td>1 (HCWD1)</td>
</tr>
<tr>
<td>Water Operators</td>
<td>8 (LWC)</td>
</tr>
</tbody>
</table>

I.4.2 Human Resources Transition

HCWD1 recognizes the value of the existing Fort Knox staff’s experience, knowledge, and “institutional memory” concerning water systems on the installation, and we will include them as key members of our transition team. It is our anticipation that, prior to system ownership transfer, HCWD1 will be collecting and reviewing data on staffing of the various functions (planning, engineering, O&M, budgeting and accounting, personnel, and contracting) and preparing a staffing plan for service to Fort Knox.

I.4.2.1 Employee Transition

The existing employees will be offered positions with either HCWD1 or LWC, depending on their qualifications and future work assignments. HCWD1 and LWC routinely hire qualified personnel. Our team offers excellent benefit packages and competitive wages. We also offer opportunities for advancement and assignment to other HCWD1 and LWC facilities, if desired. HCWD1 and LWC anticipate the need to fill the positions identified in Exhibit I.4-4 for this project.

I.4.2.2 Evaluation of Existing Employees for Employment

FAR 52.207-3 (November 1991), Right of First Refusal of Employment, will be part of our contract with the Government. This clause requires that we offer positions created as a result of this new contract to qualified Government employees who are adversely affected, prior to offering those positions to other applicants. This procedure does not guarantee employment for displaced Government employees, but it does give them priority consideration over other applicants. The key factor is qualifications.

We anticipate that development of the staffing plan will be complete by the beginning of the transition period, with job offers made and accepted prior to system transfer. Analyses of employee training needs will be completed by the third month after system transfer. HCWD1 will apply a proven process to transition the affected workforce, as follows:

- **Step 1, Host introduction workshops.** HCWD1 will work with Fort Knox to prepare public announcements. This announcement package will communicate important information about the project and the transition process, as well as important information about HCWD1 and LWC. Along with this, each employee will receive a schedule for informational workshops. These workshops, for employees and spouses, will provide an orientation to HCWD1’s and LWC’s culture and to compensation and benefits programs.

- **Step 2, Interview and assess potential associates.** HCWD1 will send out a processing schedule to every potential new associate. The first item on this schedule will be employee interviews. In these interviews, we will discuss each
employee’s personal history, job experience, and specific ideas to improve the performance of the project. This is our first opportunity to show incoming employees that we listen to their concerns. This interactive process will allow individuals to ask any specific questions that they may have regarding HCWD1 and LWC, their jobs, and compensation potential. Our goal is to eliminate employees’ uncertainty about their futures and establish a positive foundation for their careers with HCWD1 and LWC.

- **Step 3, Make offers of employment.** Each qualifying candidate selected will receive a specific job offer clearly detailing the appropriate job title, pay rate, exempt or nonexempt status, and a complete position description. HCWD1’s and LWC’s human resources and benefits specialists will provide benefits enrollment packages and assist associates in completing the enrollment.

- **Step 4, Implement contract startup and orientation.** During the startup period of the contract, new associates will work closely with their supervisors and the Transition Team members. They will be oriented to HCWD1 operating procedures and new expectations of the positions. Capitalizing on their experience and knowledge, we will develop a team to review procedures and help revise, rewrite, and implement best-of-practice site-specific standard operating procedure formats to be used in their work areas.

- **Step 5, Initiate project training program.** HCWD1 and LWC recognize and build upon the value of continuous learning and development. The project training plan will be developed and implemented, with an initial target for every new associate to receive approximately 32 hours of training within the first year and every year thereafter.

- **Step 6, Implement ongoing training and development.** HCWD1 training includes leadership skills, health and safety, operations/technical and administrative procedures, quality management, certification, and other courses designed to improve associate skills on an ongoing basis.

### I.4.2.3 Integration of Employees

HCWD1 employees will integrate into the procedures and operating environment of Fort Knox as expeditiously as possible. In conjunction with the hiring process, HCWD1 will obtain all necessary security passes and identification required by Fort Knox. HCWD1 will develop a roster of personnel and emergency contact numbers, and provide this to the COTR and the Fort Knox DPW emergency desk.

### I.4.3 Administrative Transition

To complete the transition of administrative functions, HCWD1 will set up and install the project accounting and financial system, set up the monthly billing, and establish the monthly reporting systems required by the RFP. HCWD1 will meet with the COR and other stakeholders as deemed appropriate by the Government, to deploy the communication procedures for client service. Procedures for requesting service (work orders), excavation permitting, and HCWD1 contact information will be disseminated. Written outlines of each of these procedures will be made available to the stakeholders.

### I.4.4 Purchasing

The necessary tools, equipment, and vehicles will be obtained, or HCWD1’s existing equipment will be utilized during the transition period. HCWD1 will establish and use purchasing agreements with local vendors. HCWD1 also will use existing contracts to maximize quantity discounts when possible.

### I.4.5 Safety and Security

Integrating the Army facilities into existing HCWD1 safety and security practices and procedures will be a critical element of transition. The site visits conducted in August 2008 enabled the HCWD1 to formulate initial recommendations on safety and security upgrades for the Army facilities. Ground-truthing of these observations and development of safety plans still must take place during the transition period. Security must also be addressed during the transition period. Activities in the transition process related to safety and security include:
• Conduct safety inspection/evaluation and develop priority list of changes. In conjunction with on-site familiarization activities, HCWD1 staff will tour the acquired facilities and note specific safety issues to be corrected or addressed through operating procedures. HCWD1 will prepare a prioritized list of recommended safety changes and upgrades and review the list with the Army. For any capital upgrades needed to respond to safety issues that were not identified during the initial site visits, a determination will be made as to whether to add these projects to the Capital Upgrades Plan.

• Review safety procedures and hold training sessions. Safety procedures specific to the Army facilities will be developed as needed and integrated into existing HCWD1 safety plans. Staff will be trained on these procedures in sessions held at each installation.

All required safety and emergency response plans and procedures will be developed upon contract award. HCWD1 will ensure all personnel have appropriate safety and health training upon employment. A survey of all utility system facilities will be conducted early in the transition phase to identify any deficiencies.

I.4.6 Transfer of System Operations

A period of joint operation with Fort Knox personnel is desired for the water system during the transition period. HCWD1 will assume full responsibility for training employees and this is built in to the transition schedule. As part of the operational transition, HCWD1 will develop or update SOPs specific to the Fort Knox water systems. These SOPs will be a major component of the employee training program. HCWD1 will review and validate all existing data, and develop laboratory procedures and schedules. During transition, HCWD1 will develop a comprehensive Process Control Strategy and a Water Sampling and Analysis Plan. All employees will be trained to become familiar with these plans. Process control meetings will be held with employees initially on a bi-monthly basis and monthly afterward. These meetings will allow for the open discussion of current process control strategies, and allow for a high level of communication between all employees. This communication strategy will be a key element in the provision of the highest quality water and service to our Fort Knox customers.

I.4.7 Transfer of System Maintenance

Transfer of system maintenance activities will coincide with the startup of the CMMS. Job plans for maintenance activities will be developed and added to the CMMS, and work orders will be used to document maintenance activities. PM activities will be developed, and equipment repair and replacement requirements will be documented. Inventory controls will be developed and used to track spare parts and critical equipment replacement parts for high-risk water system utility components.

I.4.8 Transfer of Ownership

Transfer of ownership will occur at the end of the transition period, which is 120 days after NTP. During the transition period, HCWD1 will work closely with the COR, the Fort Knox Contracting Office, and other associated Government entities to facilitate the development, review, and execution of the necessary instruments to ensure a smooth and timely transfer of ownership at the end of the transition period.

I.4.9 Prepare Work Plans for Initial Capital Upgrade Projects

Work plans will be developed for the initial capital upgrade projects, including the system survey assessment project, the leak detection survey, and the hydraulic modeling project. Since many of the initial capital upgrade projects need to be completed in the first year of performance, the work plans will be used to secure the necessary resources to begin the capital upgrade projects immediately after the transition period.
1.4.10 Tasks to be Completed by the Government Prior to Transition

In order to make this transition as smooth and effective as possible, we have assumed that Fort Knox will perform the following tasks prior to the transition period:

- Complete actions required related to adversely affected staff (RIF notices).
- Review Program Objectives Manual to determine availability of funds for transition process, contract management costs, and the new utility contract costs.
- Assign COTR at Fort Knox as HCWD1’s primary contact during transition.
- Initiate modification or cancellation of existing permits and ensure transfer of existing permits.
- Modify any host-tenant agreements.
- Review real estate documents and identify explosive-safety quantity zones, airfield clearance zones, or other restrictions affecting utility operations.
- Collect relevant drawings, documents, and manuals for transfer.
- Inventory and identify Government items to be transferred.
- Identify Government equipment to be removed.
- Identify Fort Knox personnel for points of contact.
- Ensure all existing contracts for the utility systems are terminated upon start of performance.
- Ensure all recurring service contracts for the utility systems terminate upon start of performance.
- Identify whether temporary transition office space will be available for HCWD1 personnel.
I.5 Financial Strength - ALTERNATE

HCWD1 is a well run utility system with a strong balance sheet and operating margins that allow it to maintain long-term financial integrity. The success of HCWD1 has been recognized by others in the industry and community through a number of awards it has won.

Established in 1952 with 125 water accounts, HCWD1 has a 56-year history of growth, financial stability, and quality customer service. Its stability is enhanced by the regulation of the KPSC, which has the responsibility to review HCWD1’s operations to be sure service meets quality standards and costs are prudently incurred. It also has the responsibility to approve HCWD1 rates that cover prudently incurred costs, thereby providing a basis for HCWD1’s strong financial integrity.

Since 2000, HCWD1’s awards have included:

- 2000 First Place Award for Marketing and Customer Relations, American Water Works Association Kentucky/Tennessee Chapter
- 2000 Design Honor Award for Ft. Knox Interconnected Pump Station, American Council of Engineering Companies/Kentucky Council of Engineering Companies
- 2001 Recognition for Excellent Customer Service by the Kentucky Senate
- 2001 Second Place Award for Marketing and Customer Relations, American Water Works Association Kentucky/Tennessee Chapter
- 2002 First Place Award for Internal Relations by American Water Works Association Kentucky/Tennessee Chapter
- 2003 Award of Excellence for Safety by the American Water Works Association Kentucky/Tennessee Chapter
- 2004 Nominee for Public Water System Excellence Award by EPA Region 4
- 2005 Selection as one of the Top 3 “Best Tasting Water” in Kentucky by the Kentucky Rural Water Association
- 2007 Recognized as having a “Totally Optimized Water Plant” by KY Division of Water
- 2007 Finalist for Wooden Bucket Award, U.S. Department of Agriculture
- 2008 Award of Excellence by American Water Works Association Kentucky/Tennessee Chapter

Since 2003, HCWD1 has more than tripled its capitalization, growing from $20 million in 2003 to $41 million in 2007 and an estimated $65 million in 2008. This has been accomplished through growth in native customers, as well as through acquisitions. In 2004, HCWD1 privatized the wastewater system at Fort Knox. The significant increase in 2008 reflects HCWD1’s acquisition of the City of Radcliff sanitary sewer system earlier in the year. At the same time that its capitalization was significantly increasing, HCWD1 was able to reduce dramatically its debt to capital ratio. That ratio decreased from 56 percent in 2003 to 31 percent in 2007. The ratio is projected to further decrease to only 24 percent in 2008. These changing ratios and other financial ratios requested in the RFP are provided in Exhibit I.5-1.

EXHIBIT I.5-1

Financial Strength Ratio

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Interest Coverage</td>
<td>4.5%</td>
<td>4.75</td>
<td>5.74</td>
<td>5.66</td>
<td>2.95</td>
<td>2.22</td>
</tr>
<tr>
<td>2. Funds from Operation (FFO) to Interest Ratio</td>
<td>7.2%</td>
<td>4.1</td>
<td>5.1</td>
<td>5.0</td>
<td>2.1</td>
<td>2.5</td>
</tr>
<tr>
<td>3. FFO to Total Debt Percentage</td>
<td>31.6%</td>
<td>18.7%</td>
<td>21.6%</td>
<td>16.4%</td>
<td>7.7%</td>
<td>8.5%</td>
</tr>
<tr>
<td>4. Total Debt to Total Capital Ratio</td>
<td>0.24</td>
<td>0.31</td>
<td>0.32</td>
<td>0.34</td>
<td>0.53</td>
<td>0.56</td>
</tr>
<tr>
<td>5. Disaster Recovery Ratio</td>
<td>97</td>
<td>146</td>
<td>139</td>
<td>137</td>
<td>27.2</td>
<td>2.57</td>
</tr>
</tbody>
</table>

The relative reduction in debt and build up in system equity reflected in the reduced debt to capital ratio resulted in part from operating margins. As shown in Exhibit I.5-1, interest coverage and the ratio of funds from operation (FFO) to interest have both been high over the past 5 years and are projected to continue at high levels in 2008. The particularly high FFO to interest ratio of 7.3 projected for 2008 reflects the fact that HCWD1 was granted a water rate increase at the end of 2007 and a sewer rate increase in mid 2008.

HCWD1 accesses capital for major plant investments through internally generated capital and revenue bonds. It also uses its line of credit for shorter term capital requirements. It will use these sources to fund R&R and ISDC projects at Fort Knox. Since the proposed purchase price is $1.00 and HCWD1 is not subject to Federal income tax, it will not have a need to finance the purchase price or any potential CIAC tax.

HCWD1’s latest bond issue (Series 2005, $6.860 million) was rated “Aaa” by Moody’s Investors Service. It was also the first water district in Kentucky
to use variable rate, weekly indexed, tax exempt bonds. HCWD1 has used this funding instrument twice, with both issues rated “VMIG-1” by Moody’s. Moody’s description of this rating is:

“This designation denotes best quality. There is present strong protection by established cash flows, superior liquidity support or demonstrated broad-based access to the market for refinancing.”

A local bank also provides a pre-approved line of credit for $2.5 million, which HCWD1 can access for any reason at any time. Finally, as a special sub-district of the Commonwealth of Kentucky, HCWD1 is also able to receive local, state, or federal grants for construction projects, from a variety of agencies and programs. Currently, HCWD1 has received approval for and is using $5 million of grants for current water construction projects.

In the event of a natural disaster, HCWD1 has the resources and capability to immediately begin restoration and sustain the restoration for timely completion and resumption of normal operations. HCWD1 has included provision for $28 million in property insurance for assets at Fort Knox beyond the insurance HCWD1 has on its existing water system and two sewer systems. In addition to our financial resources and insurance, as a Government sub-district, HCWC1 is eligible for emergency funding from the county Government, the state Government, and the federal Government through Federal Emergency Management Administration (FEMA) funding. HCWD1 has experience accessing funds from these sources to cover costs related to storms and damages, including clean-up costs.

In addition to HCWD1’s financial strength, we can bring to this contract the financial stability and competence of our two team subcontractors, as described below.

**Louisville Water Company**

Exhibit I.5-2 presents LWC’s financial performance indicators from the past 5 years.

LWC has low debt levels and has the capacity to quickly and efficiently raise additional funds when necessary. LWC maintains favorable debt service coverage of more than 2 times the maximum annual debt service. The bond ratings for LWC long-term debt are among the very highest in the industry: AA+ for Standard and Poor’s Corporation and Aa1 for Moody’s Investors Service. In addition, as a municipally owned utility, LWC is eligible for publicly funded grants and low-interest loans.

LWC has relatively low water rates as a result of efficient operations. LWC continues to focus on optimizing the value of water service to its customers. LWC’s average O&M cost per customer of $185 is one of the lowest in the water industry, and our rates are one of the lowest in the region.

LWC has maintained its infrastructure to meet long-term requirements. LWC uses a 5-year Capital Improvement Program (CIP) that is updated annually. The current CIP emphasis is on renewal of buried infrastructure, renovation of WTP facilities, improvements to storage and boosted pressure systems, and investments in information technology architectures. Capital improvement program plans also include significant investment in advanced treatment technology to improve water quality and ensure future regulatory compliance.

**CH2M HILL**

CH2M HILL’s financial strength is driven by our employee-owners’ dedication to delivering high-quality services that establish long-term client relationships. With gross revenues of $5.8 billion in 2007, CH2M HILL maintains an enviable financial position in the industry.

CH2M HILL’s steady increase in staff and annual revenues provide one of the most stable firms in the world, assuring a team with the financial responsibility, stability, and strength to integrate and package the full spectrum of services required for this contract. We posted our most profitable year ever in 2007. In an industry comparison of leading companies, our 0.2 debt-to-capital ratio, the leading indicator of overall financial strength, was the lowest. Our financial capacity is also proven by an annual growth rate of nearly 20 percent per year over the past 5 years.
### Exhibit I.5-2
LWC Financial Performance Indicators

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>$132.1 million</td>
<td>$114.1 million</td>
<td>$115.2 million</td>
<td>$103.5 million</td>
<td>$97.7 million</td>
</tr>
<tr>
<td>Revenues in Excess of Expenses</td>
<td>$40.6 million</td>
<td>$30.7 million</td>
<td>$34.7 million</td>
<td>$28.6 million</td>
<td>$24.6 million</td>
</tr>
<tr>
<td>Gallons Sold</td>
<td>41.1 billion</td>
<td>37.0 billion</td>
<td>40.0 billion</td>
<td>38.2 billion</td>
<td>38.0 billion</td>
</tr>
<tr>
<td>Capital Improvements in System</td>
<td>$62.3 million</td>
<td>$61.7 million</td>
<td>$61.7 million</td>
<td>$52.4 million</td>
<td>$60.4 million</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$907.1 million</td>
<td>$870.3 million</td>
<td>$751.3 million</td>
<td>$723.1 million</td>
<td>$694.7 million</td>
</tr>
<tr>
<td>Long Term Debt as a Percentage of Total Assets</td>
<td>19.8%</td>
<td>21.6%</td>
<td>14.8%</td>
<td>16.3%</td>
<td>17.8%</td>
</tr>
<tr>
<td>Debt Service Coverage Times</td>
<td>3.02</td>
<td>2.78</td>
<td>3.48</td>
<td>3.03</td>
<td>2.79</td>
</tr>
</tbody>
</table>
Assumptions Used for Technical Approach and Costing Purposes

The following assumptions have been made for the purpose of establishing a baseline for developing and pricing this proposal, and will be confirmed during the system characterization phase. Notes and assumptions specific to our calculations in the Price Proposal are included in the supporting documentation files and spreadsheets. This proposal was developed based on limited information to bidders during the proposal solicitation process.

**General**

1. Water system components and services are currently in compliance with all federal, state, and local laws, and environmental, OSHA, and applicable utility regulatory requirements, and will continue to be in compliance at the time of transition.

2. The installed dates for system components are accurate as provided in the RFP or in answers to questions provided during the proposal solicitation.

3. Ownership of the utility will be transferred to HCWD1 between January 1, 2009, and January 1, 2010.

4. Components are in condition that will last as long as design life estimated by HCWD1.

5. The facilities visited during the site tour are representative of the condition of all facilities in the system. All other components of the water distribution system are in the condition stated in the Army’s data.

6. A Vulnerability Assessment has already been completed. Current security measures at pump stations, storage tanks, and other utility service points are adequate and compliant.

7. Soil conditions of all underground facilities satisfactorily meet design requirements of the facilities.

8. The American Federation of Government Employees will not raise any significant issues affecting the cost of providing water utility services.

9. For purposes of pricing, HCWD1 assumes that growth at Fort Knox is negligible and will result in no increase in costs.

10. Air permitting for new and existing generators will be under the Fort Knox Title V permit.

11. Once ownership of the utility systems has been transferred, access to the systems components will be granted without any legal or other cost to HCWD1.

12. Any generators to be installed will be emergency generators, which are exempt sources under Clean Air Act Title V regulations. All pumps will be electric and will not require amendment of permits.

13. No existing exclusive water easements will require maintenance by HCWD1.

14. The Army will maintain all access roads to and from pump stations, storage tanks, treatment plants, lagoons, and other system locations. HCWD1 will not be responsible for maintaining any on-base roads.

15. If previously unknown differences are discovered between the Army-provided inventory and the actual water system and appurtenances, HCWD1 will be allowed during the post-selections process to adjust its purchase price and the projects and associated costs in its ISDC and R&R Plans.
16. HCWD1 will be allowed to adjust its utility service charge if previously unknown inventory and system differences are identified that lead to additional labor or other operating costs.

17. Land, space, or both will be available at no cost to HCWD1 for on-base offices and storage, as identified in the proposal, specifically for the Fort Knox operations base.

18. Temporary space will be available at each respective construction location for construction trailers and laydown areas to support construction of renewal, upgrade, and enhancement projects.

19. Employees will not organize; but if they do, the collective bargaining agreement labor rates will be the basis for an adjustment during the following price redetermination.

20. Given adequate notice and coordination, Army management, engineering, and operations personnel will be available for interview during site characterization regarding utility system operations, prior contamination, and environmental status.

21. Given adequate notice and coordination, the Army will provide all existing water utility information that may be reasonably requested by HCWD1. All applicable reports, correspondence, maps, drawings, and any other documentation related to the utility systems or the environmental condition of the property will be readily available to HCWD1 for review during site characterization.

22. We assume that Fort Knox has exclusive legislative jurisdiction.

23. All water valve locations are known, mapped, and are readily accessible.

24. All Federal taxes will be removed from our proposal for purposes of the evaluation of benefit to the Government.

25. We assume that access to utility systems will be granted with no legal or other cost to HCWD1.

26. For proposal purposes, we assume that system renovation and upgrade projects, as identified in the RFP, are still required by the Government.

27. We assume that no special requirements will be necessary for UXO identification/removal during excavation of utility systems.

28. Capital improvements proposed by HCWD1 will be included in the Government “should cost.”

29. The Government “should cost” will reflect industry standards for operation, maintenance, and recapitalization of the water system.

30. The current Governmental exemption for property taxes will be extended to HCWD1 for all transferred assets.

31. Annual/periodic studies will begin after Year 1.

32. The Army will be responsible for any agreements with Government and non-Government tenants. HCWD1 will hold no separate agreements with current or future tenants.

33. HCWD1 will submit a single, monthly bill for all charges directly to the Army. The Army will bill tenants for utility charges based on monthly meter readings by HCWD1, where applicable. All charges will be paid within 30 days of invoice. Any payment delay will result in interest charges at HCWD1’s normal rate of interest for late payment.

34. Utilities, such as electricity and water, that are supplied to HCWD1 by the Government or a Government contractor will be paid directly by the Government.
35. A new facility for HCWD1 O&M staff will be constructed and the cost shall be reimbursed by the Government.

36. HCWD1 will recover, and the Army will pay for, uninsured property losses or that portion of insurance claims that exceed limits required by the utility service contract between HCWD1 and the Army.

37. The Army will maintain an ongoing water conservation program.

38. The Army will be responsible, at no cost to or regulatory effort by HCWD1, for the disposal of any contaminated soil or groundwater encountered during excavations.

39. HCWD1 will not be considered in default of contract should response times be impacted/exceeded due to limited or restricted access to the installation. Should unforeseen installation closure occur, HCWD1 will be allowed to reschedule routine work for accomplishment on any day requested by HCWD1 and approved by the Government; however, emergency work will be continued.

40. All water system components planned for completion or replacement by the Army between the date of this proposal and the date the water utility system is transferred to HCWD1 will in fact be completed or replaced and transferred to HCWD1 with other utility system assets. The scope of these projects will be as assumed in the Technical Proposal.

### Water System

41. We assume that the elevated water tanks originally installed in the 1990s are OSHA compliant and lead abatement on the tanks will not be required.

42. HCWD1 assumes that there are no issues of noncompliance in any of the water systems (not identified in the RFP), or that any current violations/noncompliance will be corrected prior to contract start.

43. HCWD1 assumes the Government-provided inventory is accurate, unless otherwise indicated in our proposal.

44. Adequate flow records and level of detail are available to reasonably estimate demand, peaking factors, and system needs.

45. Under the terms of this privatization, HCWD1 will have no responsibility for the water source beyond monitoring and testing quality and capacity, and making recommendations regarding protection, expansion, and use of the water resource.

46. No cathodic protection system currently exists on the water system, other than the water tanks.

### Environmental Baseline Study

47. The EBS will be provided to the HCWD1 by the Government during transition.

48. No EBS will be conducted by HCWD1, unless specifically requested by the Government. Compensation will be in accordance with the Price Proposal.

49. All pre-existing environmental conditions will remain the responsibility of the Government, and the Government will retain any liability for such conditions whether known or discovered in the future.

50. No asbestos exists in any water facilities except for the asbestos cement pipe.

51. Documented restrictions on activities in areas near endangered species, streams, wetlands, etc. will be provided to HCWD1 during transition.
52. SWMUs will remain the responsibility of the Government, and actions with regard to water activities in the vicinity of SWMUs will be negotiated with the Government.

**Environmental Assessment (EA)**

53. For proposal purposes, no EAs will be required for the transfer of utility system assets to HCWD1 as the New Owner.

**Environmental Impact Statement (EIS)**

54. For proposal purposes, no EIS will be required for the transfer of utility system assets to HCWD1 as the New Owner.

**Staffing**

55. HCWD1 will maintain only the grounds and facilities enclosed by the fences at the storage tanks, treatment facilities, and pump stations.

56. The sizes of the identified meters, pressure-reducing stations, pressure-reducing valves, and backflow preventers are unknown and will be determined during site characterization.

57. No shut-off valves (demarcation) will be required to be installed at facilities.

58. The Government will be responsible for any costs associated with security clearance for HCWD1 staff at Fort Knox.

59. Escorts to secure areas will be provided by the Government at no additional cost to HCWD1.
### Fort Knox Vol 1 Attachment 2

**Activity Name**
- Contract Award
- Transition Period
- System Survey/Assessment and Re-Map the Utility Systems
- Leak Detection Survey
- Hydraulic Model
- Water Flow Meters at the WTPs
- 30 inch Valves
- New Raw Water from Muldraugh WTP to 16 in. Raw Water Line Between Otter Creek PS & Central WTP - ELIMINATED IN ALTERNATE PROPOSAL
- Otter Creek PS - ELIMINATED IN ALTERNATE PROPOSAL
- Control WTP
- Control WTP Clearwell
- Fire Hydrants
- Water Storage No. 5
- Automatic Transfer Switches
- Line Between Otter Creek PS & Central WTP - ELIMINATED IN ALTERNATE PROPOSAL
- Water Storage Tank No. 6
- Water Storage Tank No. 7
- SCADA System
- Distribution Pipe & Valves - Transite
- Distribution Pipe & Valves - CIP
- Distribution Pipe & Valves - CIP HR Center
- Distribution Pipe & Valves - DIP
- Tank No. WT001
- Tank No. WT002
- Tank No. WT004
- West Point Well Platforms - Rehab (6) - ELIMINATED IN ALTERNATE PROPOSAL
- West Point Well Platforms
- Decommission Muldraugh WTP
- Decommission Control WTP

### System Component - Government Recognized Deficiency

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### Remaining Level of Effort

- Remaining Effort
- Remaining Work
- Summary

### Actual Level of Effort

- Actual Effort
- Critical Remaining Work

### Actual Work

- Milestones
PARTNERSHIP AGREEMENT

This Agreement, made this 15th day of July, 2008 (hereinafter the “Effective Date”) by and between the Louisville Water Company (hereinafter “LWC”); and the HARDIN COUNTY WATER DISTRICT No. 1 (hereinafter “DISTRICT”), shall confirm the intent of the parties to coordinate and partner in the management and operation of the Fort Knox Public Water Treatment and Distribution System (hereinafter “System”) and jointly pursue a wholesale water supply for the District and Ft. Knox.

WHEREAS, the United States Government Department of Defense (“Government”) operates a military base near Radcliff, Kentucky known as Fort Knox (hereinafter “Ft. Knox”) which has its own independent public water supply system; and

WHEREAS, the Defense Energy Support Center (DESC) has issued a Request for Proposals (RFP) on July 1, 2008 for the private operation and maintenance of the System; and

WHEREAS, LWC is a municipally-owned water company operating pursuant to KRS Chapter 96 and owns and operates the public water supply system throughout Jefferson County and in parts of Oldham and Bullitt Counties; and,

WHEREAS, District is a water district operating pursuant to KRS Chapter 74 and owns and operates the public water supply system for a portion of Hardin County, including the City of Radcliff on a retail basis and the City of Vine Grove and Meade County Water District on a wholesale basis, and owns and operates the sanitary sewer systems of Radcliff and Ft. Knox; and

WHEREAS, both parties have the technical, managerial and financial capacity to provide services necessary to the management and operation of the System; and

WHEREAS, the cooperation and collaboration of the parties on a joint response to the RFP (the “Project”) will likely provide the most viable option for selection by the DESC;

NOW THEREFORE, in consideration of the terms and conditions set forth below, the parties agree to the following terms and conditions which will govern their relationship during the period leading up to the executing of documents which would effectuate the Project:

I. Both parties agree that this Agreement sets forth broad parameters of the partnership. The actual scope of work may be refined over the course of the Project and subsequent negotiations with the Government. The relationship currently expects the District to assume ownership of the System, in order to provide the Government with a regulated, tariff-based proposal, with LWC providing operations of a portion of the System, and LWC providing a treated water source to the Government and to the District, and the District providing operations of other aspects of the System.

II. LWC and District agree to exclusively, collaboratively and jointly pursue an operations contract for the System, upon issuance of the privatization RFP.

A. LWC will finance the costs of developing the RFP, including selecting and hiring any additional entities it deems necessary. In the event the District-LWC proposal is
accepted, the full cost to develop the proposal will be recovered over 5 years through the monthly management fee charged to the Government. If unsuccessful, each party will pay its own external costs (i.e. its own contractual costs for engineering, construction, legal or financial analyses) associated with the project as well as their own internal labor and non-labor costs.

B. LWC will be the lead partner in preparing all documents for submission in response to the RFP. The District will assist with providing any information requested, data and information needed, and any other pertinent information that is required or would be beneficial in the preparation of the proposal documents, and to assist with authoring sections of the proposal documents as requested by LWC. The final submittal and pricing will require the mutual agreement of both parties.

III. District plans to provide operation and maintenance services for the distribution facilities (distribution pipes, hydrants, valves, and service lines). District will provide, through its own forces or future subcontractors selected by District, all GIS mapping requirements in the RFP to facilitate the mapping of the system, in a manner consistent and compatible with the existing sanitary storm sewer GIS systems of Ft. Knox, which the District has also developed. LWC will provide GIS resources where needed.

IV. LWC will provide operation and maintenance services of the production facilities (well field, water treatment plants, pumping stations, and storage tanks) for a period of at least 5 years. It is anticipated the Muldraugh Water Treatment Plant will be replaced within 3 years with a new transmission supply from LWC along Dixie Highway (Hwy 31W) at Westpoint, Kentucky. The Ft. Knox Central Water Treatment Plant will remain in operation for the foreseeable future. However, the parties may agree to expand or replace the Ft. Knox Central Water Treatment Plant in the future by mutual agreement.

V. LWC and District agree to jointly develop a capital improvement plan as required to fulfill the Ft Knox Privatization RFP.

VI. LWC and District agree to collaborate to design, construct and install a transmission main to District and the System in connection with or independent of the Ft. Knox Privatization RFP. In furtherance of this objective, LWC and District agree to enter into a wholesale water supply contract to obtain from LWC a reliable, abundant and redundant source of supply from the same pipeline and facilities that LWC will deliver water to System and/or the District. The term of the wholesale supply contract will be either a standard wholesale term of 40 years or for the same time period of the Government’s privatization of the System.

VII. LWC is willing to pursue a partnership with District at a later date to facilitate various benefits to LWC, the District and the Government. It is envisioned that this partnership will provide the following benefits or services among LWC, the District and the Government.

A. The parties agree to collaborate on purchasing initiatives for the purposes of incurring lower costs for the provision of operation and maintenance services to the District and/or include but not limited to, joint fuel purchases, operations and maintenance of main breaks, main replacements or other utility operations.
B. LWC will provide additional engineering, technical, capital program management and other support services to the District for an agreed cost of service and based on LWC resource availability, for projects related to the System, or to the District's other utility systems.

VIII. All other aspects of work or tasks required by the Government and set forth in the RFP will be provided and divided between the parties at a future date, based on factors which will provide the parties with the best competitive advantage to be selected by the Government.

IX. The Term of this Agreement shall be from the Effective Date and shall expire (1) upon the successful award of the Privatization RFP to District in collaboration with LWC or upon the District not being determined as the successful respondent to the RFP; or (2) upon this Agreement being superseded by written agreements that specifically cover the activities governed herein; or (3) upon ninety (90) days' advanced written notice by either party to the other party.

X. This Agreement contains the entire agreement between the parties with regard to the intent to form a partnership for the Ft. Knox privatization RFP.

LOUISVILLE WATER COMPANY

BY: [Signature]
Mr. Gregory C. Heitzman, President

Approved as to Legality and Form:

[Signature]
Barbara K. Dickens
Vice President, General Counsel
Louisville Water Company

HARDIN COUNTY WATER DISTRICT No. 1

BY: [Signature]
Mr. William J. Rissel, Chairman

Approved as to Legality and Form:

[Signature]
Mr. David T. Wilson, III
Legal Counsel
Hardin County Water District No. 1
October 9, 2008

Defense Energy Support Center
Ms. Angela Mattox
8725 John J. Kingman Road, Suite 4950
Fort Belvoir, Virginia 22060-6222
ATTN: DESC-EA

Subject: Solicitation No.: SP0600-08-R-0803
Privatization of the Potable Water Utility at Fort Knox Army Installation, Kentucky
Volume II – Past Performance

Ms. Mattox:

The Hardin County Water District No. 1 (HCWD1) is pleased to submit this proposal for assuming the ownership and operation of the Fort Knox potable water system. HCWD1 is the agency designated to provide utility services in the northern part of Hardin County, around Fort Knox. As a regulated utility by the Kentucky Public Service Commission, HCWD1 serves 10,000 residential and commercial customers and acts as a regional water supplier to two other water systems. The transfer of the utilities at Fort Knox is an unprecedented opportunity for Hardin County and one that would follow the trend of Fort Knox and the local government working together toward well planned and managed water and sewer utilities.

HCWD1 has been involved in a number of endeavors with Fort Knox over the past few years, including ownership and operation of the Fort Knox wastewater and stormwater systems. HCWD1 has also participated with Fort Knox and other water suppliers in Hardin County to carry out long-range water supply planning. This proposal is a natural extension to those efforts to better coordinate water and sewer utilities by placing control of those facilities with Hardin County.

Under our proposal, HCWD1 will be the owner and manager of the potable water system serving Fort Knox. Although many of HCWD1’s staff have water experience, we have formed a team of professionals to handle the ownership transition, immediate system improvements, and operation of the water distribution system. Joining with HCWD1 in this project will be Louisville Water Company (LWC) and CH2M HILL, Inc.

HCWD1 believes that our management expertise and local knowledge, combined with national experts, can provide the best option for Fort Knox to privatize its potable water system. We have conducted an extensive due diligence and field reconnaissance of the water utility and have developed a plan that offers long-term economic benefit and reduction in costs, which are specific goals identified in the Solicitation. Our proposal is presented in four volumes, plus two alternate proposals in two other volumes. This document is Volume II, Past Performance.
This Proposal remains a valid offer for 300 days from the date of submittal, and we are prepared to work with you to extend this period should it be required. I will remain your primary point of contact for HCWD1 and our Team during the Proposal and bid period, and can be contacted as follows:

Mr. Jim Bruce, General Manager  
Hardin County Water District No. 1  
1400 Rogersville Road, Radcliff, Kentucky 40160  
Telephone: 270.351.3222  
Mobile: 270.268.4069  
Fax: 270.352.3055  
Mail: Jbruce@HCWD.com

We look forward to your review of our Proposal, and I invite you to contact me should you have any questions or need any additional information.

Sincerely,

Jim Bruce  
General Manager  
Hardin County Water District No. 1
Volume II. Past Performance

Prepared by:

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

Hardin County Water District No. 1 agrees with all terms, conditions, and provisions included in the solicitation except as highlighted in Volume III, Contract Documentation and agrees to furnish any or all items upon which prices are offered by Hardin County Water District No. 1 in this proposal at the price set opposite each item.

This proposal includes data that shall not be disclosed outside the Government.

**Person(s) Authorized to Negotiate:** Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

**Person(s) Authorized to Sign Proposal:** Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government’s right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are clearly marked with the proprietary legend in the side margin of the page.
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    Hardin County Water District No. 1
    Louisville Water Company
    CH2M HILL
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<td>WOSB</td>
<td>Woman-owned small business</td>
</tr>
<tr>
<td>WTP</td>
<td>water treatment plant</td>
</tr>
<tr>
<td>WWTP</td>
<td>wastewater treatment plant</td>
</tr>
</tbody>
</table>
### Volume II - Cross Reference Matrix

<table>
<thead>
<tr>
<th>Description/Specifications, Section L of RFP</th>
<th>Proposal Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past Performance Information – J39</td>
<td>Attachment 1</td>
</tr>
<tr>
<td>Past Performance References</td>
<td>II.1 and Attachment 1</td>
</tr>
<tr>
<td>System Acquisitions</td>
<td>II.2 and Attachment 2</td>
</tr>
<tr>
<td>Subcontractor References</td>
<td>II.3 and Attachment 1</td>
</tr>
<tr>
<td>Status with Independent Federal, State, or Local Regulatory Authority</td>
<td>II.4</td>
</tr>
</tbody>
</table>
The privatization of the water system serving the Fort Knox Army Installation in Kentucky is a project that presents many challenges, as well as many opportunities. A project such as this demands the expertise of a utility services provider that understands the local community, environment, and regulations, and one with an established reputation of quality service. It also demands an understanding of the privatization process, and a team with a proven record of performance in the operation, maintenance, management, and ownership of water utilities. These are the reasons that the Hardin County Water District No. 1 (HCWD1), in partnership with Louisville Water Company (LWC) and CH2M HILL, provides the best choice in terms of forming a long-term partnership of privatization of the water facilities at Fort Knox.

HCWD1 is recognized for the exceptional quality and value that we have provided during delivery of more than 50 years of operations in Kentucky. The HCWD1 team includes LWC and CH2M HILL. This team brings Kentucky-owned and operated companies that currently provide utility-related services to Fort Knox, as well as Fort Campbell, Fort Irwin, and Fort Gordon. Our team members are intimately familiar with nuances of the installation and mission requirements of the military community. A key indicator of our success is past performance, and our clients attest to the customer-focused and cost-effective services we provide. Throughout this section, we demonstrate the team’s strong performance record on similar projects.

In response to the request for proposals (RFP) Section L.5, HCWD1 is providing the following information:

- II.1 Past Performance References
- II.2 System Acquisitions
- II.3 Subcontractor References
- II.4 Status with Independent Regulatory Authorities

The HCWD1 team has selected representative projects that demonstrate our direct experience in all areas required by the RFP and that are anticipated. The similarities and relevant attributes are highlighted in Exhibit II-1. The past performance information for each of these projects is provided as attachments to this volume.

Hardin County Water District No. 1

HCWD1 is a special state government sub-district, organized under Kentucky Revised Statutes Chapter 74 and is regulated by the Kentucky Public Service Commission (PSC).

HCWD1 was established in 1952 and currently has over 240 miles of main water lines, a 3-million-gallons-per-day (mgd) water treatment plant (WTP) and provides quality drinking water to over 30,000 people daily. As the Government selected HCWD1 to
own and operate its sanitary and storm sewer systems, HCWD 1 also now owns the 6-mgd Fort Knox Wastewater Treatment Plant (WWTP) on Post. HCWD 1 also has wholesale connections with four other surrounding water systems. HCWD 1 also owns a 5.2-mgd water pump station with a 1.25-million-gallon water tank on base, from which it is able to purchase Fort Knox water and pump into our system, and to several other consecutive systems in the region.

The City of Radcliff turned over ownership and operations of their sanitary sewer system to HCWD 1 in April 2008. This provides another 4-mgd WWTP, which is within 4 miles of the Fort Knox WWTP and may provide future combined treatment capabilities, saving both the Government and the City residents from large, expensive plant expansion expenditures.

HCWD 1 is very familiar with the laws and regulations associated with U.S. Government privatization contracts to include the Federal Acquisition Regulations (FAR), Small Business Set-asides, as well as the base environmental requirements, security requirements, and contractual obligations and protocol.

HCWD 1 was founded 50 years ago to provide water supply service to the northern and northwestern part of Hardin County, which is the area surrounding the Fort Knox Army Installation. HCWD 1 is locally owned and operated, and our Board is made up of members of the community. Several of our Board members have strong ties to the Army and Fort Knox, and serve and volunteer their time in many ways to improve relations between the community and the base.

HCWD 1 has also been a key catalyst in promoting Regional Water Planning. In 1995, Fort Knox saw the need to encourage and move the County toward regional planning, and it was HCWD 1 that took the first step in closing one of our water plants and entering into a long-term Water Purchase Agreement with Fort Knox. Later, HCWD 1, as a part of the Hardin County Regional Water Group, entered into an Inter-Local Agreement between Fort Knox and the three other entities. This agreement resulted in a long-term report, the Regional Water Feasibility Study.

EXHIBIT II-1
HCWD 1 has selected Past Performance Projects that are of Similar Complexity and Type as That Required by the RFP

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Demand/Capacity Flow</th>
<th>Population Served</th>
<th>Type of Service</th>
<th>Type of Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Knox Wastewater and Stormwater Privatization</td>
<td>2.1 mgd</td>
<td>23,000</td>
<td>Wastewater and Stormwater Collection and Treatment</td>
<td>Military, Residential, Industrial, Commercial</td>
</tr>
<tr>
<td>City of Radcliff, KY Wastewater System</td>
<td>6 mgd</td>
<td>22,000</td>
<td>Wastewater collection and treatment</td>
<td>Residential, Industrial, Commercial</td>
</tr>
<tr>
<td>LWC Project 1: Goshen Utilities</td>
<td>1.2 mgd</td>
<td>4,500</td>
<td>Water treatment and distribution</td>
<td>Residential, Industrial, Commercial</td>
</tr>
<tr>
<td>LWC Project 2: Kentucky Turnpike Water Districts No. 1 and No. 2</td>
<td>6 mgd</td>
<td>15,000</td>
<td>Water treatment and distribution</td>
<td>Residential, Industrial, Commercial</td>
</tr>
<tr>
<td>CH2M HILL Project 1: Fort Campbell, KY</td>
<td>4 mgd – water</td>
<td>35,000</td>
<td>Water and wastewater treatment, storage, and distribution</td>
<td>Military, Residential, Industrial, Commercial</td>
</tr>
<tr>
<td>CH2M HILL Project 2: Fort Gordon, GA</td>
<td>2.5 mgd – water</td>
<td>30,000</td>
<td>Water and wastewater treatment, storage, and distribution</td>
<td>Military, Residential, Industrial, Commercial</td>
</tr>
</tbody>
</table>
Louisville Water Company

LWC has provided water service to the Louisville community continuously since 1860. Although originally formed as a private company, LWC has been solely owned by Louisville Metro since 1906. LWC is a nationally recognized utility with demonstrated competence in all areas of water utility operations and management. LWC is an industry leader in customer satisfaction, water quality and treatment research, drinking water regulatory compliance, infrastructure renewal, and geographic information systems. Currently, LWC water quality exceeds all regulatory standards for drinking water.

LWC owns, operates, and maintains two WTPs that draw water from the Ohio River, a virtually unlimited source. Finished treated water from these facilities meets all current and anticipated regulations established by the U.S. Environmental Protection Agency (EPA) and administered by the Kentucky Division of Water (KYDOW). The production facilities have a firm capacity of 240 mgd, with an average daily production of 134 mgd and a historic maximum production day of 205 mgd. In addition to the treatment facilities, LWC operates and maintains over 3,900 miles of water main, 22,440 fire hydrants, 35 booster pumping facilities, and 36 storage tanks to supply drinking water to 283,608 service connections.

As a neighbor utility, LWC maintains excellent working relationships with Hardin County water providers, including Fort Knox and HCWD1. LWC is familiar with water supply issues in the region and the challenges the Fort Knox base realignment will pose to water supplies and water service providers. In the past, LWC has participated in county-wide water resource planning performed by the Lincoln Trail Water Supply Commission and conducted several discussions with Fort Knox personnel on opportunities for LWC to supply wholesale water and contract operation services. Currently, LWC provides wholesale water supplies to the Fort Knox Urban Warfare Training Center and WilcoxDigitized Training Center. Recently, LWC has entered into discussions with Hardin County Water District No. 2 to supply wholesale water through transmission connections along Interstate 65.

LWC provides retail service in Jefferson County and parts of Oldham and Bullitt counties. In addition to selling water to retail customers, LWC sells water to seven wholesale water utility customers, resulting in service to about 850,000 people. Annual water sales exceeded 40 billion gallons in 2007, with annual operating revenue of $132 million. LWC water rates are one of the lowest in the region, with a typical residential customer monthly bill of $19.78 for 6,000 gallons.

In addition to serving Metro Louisville, LWC has a proven track record in acquiring, owning, and operating water systems in other communities. The most recent water utility mergers and acquisitions by LWC include the following:

- City of Shepherdsville Water – 2002
- Goshen Utilities – 2002
- Kentucky Turnpike Water District No. 1 – 2000
- Kentucky Turnpike Water District No. 2 – 2000
- Oldham County Water District No. 1 – 1995
- West Oldham Utilities – 1995
- Jeffersontown Water – 1990

LWC’s success in past acquisitions has been the result of our investment in system infrastructure improvements, our retention of system employees, and building effective relationships with the community.
CH2M HILL

As the nation’s top ranked engineering firm (Engineering News-Record, 2008), CH2M HILL’s experience in utility privatization projects provides unique capabilities to support the HCWD1 team. CH2M HILL has experience with both Army and Navy bases that none of its competitors can equal:

<table>
<thead>
<tr>
<th>Location</th>
<th>CH2M HILL Role and Responsibilities</th>
<th>Contract Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Campbell</td>
<td>CH2M HILL as prime contractor. CH2M HILL owns, operates, and maintains water and wastewater utilities.</td>
<td>June 2003</td>
</tr>
<tr>
<td>Fort Irwin</td>
<td>CH2M HILL as prime contractor. CH2M HILL owns, operates, and maintains water utilities.</td>
<td>Sept 2004</td>
</tr>
<tr>
<td>Fort Gordon</td>
<td>CH2M HILL is subcontractor to Augusta Utility Department (AUD) in a role similar to that proposed for Fort Knox</td>
<td>Sept 2007</td>
</tr>
</tbody>
</table>

CH2M HILL’s discussions with Army personnel have enhanced their understanding of industry requirements for successful privatization, as well as helped ensure that they include all appropriate costs of current ownership for the Government.

CH2M HILL has more than 60 years of demonstrated excellence in delivering water projects. From completing its first project in 1946 to delivering award-winning projects today, CH2M HILL has built a reputation as an industry leader and continues to provide top-quality services to its clients.

CH2M HILL has also developed approaches to system maintenance and enhancement that the Army has accepted as providing quality service, a high level of systems reliability, and best practice technology for long-term performance.
II.1 Past Performance

References

Collectively, our team serves a customer base located near Fort Knox, which represents a population of over 880,000 people. We have compiled the list in Exhibit II-2 of recent projects that represent some of our larger customers and are similar in type and complexity to Fort Knox. The highlighted projects are presented in the format provided in Section L, Attachment J39 of the RFP. These project descriptions are provided at the end of this volume following the Attachments tab.

II.2 System Acquisitions

Information requested in Section L.5 of the RFP on the system acquisitions is provided in Exhibit II-3.

EXHIBIT II-2
References for HCWD1

<table>
<thead>
<tr>
<th>Project</th>
<th>Customer Contact Name, Address, and Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Knox Wastewater and Stormwater Privatization</td>
<td>Benita Jackson, Defense Energy Support Center, 703-767-9407</td>
</tr>
<tr>
<td>City of Radcliff, KY</td>
<td>Mayor Shelia Enyart, City of Radcliff, 270-351-4144</td>
</tr>
</tbody>
</table>

EXHIBIT II-3
HCWD1 Team System Acquisition Experience

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>City of Radcliff, KY Wastewater System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>HCWD1 acquired this system from the City of Radcliff to operate and maintain the wastewater collection and treatment systems.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>City of Radcliff wastewater system was transferred to HCWD1.</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2008 - ongoing</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Jim Bruce, HCWD 1, 270-352-3222; and Mayor Shelia Enyart, City of Radcliff, 270-351-4144</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Fort Knox Wastewater and Stormwater Collection and Treatment Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>HCWD 1 acquired the wastewater and stormwater collection and treatment facilities during the privatization of the systems by the Army in 2005.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>$73,746,920</td>
</tr>
<tr>
<td>Period of performance</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Jim Bruce, HCWD 1, 270-351-3222; and Benita Jackson, Defense Energy Support Center, 703-767-9407</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Goshen Utilities Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>LWC purchased this utility from AquaSource, Inc. and owns and operate the water system.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>$3.6 million</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2002 – Ongoing</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Jon E. Evans, Vice President, AquaSource, 412-261-1600; Greg Heitzman, 502-569-3681; and Jim Smith, LWC, 502-569-3687</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Kentucky Turnpike Water Districts No. 1 and No. 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>LWC merged with Kentucky Turnpike Water District No. 1 and No. 2, adding 6,500 retail customers to LWC’s service area.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>N/A</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2000–2011</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Dan Thobodeaux, 502-955-7567; Melanie Roberts, 502-543-2262; Jim Smith, 502-569-3687; Greg Heitzman, 502-569-3686</td>
</tr>
</tbody>
</table>
EXHIBIT II-3
HCWD1 Team System Acquisition Experience

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Fort Campbell, KY, Water and Wastewater Privatization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>CH2M HILL owns and operates the water and wastewater facilities at Fort Campbell.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>$700,000,000</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2003–2053</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Jeanne Shykes, Directorate of Contracting, Fort Campbell, 270-798-3985</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Fort Irwin, CA, Water and Wastewater Privatization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>CH2M HILL owns and operates the water and wastewater facilities at Fort Irwin.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>$420,000,000</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2002–2052</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Sharon Butler, Contracting Office, U.S. Army Engineering and Support Center, 256-895-1440</td>
</tr>
</tbody>
</table>

“The Hardin County Water District No. 1 is one of the leading water utilities in the state. HCWD1 uses best management practices, technology, and quality customer service methods in all areas of operations. Our association depends on District employees to assist with training and presenting at our training conferences. Several District employees have also graduated from the Utility Management Institute, which is provided by Western Kentucky University and KRWA. The District is poised and able to provide excellent utility services to other surrounding systems in or near its area.”

Gary Larimore, Executive Director, Kentucky Rural Water Association

II.3 Subcontractor

References

HCWD1 has named two team subcontractors for support in water utility services. References for both LWC and CH2M HILL are provided in Exhibit II-4. Past performance forms have been provided following HCWD1 projects in Attachment 1.

II.4 Status with Independent Federal, State, or Local Regulatory Authority

HCWD1 team members are in good standing with federal, state, and local authorities over all utility services included in this proposal. Any violations, penalties, or other enforcement actions taken against HCWD1 within the last 5 years are discussed below.

Primary regulatory agencies with jurisdiction over HCWD1 and LWC are listed in Exhibit II-5.

EXHIBIT II-4
References for HCWD1 Team Subcontractors

<table>
<thead>
<tr>
<th>Project</th>
<th>Customer Contact Name, Address, and Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>LWC: Goshen Utilities/AquaSource, Inc.</td>
<td>Oldham County Deputy Judge Executive, Paula Gish, 100 W. Jefferson St., LaGrange, KY 40031, 502-222-9357</td>
</tr>
<tr>
<td>LWC: Kentucky Turnpike Water Districts No. 1 and No. 2</td>
<td>Bullitt County Judge Executive Melanie Roberts, P.O. Box 768, Shepherdsville, KY 40165, 502-543-2262</td>
</tr>
<tr>
<td>CH2M HILL: Fort Campbell, KY</td>
<td>Jeanne Shykes, Directorate of Contracting, Fort Campbell, 270-798-3985</td>
</tr>
<tr>
<td>CH2M HILL: Fort Gordon, GA</td>
<td>Drew Goins, Director, AUD, 706-312-4123</td>
</tr>
</tbody>
</table>
CH2M HILL is in excellent standing with the state and regulatory agencies associated with our services on the Fort Campbell, Kentucky, Water and Wastewater Privatization project. There are no violations, penalties, or enforcement actions associated with the project within the last 5 years. The associated regulatory agencies:

- Tennessee Dept of Environment and Conservation
- Kentucky Natural Resources and Environmental Protection Cabinet
- EPA Region 4
- OHSA
- Fort Campbell Directorate of Public Works
- Fort Campbell Public Safety

**NOVs**

HCWD1 has received NOVs as follows:

- KPDES permit violations for fecal coliform and TSS, March 2006 (Department for Environmental Protection)
- KPDES permit violations for total residual chlorine, July 2006; fecal coliform, August 2005; and total recoverable mercury, July-August 2005
- KPDES permit violation for whole effluent toxicity, October-November 2007
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
Hardin County Water District No. 1, Radcliff, Kentucky

B. PROGRAM TITLE:
Fort Knox Wastewater and Stormwater Systems Privatization

C. CONTRACT SPECIFICS:
1. Contract Number W9124D-05-C-0017
2. Contract Type: Regulated Tariff
3. Period of Performance: July 1, 2005 to August 31, 2055
4. Original Contract $ Value: $73,746,920
5. Current Contract $ Value: same

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference.

D. BRIEF DESCRIPTION OF EFFORT AS __PRIME OR __SUBCONTRACTOR.
Owner and operator of the wastewater and storm water system at Fort Knox, Kentucky

E. COMPLETION DATE:
1. Original Contractual Date: 30 September 2004
2. Current Schedule: 50 Years
3. Estimated Date of Completion: 31 August 2055
4. How Many Times Changed: 20 Contract Modifications
5. Primary Causes of Change: All modifications were requested by Fort Knox and most had to do with changing account numbers, allocating funds, etc.

F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:
(Please provide current information on all individuals)

1. Program Manager:
   Name: Kenny Muse
   Office: Director of Public Works
   Address: Bldg. 1110B RM 310, 125 6th Ave. St. 320, Fort Knox, KY. 40121
   Telephone: (502) 624-5830
   E-mail: Kenny.Muse@knox.army.mil
   Fax: (502) 624-3679

2. PCO:
   Name: Benita C. Jackson
   Office: Defense Energy Support Center
   Address: 8725 John J. Kingman Road, Suite 3830, Ft. Belvoir, VA 22060
   Telephone: (703) 767-9407
   E-mail: Benita.Jackson@dia.mil
   Fax: (703) 624-7165
3. ACO:
Name: Stephanie Bowman
Office: Directorate of Contracting, MICC Center - Knox
Address: Bldg. 1109B Ste 250, 199 6th Ave., Fort Knox, KY. 40121
Telephone: (502) 624-4947
E-mail: stephanie.bowman@us.army.mil
Fax: (502) 624-7165

4. COR:
Name: Robert Ender
Contracting Officer
Office: Directorate of Public Works
Address: ATZK-OSO Bldg. 1205 Water Street, Fort Knox, KY. 40121
Telephone: (502) 624-5252
E-mail: robert.ender@knox.army.mil
Fax: (502) 624-5251

G. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.

- Continuing revision and update of the GIS map for the sanitary sewer system, which was originally completed in 2005, continues to refine and update the system as buried and/or new lines and manholes are determined. At present, the GIS system has identified 432,210 linear feet (lf) of line and 2,058 manholes; these figures exclude lateral lines, which will be added over time. The system includes a manhole and line segment numbering system, which will allow information to be tracked both on the GIS system and in the work order system.

- Continuing revision and update of the storm water GIS map, which currently identifies 200,969 lf of line, 1,441 culverts and 2,463 drop boxes.

- Sewer System Evaluation Study was completed for the entire sanitary sewer system, with emphasis on Basins II and VIII.

- Numerous major maintenance items have been completed at the wastewater treatment plant, collection system, stormwater collection system, and lift stations.

- Numerous major maintenance items were completed on the stormwater collection system, including:
  - Repaired/Cleaned 890 catchbasins.
  - Repaired/Cleaned 39 culverts (1,698 lf cleaned).
  - Repaired/Cleaned 96 headwalls.
  - Repaired/Cleaned 94 concrete ditches (7980 lf cleaned).

- Numerous capital projects were completed and designed on the wastewater collection system during 2007. These items included:
  - Muldraugh RR Spur (1392 linear feet of new line and 5 new manholes)
  - SCADA Design and installation at 8 major lift stations
  - Design of new sewer lines to service the IBCT facilities
  - Dietz lift station study
  - Chaffee lift station preliminary design
  - Twin 15’s sewer line replacement preliminary design
– Godman Airfield storm line rehab design
– Design on new equipment building at the Fort Knox WWTP
– Design of the Pressler Grove sewer line re-route
– Final design of the twin 15’s sewer line replacement
– Annual CIPP contract bid
– Annual manhole rehab project bid

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.

**Contractual Personnel:**
Jim Bruce, General Manager – Provides overall guidance, financial planning, long-range planning, policy implementation, contract administration, primary POC for the US Government.

William J. Rissel, Chairman of the Board – Presides over all meetings of the Commission and exercises general supervision and control over the business of the commission, subject to the direction of the Board.

**Operational Personnel:**
Brett Pyles, Operations Manager – Oversees the day-to-day operations, capital planning & implementation, liaison to contract operator and US Government, assists with budgetary functions, assists with financial planning, contract administration.

Daniel Clifford, GIS & Planning Specialist – Oversees development of GIS mapping program, provides QA/QC for GIS.

I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.
Problems are addressed according to Service Interruption Response Plan, as necessary, and/or are addressed at monthly meeting with Contracting Officer and Contracting Officer Representatives.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.

HCWD1 has an approved Subcontracting Plan for Fort Knox. HCWD1 is meeting all SB/SDB plan goals except SDB and HBCU/MI. HCWD1 has recently had its Subcontracting Plan revised and updated to ensure that subcontracting opportunities are equally available to all businesses. In addition, HCWD1 has completed a project with North Carolina A&T State University, a certified HBCU/MI.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.
HCWD1 staff has extensive knowledge of the Fort Knox Post, personnel, and operations and has been involved in many construction projects, both during the planning and implementation phases. HCWD1 staff has a very good relationship with both civilian and military personnel.

GENERAL
1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer.
Indicate if the systems were located on the customer’s site.
<table>
<thead>
<tr>
<th></th>
<th>Own</th>
<th>Operate</th>
<th>Maintain</th>
<th>Onsite</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewer Lines</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Pump Stations</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>WWTP</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Industrial WWTP</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Water Lines</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Water Storage Tanks</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Water Treatment Plants</td>
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Provide the information requested below for each type of utility operated as part of this project:

**Water System**
1. What is the average daily flow (gallons per day) for the referenced customer? N/A
2. What type of treatment occurs at the Water Treatment Plant? N/A
3. What type of storage tanks are operated/maintained (ground/elevated, capacity)? N/A
4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A
   
   Time _____ (yrs) $_____

**Wastewater System**
1. What is the average daily flow (gallons per day) for the referenced system? 2.1 mgd
2. What is the capacity of the WWTP? 6MGD
3. What is the capacity of the Industrial WWTP? N/A
4. How many pump stations are operated/maintained? 28
5. How many linear feet of sewage lines are maintained? 504,733 feet
6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   
   Time 3 (yrs) $4,046,705

7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer?
   
   Capital Improvements $3,000,000 Inflow/Infiltration Reduction 19.7 (%)

**Electrical System**
1. What is the voltage of the system you operate/maintain? N/A
2. How many facilities are served by the system you operate/maintain? N/A
3. What is the length (linear feet) of the overhead distribution system you operate/maintain? N/A
4. What is the length (linear feet) of the underground distribution system you operate/maintain? N/A
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time_____ (yrs) $_____

**Natural Gas System**
1. What is the length (linear feet) of the distribution system you own/operate? N/A
2. How many meters are on the system you own/operate? N/A
3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time_____ (yrs) $_____

Use of this sheet is subject to the restriction on the title page of this proposal.
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
Hardin County Water District No. 1, Radcliff, Kentucky

B. PROGRAM TITLE:
City of Radcliff Wastewater System Acquisition

C. CONTRACT SPECIFICS:
1. Contract Number   NA
2. Contract Type        NA
3. Period of Performance   NA
4. Original Contract $ Value   NA
5. Current Contract $ Value   NA

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference.

D. BRIEF DESCRIPTION OF EFFORT AS X_PRIME OR__SUBCONTRACTOR.
Municipally owned (City of Radcliff) wastewater system was sold to HCWD1 in April, 2008 after 2 years of negotiations.

E. COMPLETION DATE:
1. Original Contractual Date:    February 8, 2008
2. Current Schedule:    NA
3. Estimated Date of Completion:    NA
4. How Many Times Changed:         NA
5. Primary Causes of Change:         NA

F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:
(Please provide current information on all individuals)

1. City Representative:
Name:    Mayor Sheila Enyart
Office        City of Radcliff
Address    P.O. Box 519, Radcliff, KY 40159-0519
Telephone        270-351-4714
E-mail       mayor@radcliff.org

G. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.
The Radcliff system has 8,900 sewer connections and a 4 mg/d wastewater treatment plant. It also has over 50 lift stations. This was a complete system acquisition.

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.
Management Personnel:
Jim Bruce, General Manager – Provides overall guidance, financial planning, long-range planning, policy implementation, contract administration, primary POC.
William J. Rissel, Chairman of the Board – Presides over all meetings of the Commission and exercises general supervision and control over the business of the commission, subject to the direction of the Board.
Operational Personnel:
Brett Pyles, Operations Manager – Oversees the day-to-day operations, capital planning & implementation, liaison to contract operator, assists with budgetary functions, assists with financial planning, and contract administration.

I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.
1. Lincoln trail Odor Control project – We are currently gathering information. Some of the activities include:
   a) Measuring the H2S levels to determine the source of the problem; b) Customer Observation Survey – We passed out forms to businesses in the area to record and track the time of day and to what degree was the odor observed.
2. Significant inflow and infiltration (I&I) problem in sections of the collection system – Contracted with HDR to flow monitor and study to formulate a detailed solution.
3. The SCADA was not operating properly; all systems are functioning properly.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.
No. This is not a Government contract, so FARs do not apply. However, HCWD1 purchases supplies and services from SBs whenever possible.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.
This was a complete system acquisition. Veolia Water, North America, operates the system for HCWD1. Veolia assisted in doing a complete financial model, and future looking asset management plan to make sure the acquisition, at current sewer rates, was financially feasible for HCWD1. The Radcliff City Council voted to transfer ownership of the system to HCWD1. HCWD1 entered into an 18-year operations contract with Veolia Water, who is also its operator of the Fort Knox Sewer systems, which HCWD1 now owns.

General
1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer.

  Indicate if the systems were located on the customer’s site.

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Provide the information requested below for each type of utility operated as part of this project:

**Water System**
1. What is the average daily flow (gallons per day) for the referenced customer? N/A
2. What type of treatment occurs at the Water Treatment Plant? N/A
3. What type of storage tanks are operated/maintained (ground/elevated, capacity)? N/A
4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

   Time______ (yrs) $_____

**Wastewater System**
1. What is the average daily flow (gallons per day) for the referenced system? 2 mgd
2. What is the capacity of the WWTP? 4 mgd
3. What is the capacity of the Industrial WWTP? N/A
4. How many pump stations are operated/maintained? 57
5. How many linear feet of sewage lines are maintained? 143 miles of sewer line and 2,861 manholes
6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?

   Time _<1_ (yrs) $150,000

7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer? Projects are in the process of being identified; will be added to the Annual Capital Plan.

   Capital Improvements $_____ Inflow/Infiltration Reduction_____ (%)  

**Electrical System**
1. What is the voltage of the system you operate/maintain? N/A
2. How many facilities are served by the system you operate/maintain? N/A
3. What is the length (linear feet) of the overhead distribution system you operate/maintain? N/A
4. What is the length (linear feet) of the underground distribution system you operate/maintain? N/A
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

   Time______ (yrs) $_____

**Natural Gas System**
1. What is the length (linear feet) of the distribution system you own/operate? N/A
2. How many meters are on the system you own/operate? N/A
3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

   Time______ (yrs) $_____
A. Offeror Name (Company/Division) and Location (City/State):
Louisville Water Company, Louisville, Kentucky

B. Program Title:
Kentucky Turnpike Water Districts 1 and 2 Water Systems Merger

C. Contract Specifics:
1. Contract Number: N/A
2. Contract Type: Merger
3. Period of Performance: 2000 to Present
4. Original Contract $ Value: $ N/A
5. Current Contract $ Value: $ N/A

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference.

D. Brief Description of Effort As X Prime Or __Subcontractor.

Prior to Louisville Water Company merging with Kentucky Turnpike Water Districts #1 and #2 in 2000, LWC operated KT#1 via a lease agreement executed in 1968. In addition, KT#2 purchased 100% of their water from LWC. In 2000, LWC merged with KT#1 and #2, adding about 6,500 retail customers to the LWC service area. In consideration of the execution of the merger LWC agreed to install certain system improvements in the Kentucky Turnpike Water District service areas in Bullitt County. The system improvements are known as the Bullitt County Water Improvement Program, and include the following:

- I-65 Transmission Main System and System Growth Improvements. LWC has invested $5 million in a Transmission Main System, including pumping and storage facilities, along I-65. Other System Growth Improvements include grid ties, valve upsizing, booster pump stations and related facilities.

- Kentucky Turnpike Water District System Improvements. LWC agreed to install fire hydrants, grid ties, valves and replace water mains to bring the existing water systems up to urban water standards. These improvements were funded by the Bullitt County Water Reserve.

- Bullitt County Extension Program. LWC gave property owners the opportunity to join with their neighbors to petition LWC to initiate a water extension project along their roadway. LWC allows the property owner to pay their portion of the installation costs, that are capped at a cost not to exceed $5,450, over 20 years at a fixed rate. These improvements are funded primarily from the Bullitt County Water Reserve.

The Bullitt County Water Reserve was created as part of the merger. The reserve contains monies from the rate capacity differential from KT #1 and #2 customers, grants, loans, and any other fees collected. KT customer rates were frozen upon acquisition, and the difference between LWC and KT customer rates is the differential deposited into the reserve.

Since completing the merger in 2000, LWC has successfully installed:

- More than 100 miles of water main, making water service available to nearly 1,400 customers,
- More than 540 new fire hydrants, and over 240 gate valves on the existing system,

The new water main extensions have allowed the private development of 45 new subdivisions, making service available to an additional 1,100 customers.
E. Completion Date:
1. Original Contractual Date: 2000
2. Current Schedule: N/A
3. Estimated Date of Completion: 2011
4. How Many Times Changed: N/A
5. Primary Causes of Change: N/A

F. Primary Government or Equivalent Points Of Contact:
(Please provide current information on all individuals)
Name: Bullitt County Advisory Board
Office: N/A
Address: 3396 Burkland Blvd., Shepherdsville, KY 40165
Telephone: N/A
E-mail: N/A
Fax: N/A

2. Client Representative:
Name: Bullitt County Judge Executive Melanie Roberts
Office: Bullitt County Judge
Address: P.O. Box 768, Shepherdsville, KY 40165
Telephone: (502) 543-2262
E-mail: mroberts@bcky.com
Fax: (502) 543-1577

G. Address Any Technical (Or Other) Area About This Program Considered Unique.
The former Kentucky Turnpike Water Districts #1 and #2 service area contained extensive unserved service areas. LWC determined there were over 142 miles of roadways that did not contain water mains. The original estimated cost to serve these areas was $28 million. LWC installed critical infrastructure, and put into place a petitioning and funding mechanism for the property owners in these areas to obtain potable water service at an affordable cost.

The former Kentucky Turnpike Water Districts #1 and #2 were primarily rural systems in a service area experiencing urban growth along the I-65 corridor. As an emerging urban area, the existing infrastructure was inadequate to serve projected growth and much of the existing customer base was underserved with inadequate customer water pressure and inadequate fire flows.

H. Specify By Name Any Key Individual(s) Who Participated In This Program And Is/Are Proposed To Support The Instant Acquisition. Also, Indicate Their Contractual Roles For Both Acquisitions.

Jim Smith – Responsible for O&M of water treatment, pumping, and storage facilities, and ensuring and maintaining reliability of all facilities.

Mr. Horrell is in charge of producing and delivering water to customers, which includes operating all storage tanks, pumping equipment, and monitoring system hydraulic conditions, to ensure an adequate supply of safe, reliable, high
quality drinking water at sufficient pressure and volume to meet customer expectations, regulations, and fire protection needs.

Dr. Song is in charge of performing production and distribution water quality analysis, providing required water quality and water production reports, and ensuring overall water quality compliance, and technical support to operations.

I. Address Problems Encountered On This Contract And Your Solutions To Those Problems.

The former Kentucky Turnpike Water Districts #1 and #2 were primarily rural systems in a service area experiencing urban growth along the I-65 corridor. As an emerging urban area, the existing infrastructure was inadequate to serve projected growth and the much of the existing customer base was underserved with inadequate customer water pressure and inadequate fire flows. Additionally, the Kentucky Turnpike Water Districts contained extensive unserved areas, many remote and sparsely populated, with over 142 miles of roadways that did not contain water mains.

LWC advanced construction of a backbone transmission, storage and booster pumping system to provide the needed water supplies to the area to address growth needs, customer service issues and upgrade fire flow to urban standards. LWC established a petitioning and funding mechanism for the property owners in these areas to obtain potable water service at an affordable cost. Construction of the backbone supply system ensured the necessary infrastructure was available when individual routes and subdivisions petitioned LWC to provide potable water.

J. Identify If A Small Business Or Disadvantaged Business Plan Or Goal Was Required. If So, Identify In Terms Of A Percentage Of The Planned Versus Achieved Goal During The Contract. If Goals Were Not Met, Please Explain.

Since this is not a Government project, the FARs do not apply. However, LWC is committed to increasing the effective use of certified small businesses. LWC has a Minority and Women Business Enterprise Program that is used to ensure compliance with any project goals.

K. Describe/Discuss The Relevancy Of The Services You Provided On Your Referenced Contract To These Questions As They May Pertain To The Specific Utility.

LWC merged with Kentucky Turnpike Districts 1 and 2, successfully transitioned staff and customers, and now operates and maintains the water and distribution facilities.

General

1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer. Indicate if the systems were located on the customer’s site.

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</table>
Provide the information requested below for each type of utility operated as part of this project:

**Water System**

1. What is the average daily flow (gallons per day) for the referenced customer?  About 6 mgd per day.
2. What type of treatment occurs at the Water Treatment Plant?  These areas are retail customers, and are served from the LWC treatment facilities.
3. What type of storage tanks are operated/maintained (ground/elevated, capacity)?
   - Zoneton Tank –150,000 Gallon Elevated Tank
   - Peaceful Valley Tank –235,000 Gallon Ground Level Tank
   - Cedar Grove Tank –500,000 Gallon Ground Level Tank
   - Martin Hill Road Tank – 250,000 Gallon Elevated Tank
   - Phelps Knob Tank – 500,000 Gallon Ground Level Tank
   - Brooks Hill Road Tank - 300,000 Gallon Ground Level Tank
   - Weavers Run Tank – 150,000 Gallon Elevated Tank
   - Gap-In-Knob Tank – 350,000 Gallon Ground Level Tank
4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?

   Time ___8___ (yrs) $46.5 Million

**Wastewater System**

1. What is the average daily flow (gallons per day) for the referenced system?  N/A
2. What is the capacity of the WWTP?  N/A
3. What is the capacity of the Industrial WWTP?  N/A
4. How many pump stations are operated/maintained?  N/A
5. How many linear feet of sewage lines are maintained?  N/A
6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?  N/A

   Time_____ (yrs) $_____

7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer?

   Capital Improvements $_____ Inflow/Infiltration Reduction_____ (%)  

**Electrical System**

1. What is the voltage of the system you operate/maintain?  N/A
2. How many facilities are served by the system you operate/maintain?  N/A
3. What is the length (linear feet) of the overhead distribution system you operate/maintain?  N/A
4. What is the length (linear feet) of the underground distribution system you operate/maintain?  N/A
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?

Time____ (yrs) $____

**Natural Gas System**

1. What is the length (linear feet) of the distribution system you own/operate?  N/A

2. How many meters are on the system you own/operate?  N/A

3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?  N/A

   Time____ (yrs) $_____
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
Louisville Water Company, Louisville, Kentucky

B. PROGRAM TITLE:
City of Goshen Water System Acquisition

C. CONTRACT SPECIFICS:
1. Contract Number N/A
2. Contract Type Stock Purchase Agreement
3. Period of Performance July 2002 – ongoing
4. Original Contract $ Value $3.6 million
5. Current Contract $ Value _____________________________

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference.

D. BRIEF DESCRIPTION OF EFFORT AS _X_ PRIME OR __SUBCONTRACTOR.

Prior to the Stock Purchase Agreement, Goshen Utilities, Inc purchased wholesale water from LWC for a small portion of their system, and operated their own water treatment system for the remainder. Their water treatment system consisted of three groundwater wells, one operational and two standby wells. Their treatment consisted of a chlorine system and a fluoride system, all in fair to poor condition.

Upon completion of the Stock Purchase Agreement, LWC immediately assumed responsibility for operating all water treatment facilities, storage tanks, pressure reducing stations, pumping equipment, monitoring system hydraulic conditions, and required plant operation regulatory reporting, as well as began preventative maintenance and repairs to the equipment listed above. LWC began sampling, monitoring the distribution water quality, and all required reporting.

LWC operated the Goshen Utilities, Inc water treatment system for about 3 months, until such time as improvements could be completed in the distribution system, allowing the wells and associated facilities to be decommissioned. In the interim, LWC immediately converted the chlorine feed system from a gaseous chlorine system to aqueous chloramine system, installed telemetry remote operation, rehabilitated power distribution systems, and established sampling and reporting protocol until such time as this system could be integrated with the remaining LWC distribution system.

E. COMPLETION DATE:
1. Original Contractual Date: July 2002
2. Current Schedule: N/A
3. Estimated Date of Completion: N/A
4. How Many Times Changed: N/A
5. Primary Causes of Change: N/A
F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:

(Please provide current information on all individuals)

1. Client Representative:
   Name:          Paula Gish
   Office           Deputy Judge Executive
   Address       100 W. Jefferson St., LaGrange, KY 40031
   Telephone (502) 222-9357
   E-mail NA
   Fax (502) 222-3210

G. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.

The Goshen Utilities, Inc water treatment system consisted of a 500 GPM well that supplied a 750,000 gallon ground level storage tank, where chlorine and fluoride were added. There were also two older and smaller standby wells located near the primary well. The chlorine system used a gaseous chlorine drawn from 150 lb. cylinders by injectors. The chlorine room had no scrubbers. The fluoride system used fluorosilic acid. All of these facilities were in fair to poor condition. There was no backup generator system at the treatment plant or pumping system, little backup equipment installed on any of the systems, and little inventory of repair parts or replacement equipment. Power distribution systems did not comply with the current code or normal safety standards. The condition of facilities and equipment and the lack of reliability and redundancy caused frequent system outages. Additionally, fire flows did not meet urban water supply standards.

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.

Jim Smith – Responsible for overall planning and management. Oversees contracts, compliance, and O&M of the facilities.

John Azzara – Responsible for planning, implementation, and direction of maintenance project and resources to ensure reliable, cost-effective operation of water facilities.

Kent Horrell – Responsible for producing and delivering water to customers, which includes operating all storage tanks, pumping equipment, and monitoring system hydraulic conditions, to ensure an adequate supply of safe, reliable drinking water at sufficient pressure and volume.

Rengao Song – Responsible for production and distribution water quality analysis, providing required water quality and water production reports, and ensuring overall water quality compliance, and technical support to operations.

I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.

All of the Goshen Utilities, Inc. water treatment and supply facilities were in fair to poor condition. The well field showed signs of contamination, and the finished water delivered to the customers was of a high hardness, resulting in many of the customers having water softeners. The customers suffered from other water quality issues such as taste and odor problems, discolored water and service interruptions. Storage tank elevations were inadequate to provide acceptable customer water pressures and fire flows in the area were constrained, due to inadequately sized lines.

Upon execution of the purchase agreement, LWC converted the Goshen customers from a free chlorine to a chloramine system, to reduce taste and odor, and discolored water complaints. Additionally, grid ties to the LWC system were completed for LWC water supplies to be the primary system source water to improve water quality and reliability. LWC constructed a new 1 MG elevated storage facility to raise system pressures. Distribution system
facilities were assessed and a repair and replacement program initiated to increase fire flow and system reliability to this area. LWC has spent nearly 6 million dollars in this area for infrastructure improvements.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.

Since this is not a Government project, the FARs do not apply. However, LWC is committed to increasing the effective use of certified small businesses. LWC has a Minority and Women Business Enterprise Program that is used to ensure compliance with any project goals.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.

LWC acquired Goshen Utilities, Inc., successfully transitioned staff and customers, and now operates and maintains the water treatment and distribution facilities.

General

1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer.

   Indicate if the systems were located on the customer’s site.

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<th>Own</th>
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<td>Gas Distribution System</td>
<td>N/A</td>
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<td>N/A</td>
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</tbody>
</table>

Provide the information requested below for each type of utility operated as part of this project:

Water System

1. What is the average daily flow (gallons per day) for the referenced customer? Approx. 1.2 mgd.
2. What type of treatment occurs at the Water Treatment Plant? These areas are retail customers, and are served from the LWC treatment facilities.
3. What type of storage tanks are operated/maintained (ground/elevated, capacity)?
   - Goshen Standpipe – ground level, .75 mgd
   - Goshen Tank – elevated – 1 mgd
4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time 6 (yrs) $5 million
### Wastewater System
1. What is the average daily flow (gallons per day) for the referenced system? **N/A**
2. What is the capacity of the WWTP? **N/A**
3. What is the capacity of the Industrial WWTP? **N/A**
4. How many pump stations are operated/maintained? **N/A**
5. How many linear feet of sewage lines are maintained? **N/A**
6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? **N/A**

Time_____(yrs) $_____

7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer?

Capital Improvements $_____ Inflow/Infiltration Reduction_____(%)

### Electrical System
1. What is the voltage of the system you operate/maintain? **N/A**
2. How many facilities are served by the system you operate/maintain? **N/A**
3. What is the length (linear feet) of the overhead distribution system you operate/maintain? **N/A**
4. What is the length (linear feet) of the underground distribution system you operate/maintain? **N/A**
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? **N/A**

Time_____(yrs) $_____

### Natural Gas System
1. What is the length (linear feet) of the distribution system you own/operate? **N/A**
2. How many meters are on the system you own/operate? **N/A**
3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? **N/A**

Time_____(yrs) $_____
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
CH2M HILL, Denver, Colorado

B. PROGRAM TITLE: Fort Campbell, Kentucky, Water and Wastewater Privatization

C. CONTRACT SPECIFICS:
1. Contract Number: Fort Campbell, Kentucky, Water and Wastewater Privatization/ DACA87-00-D-0043
2. Contract Type: Utility Privatization
3. Period of Performance: June 2003, 50-year contract
4. Original Contract $ Value: $700,000,000
5. Current Contract $ Value: $700,000,000

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference

D. BRIEF DESCRIPTION OF EFFORT AS __PRIME OR __SUBCONTRACTOR.
This contract conveyed ownership, operation and maintenance of the Government-owned water and wastewater systems at Fort Campbell, Kentucky to CH2M HILL. CH2M HILL furnishes all facilities, labor, materials, tools, and equipment necessary to operate, maintain, repair, expand, upgrade, and improve the distribution systems and to provide safe, reliable, adequate, and dependable water and wastewater services to each existing or future connection within the serviced premises, consistently, 24 hours a day, 365 days per year.

Fort Campbell currently treats water taken from Boiling Springs with Red River as the backup source. The raw water pumping station located on Boiling Springs has a pumping capacity of approximately 15.1 mgd with three raw water pumps that pump the water through two 18-inch mains to the water treatment facility. These three 3,500-gallon per minute (GPM) pumps are equipped with 300-horsepower motors. The Red River raw water facility includes an intake pumping station, a diversion structure/intake structure, and a 16-inch pipeline from the station to the water treatment plant. The station has a capacity of 2.5 mgd. Our contract includes water resources responsibilities, which include studies to locate alternative backup water sources.

Fort Campbell distributes the treated water through the Main Cantonment Area via approximately 751,000 feet of water distribution lines ranging from less than 2 to 20 inches in diameters.

The total storage capacity of the water storage tanks is approximately 2.0 million gallons. These tanks provide potable water storage for normal use, fire protection, and emergency uses.

The potable water treatment plant was initially constructed in the 1940s. It is believed that the sedimentation and coagulation basins, two new filters, and additional clearwell storage were added in the 1950s. The current rated capacity of the plant is 7.6 mgd.

Fort Campbell’s existing wastewater treatment plant was initially constructed in the 1940s, with major upgrades occurring in 1976 and 1997. The wastewater treatment plant is capable of treating an average daily flow of 4 mgd. The treatment works include inlet structure with bar screen, grit chamber, primary clarifier, four trickling filters, secondary clarifiers, ultra-violet disinfection system, digester, and sludge drying beds. Treated effluent is disinfected and discharged to Little West Fork Creek.

On June 9, 2003, Task Order 4 was issued for CH2M HILL to assume ownership of the system. Following a 60-day transition period, CH2M HILL successfully assumed full ownership responsibility, including O&M and all services. This work includes:

- Providing day-to-day system operations and continuity of service
- Coordinating routine work (scheduled maintenance, testing, and placement or retirement/removal of system components) with the Public Works Business Center
- Conducting service and trouble calls via a 24-hour service number
• Performing connections and disconnections to the utility systems as needed to support ongoing missions
• Designing and constructing all expansions and improvements to the utility systems, including RCI housing utility coordination and improvements
• Providing all environmental, regulatory, and engineering support

E. COMPLETION DATE:

6. Original Contractual Date: June 2003
7. Current Schedule: June 2053
8. Estimated Date of Completion: June 2053
9. How Many Times Changed: 0
10. Primary Causes of Change: N/A

F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:
(Please provide current information on all individuals)

1. Program Manager
Name: N/A
Office:
Address:
Telephone:
E-mail:
Fax:

2. PCO
Name: Jeanne Shykes, Directorate of Contracting
Office: ACA Fort Campbell
Address: Bldg 2174, 13 ½ Street
Fort Campbell Kentucky 42223-1100
Telephone: (270) 798-3985
E-mail: Jeanne.shykes@campbell.army.mil
Fax: (270) 798-7820

3. ACO
Name: Sharon Butler
Office: Huntsville Engineering and Support Center
Address: 4820 University Square Blvd
Huntsville AL 35816
Telephone: (256) 895-1440
E-mail: sharon.h.butler@hnd01.usace.army.mil
Fax: (256) 895-1197

4. COR
Name: Gary Sewell
Office: DPW Fort Campbell
Address: 16th and Bastogne Street
Fort Campbell Kentucky 42223
Telephone: (270) 798-5640
E-mail: gary.sewell@us.army.mil
Fax: (270) 798-3996

G. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.

Under this contract, CH2M HILL is funding and implementing capital investments necessary to meet operational and regulatory requirements. The projects are typically financed over 10 years; however, the Government may elect to fund projects upfront or buy down the financed principle if money is available. A reversion clause in the contract allowed for the lowest possible financing rate.

The contract includes defined metrics that our performance is measured against. The goal is to measure success at delivering continuous service to the Government in the most efficient manner and with the highest degree of customer satisfaction. Metrics include water and wastewater compliance, safety, customer satisfaction, response time, and asset management.

To ensure quality, 60 percent of the fee for this contract is in the form of an award fee and is based on performance against the metrics. Performance metrics are tracked and reported monthly and our award fee calculation and distribution occurs twice a year. Award fees received to date reflect scores of 91 and 93 percent.

Other unique aspects include:

- CH2M HILL does not own the water rights, but is responsible for the capacity and quality of the water source for Fort Campbell.
- Responsible for funding and implementing any capital investments necessary to meet operational requirements in accordance with applicable local, state, and federal codes.
- Provide manned telephone 24 hours/day, 365 days/year that the Government may call to report utility system problems and outages.
- Respond within 45 minutes upon notification of a problem (i.e., we will be onsite with equipment/supplies necessary to assess and make repairs).
- Emergency Operations Plan in place for operations in case of damage from a storm or disaster is widespread.

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.

Key individuals on the Fort Campbell project remain actively engaged on that effort and are unavailable for the APG project.
I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.

Problem: Unanticipated procurements required during a 60-day transition (window air conditioning units, eye wash stations, roll off dumpsters, etc.) to replace equipment on government hand-receipts. Solution: The project manager engaged the entire project team and support from the program office to organize and prioritize purchases. Basic ordering agreements and relationships with local vendors helped streamline the process.

Problem: Major unplanned improvements (new infrastructure for privatized housing) identified during the transition. Solution: The project manager prioritized the projects with customers and engaged the engineering/design staff to expedite improvement planning. Weekly teleconference or face-to-face meetings were held with the housing management team to ensure schedules were met.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.

A Small Business Subcontracting Plan was not required for this contract. However, subcontracts (to small business concerns) to date are $8,989,268 for total small business subcontract expenditures, and 39.8 percent to small businesses.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.

CH2M HILL has accepted full ownership and liability for the Government-owned water and wastewater utility systems at Fort Campbell. Work was implemented in two phases.

CH2M HILL completed Phase I, which required the following activities prior to ownership transfer:

- System Characterization Studies
  - System Inventory, Valuation, Condition Assessment, and Deficiency Identification
  - Environmental Baseline Survey
  - GIS mapping of water valves and meters, fire hydrants, pipes, manholes, lift stations, and grease pits
- Plans and Scope of Work specifications for O&M Activities
  - System Upgrade Plan (short and long term)
  - Annual Service Plan
  - Operations Facility Requirements Plan
  - Safety and Health Plan
  - Staffing Plan
  - Performance Measurement and Verification Plan
  - Quality Assurance and Surveillance Plan
- Regulatory agency notification/submittals for ownership transfer
- Finalization of all easements, licenses, and rights-of-way necessary for system O&M

Phase II consists of ownership transfer and full O&M and capital improvement responsibility for the utility systems. This phase is currently underway and includes follow-on studies of the systems, the results of which will define and quantify improvements needed in the systems.

General

11. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer. Indicate if the systems were located on the customer’s site.
## Water System

### 1. What is the average daily flow (gallons per day) for the referenced customer? Average 4 mgd.

- Average 4 mgd.
- 3.69 Average Day Demand (July)
- 4.34 Maximum Day Demand (July)

### 2. What type of treatment occurs at the Water Treatment Plant?

- Aeration/rapid chemical mix/flocculation/sedimentation/filtration/clearwell/high service pumping
- 7.6 mgd capacity

### 3. What type of storage tanks are operated/maintained (ground/elevated, capacity)?

- **WTP (below grade)** = 1.5 MG
- **Elevated #2** = 0.5 MG
- **Elevated #3** = 0.5 MG
- (note: new 1.25 MG tank under construction will replace tank #2 and 3
- **Elevated #4** = 1.0 MG
- **Destiny Ground Storage Tank**=0.5 MG
- **Sabre Ground Storage Tank**=0.75 MG

### 4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?

- Time_____ (yrs) $_____

- **W001 – WTP headworks** = $303k
- **W003 – Handrail Upgrade**+$429
- **W016 – Rate of Flow Controllers** = $261k
- **W017 – Chlorine Gas Safety** = $1.1M
- **W018 – Office Space Code Compliance** = $190k
W019 – Elevated Storage Tank (under construction)
W020 – Fire Protection/ph 1B and 2 = $906k
W021 – Security Improvements = $577k
W022 – CH2M HILL Building (under construction)

Wastewater System
1. What is the average daily flow (gallons per day) for the referenced system?
   From Robert Neath: 2.08 mgd Average Daily Flow (July)
   3.01 mgd Max Daily Flow (July)

2. What is the capacity of the WWTP?
   NPSDES= 4 mgd
   Fine screen/primary clarification/trickling filter/secondary clarification/UV disinfection/cascade aeration/anaerobic sludge digestion/contract dewatering and hauling

3. What is the capacity of the Industrial WWTP? N/A

4. How many pump stations are operated/maintained?
   84 lift Stations in collection system

5. How many linear feet of sewage lines are maintained?
   504673 as presented in 2008 Award Fee Metrics

6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time 1.25 (yrs) $4.5 million (under construction)
   WW001 Secondary Clarifier Rehab = $1.4 M
   WW002 Primary Screening & Scum = $706k
   WW003 – Washracks = $960k (collection system)
   WW004 - Mainline Sewer, Point Repairs, Rehab, Heavy Cleaning = $1.55M (collection system)

7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer?
   Capital Improvements $4 million Inflow/Infiltration Reduction_______(%)%I/I reduction not calculated

Electrical System
1. What is the voltage of the system you operate/maintain?
   N/A

2. How many facilities are served by the system you operate/maintain?
   N/A

3. What is the length (linear feet) of the overhead distribution system you operate/maintain?
   N/A

4. What is the length (linear feet) of the underground distribution system you operate/maintain?
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time_____ (yrs) $_____

N/A

Natural Gas System

6. What is the length (linear feet) of the distribution system you own/operate?
   N/A

7. How many meters are on the system you own/operate?
   N/A

8. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time_____ (yrs) $_____

N/A
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
CH2M HILL, Denver, Colorado

B. PROGRAM TITLE: Fort Gordon, Georgia Army Installation Water and Wastewater Utility Systems Privatization

C. CONTRACT SPECIFICS:
1. Contract Number: SP0600-07-C-8259
2. Contract Type: Utility Privatization
3. Period of Performance: September 2007- September 2057
4. Original Contract $ Value: $202,518,190
5. Current Contract $ Value: $202,518,190

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference

D. BRIEF DESCRIPTION OF EFFORT AS __PRIME OR __SUBCONTRACTOR.

In September 2007, the Defense Logistics Agency Defense Energy Support Center awarded the City of Augusta (the City) a contract for the Utilities Privatization of Potable Water Distribution and Wastewater Collection Systems at Fort Gordon, GA. This contract conveyed ownership, operation and maintenance of the Government-owned utility infrastructures (water distribution system and wastewater collection system) at Fort Gordon Army Installation, Fort Gordon, Georgia to the City. The City furnishes all necessary labor, management, supervision, permits, equipment, supplies, materials, transportation, and any other incidental services for the complete ownership, operation, maintenance, repair, upgrades, and improvements to these utility systems. The City owns, finances, and manages the utility system and is responsible for providing capital investments and all other resources to provide reliable and dependable service to the Government and tenant connections within the service area, 24 hours a day, 365 days a year.

The City’s utilities department, Augusta Utilities Department (AUD), is responsible for operating and maintaining the utility systems, particularly the potable water distribution and wastewater collection systems.

CH2M HILL assists the City and AUD with the utility system privatization as a subcontractor. CH2M HILL provides engineering and operations and maintenance (O&M) services for the pump stations and the wastewater treatment plant (WWTP). In addition, we also assist the City with financing of the privatization through a multi-year Capital Improvement contract.

The Fort Gordon Water System comprises all appurtenances physically connected to the system and within its demarcated service area including storage tanks, distribution piping, hydrant valves, backflow preventors, and appurtenances. The water treatment plant is not included in this contract, as it will be taken out of service once a reliable connection is established with AUD for water supply. The current water supply, an 84-acre reservoir fed by Butler Creek, is not being privatized and the Government maintains water rights.

The Fort Gordon Wastewater System comprises all appurtenances physically connected to the system and within its demarcated service area, including lift stations and pumps, collection piping, manholes, and appurtenances. It’s 4.0 MGD WWTP and its emergency generator are not included in the contract and will be taken out of service once reliable connection is established to AUD for wastewater conveyance and treatment.

CH2M HILL’s services to Fort Gordon range from water system conditions assessments to assistance with demolition of some existing structures to control system upgrades. Anticipated projects at Fort Gordon include the following:

Water Systems
- WICU1 - Water Meter Installations
- WICU2 - Water System Condition Assessment
- WICU3 - Water System Capacity Analysis
VOLUME II: Past Performance – Project Descriptions

- WICU4 - Water System Master Plan
- WICU5 – Demolish Water Treatment Plant
- WRR1 – Elevated Tank Installation and Demolition
- WRR2 – Initial Replacement of Water Pipe

Wastewater System Projects
- WWICU1 - Fort Gordon Rec Area WWTF
- WWICU2 - Wastewater System Condition Assessment
- WWICU3 - Wastewater System Capacity Analysis
- WWICU4 - Wastewater System Master Plan
- WWICU5 - Lift Station Monitoring System 208 days? Mon 1/1/07
- WWICU6 - Select Wet Well Capacity Upgrades 264 days? Mon 10/16/06
- WWICU7 - Spring Loaded Check Valve Installation 194 days? Mon 10/23/06
- WWICU8 - Demolish Wastewater Treatment Plant 180 days? Mon 11/6/06
- WWRR1 - Lift Station control Panel 187 days? Mon 2/5/07
- WWRR2 - Lift Station Chopper Pump Installation

E. COMPLETION DATE:
6. Original Contractual Date: September 2057
7. Current Schedule: September 2057
8. Estimated Date of Completion: September 2057
9. How Many Times Changed: None
10. Primary Causes of Change: N/A

F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:
(Please provide current information on all individuals)

1. Program Manager (Prime Contractor)
Name: Drew Goins
Office: Augusta Utilities Department
Address: 360 Bay Street, Suite 180, Augusta, GA 30901
Telephone: (706) 312-4154
E-mail: dgoins@augustaga.gov
Fax: (706) 312-4123
2. PCO
Name: Martha Gray, Contracting Specialist
Address: 8725 John J. Kingman Road, Fort Belvoir, VA, 22060-6222
Telephone: (703) 767-9415
E-mail: Martha.Gray@dla.mil
Fax: (703) 767-2382

3. ACO
Name: Jordan Salata, Contracting Specialist
Address: 8725 John J. Kingman Road, Fort Belvoir, VA, 22060-6222
Telephone: (703) 767-8131
E-mail: Jordan.Salata@dla.mil
Fax: (703) 767-2382

4. COR:
Name: Glenn Stubblefield Jr./Chief, Operations & Maintenance
Office: DPWL, Bldg 14600
IMA Garrison: IMSE-GOR-PWO
Address 15th & Barnes Avenue
Fort Gordon, Georgia 30905-5040
Telephone: (706) 791-6180
Email: Glenn.Stubblefield@us.army.mil
Fax: (706) 791-4222

G. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.
A unique aspect of this program is that concurrent to the privatization contract, Fort Gordon has contracts with AUD to connect to AUD's water supply and sewer systems. The water and wastewater treatment plants at Fort Gordon will be abandoned once reliable connections have been established. These connection contracts are outside the scope of privatization, and have had delays affecting the staffing support requirements for the privatization contract because the treatment plants are still operational and the contract for the previous operations contractor has ended. AUD and CH2M HILL have worked with Fort Gordon to provide the necessary operations support and CH2M HILL has been working with AUD to construct the connections and oversee the transition.

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.
Key individuals on the Fort Gordon project remain actively engaged on that effort and are unavailable for the Fort Knox project.
I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.

Problem: Unanticipated operations staffing requirements to staff water and wastewater treatment plants which were supposed to have been abandoned by start of contract.

Solution: The project manager engaged CH2M HILL to provide AUD with operations personnel to keep treatment plants operating.

Problem: Due to the length of the procurement process and the changing needs of the base, Fort Gordon requested changes to the scope of the Initial Capital Upgrade projects.

Solution: CH2M HILL is performing a series of studies to assess the capacity and condition of the water and sewer systems and to develop a Master Plan for both systems. This Master Plan will address the revised requirements which AUD will work with the government to implement.

Problem: Significant changes to the inventory were discovered during the revisions of the GIS and mapping as well as the due diligence performed during transition. In addition, Fort Gordon requested that AUD add additional scope items into the contract after the contract has started.

Solution: The AUD project manager is assembling a proposal for the government to revise the staffing plan to accommodate the changing needs of the base using CH2M HILL as advisors.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.

The Fort Gordon project was issued under an unrestricted procurement and did not require a Small Business Subcontracting Plan to meet restriction-related goals. However, the AUD has been committed to increasing opportunities for local community, including small businesses. Currently there is one subcontract for which a small business firm has been recommended. That contract is currently pending award and its value has not been determined.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.

CH2M HILL is assisting the City of Augusta and the Augusta Utilities Department to accept full ownership and liability for the Government-owned potable water distribution and wastewater collections systems at Fort Gordon. CH2M HILL provides O&M and Bond CIP Program Management services at Fort Gordon and will serve in a similar capacity on the Fort Knox, KY project.

General

1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer.
   Indicate if the systems were located on the customer’s site.

The answers below reflect CH2M HILL’s role as a subcontractor to the City of Augusta.

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<td>Yes</td>
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<tr>
<td>Water Treatment Plants</td>
<td>N/A</td>
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<td>N/A</td>
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<tr>
<td></td>
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<td><strong>Above Ground Electrical Distribution System</strong></td>
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<td><strong>Below Ground Electrical Distribution System</strong></td>
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<td><strong>Power Generation Facility</strong></td>
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<td><strong>Substations</strong></td>
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<tr>
<td><strong>Gas Distribution System</strong></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**Water System**

1. What is the average daily flow (gallons per day) for the referenced customer?
   
   2.56 MGD.

2. What type of treatment occurs at the Water Treatment Plant?
   
   The treatment plant consists of a flash mixer, two upflow clarifiers, four anthracite/sand filters, a clearwell, and four high service pumps. Sludge from the upflow clarifiers is sent to a decant tank. The decant water is sent to the wastewater treatment plant along with the filter backwash, and the sludge is sent to drying beds. The plant is in the process of being abandoned as Fort Gordon is connecting to the AUD water supply.

3. What type of storage tanks are operated/maintained (ground/elevated, capacity)?
   
   There is a 2.25 MG standpipe and a 500,000-gallon elevated storage tank on Post, both constructed in 1942.

4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   
   Time 0.5(yrs) $ 800,000
   
   System characterization studies are in progress to verify the condition and capacity of the system.

**Wastewater System**

1. What is the average daily flow (gallons per day) for the referenced system?
   
   2.5 MGD.

2. What is the capacity of the WWTP?
   
   4.0 MGD. The WWTP will be abandoned shortly and Fort Gordon will connect to the AUD sewer system.

3. What is the capacity of the Industrial WWTP? N/A

4. How many pump stations are operated/maintained?
   
   44 sewer lift stations

5. How many linear feet of sewage lines are maintained?
   
   317,177 lf.

6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   
   Time 0.5(yrs) $ 800,000
   
   System Characterization Studies are in progress to verify the condition and capacity of the system.

7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer? No.
Capital Improvements $__________ Inflow/Infiltration Reduction____(%)  N/A

**Electrical System**

1. What is the voltage of the system you operate/maintain?
   
   N/A

2. How many facilities are served by the system you operate/maintain?
   
   N/A

3. What is the length (linear feet) of the overhead distribution system you operate/maintain?
   
   N/A

4. What is the length (linear feet) of the underground distribution system you operate/maintain?
   
   N/A

5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   
   Time_____ (yrs) $_____ 
   
   N/A

**Natural Gas System**

1. What is the length (linear feet) of the distribution system you own/operate?
   
   N/A

2. How many meters are on the system you own/operate?
   
   N/A

3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   
   Time_____ (yrs) $_____ 
   
   N/A
July 29, 2010

Mr. Brian J. Koessel
Branch Chief/Contracting Officer
DLA Energy - EF
8725 John J. Kingman Road, Suite 3937
Fort Belvoir, Virginia 22060-6222

Subject: Final Proposal Revision - Solicitation No.: SP0600-08-R-0803
Privatization of the Potable Water Utility System at Fort Knox Army Installation, Kentucky
Volume III - Contract Documentation

Mr. Koessel:

The Hardin County Water District No. 1 (HCWD1) is pleased to submit our Final Proposal Revision (FPR) for assuming the ownership and operation of the Fort Knox potable water system. HCWD1 is the agency designated to provide utility services in the northern part of Hardin County, around Fort Knox and also provides ownership and operations of the privatized Fort Knox sanitary and storm sewer systems on post.

As a regulated utility by the Kentucky Public Service Commission, HCWD1 serves 10,000 residential and commercial customers and acts as a regional water supplier to two other water systems. The transfer of the utilities at Fort Knox is an unprecedented opportunity for Hardin County and one that would follow the trend of Fort Knox and the local government working together toward well planned and managed water and sewer utilities.

Under our proposal, HCWD1 will be the owner and manager of the potable water system serving Fort Knox. Although many of HCWD1’s staff have water experience, we have formed a team of professionals to handle the ownership transition, immediate system improvements, and operation of the water distribution system. Joining with HCWD1 in this project will be Louisville Water Company (LWC) and CH2M HILL, Inc. HCWD1 believes that our management expertise and local knowledge, combined with national experts, can provide the best option for Fort Knox to privatize its potable water system.

We have conducted an extensive due diligence and field reconnaissance of the water utility and have developed a plan that offers long-term economic benefit and reduction in costs, which are specific goals identified in the Solicitation. We have also responded in a timely manner to all the Government’s issues and questions during our recent round of negotiation messages. Our FPR proposal is presented in four volumes, This document is Volume III, Contract Documentation.

This Proposal remains a valid offer for 90 days from the date of submittal, and we are prepared to work with you to extend this period should it be required. We look forward to your review of our Proposal, and I invite you to contact me should you have any questions or need any additional information.

Thank You

Jim Bruce, General Manager

Encl.
Volume III. Contract Documentation

Prepared by:

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

Hardin County Water District No. 1 agrees with all terms, conditions, and provisions included in the solicitation except as highlighted in Volume III, Contract Documentation and agrees to furnish any or all items upon which prices are offered by Hardin County Water District No. 1 in this proposal at the price set opposite each item.

This proposal includes data that shall not be disclosed outside the Government.

**Person(s) Authorized to Negotiate:** Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

**Person(s) Authorized to Sign Proposal:** Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government’s right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are clearly marked with the proprietary legend in the side margin of the page.
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Attachment 1: Copy of SF 33 (original SF33 submitted in separate envelope), SF30, and Representations and Certifications
Attachment 2: Small Business Subcontracting Plan
## List of Exhibits

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<thead>
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<th>Exhibit III-1</th>
<th>Signature Authority</th>
<th>III-5</th>
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<tbody>
<tr>
<td>Exhibit III-2</td>
<td>Planned Range of Services, Supplies, and Other Support to be Provided by SB</td>
<td>III-8</td>
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<td>III-9</td>
</tr>
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<td>Subcontract Goals Meet Government Goals</td>
<td>III-10</td>
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## List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tr>
<td>CAS</td>
<td>Cost Accounting Standards</td>
</tr>
<tr>
<td>DCMC</td>
<td>Defense Contract Management Command</td>
</tr>
<tr>
<td>EPA</td>
<td>U.S. Environmental Protection Agency</td>
</tr>
<tr>
<td>FAR</td>
<td>Federal Acquisition Regulations</td>
</tr>
<tr>
<td>GAAP</td>
<td>Generally Accepted Accounting Principles</td>
</tr>
<tr>
<td>GIS</td>
<td>Geographic information system</td>
</tr>
<tr>
<td>HBCUs/MI</td>
<td>Historically Black College or University/Minority Institution</td>
</tr>
<tr>
<td>HCWD1</td>
<td>Hardin County Water District No. 1</td>
</tr>
<tr>
<td>HUBZone</td>
<td>Historically Underutilized Business</td>
</tr>
<tr>
<td>LWC</td>
<td>Louisville Water Company</td>
</tr>
<tr>
<td>MBE</td>
<td>Minority Business Enterprise</td>
</tr>
<tr>
<td>NARUC</td>
<td>National Association of Regulatory Commissioners</td>
</tr>
<tr>
<td>PSC</td>
<td>Public Service Commission</td>
</tr>
<tr>
<td>RFP</td>
<td>Request for Proposal</td>
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<tr>
<td>SB</td>
<td>Small Business</td>
</tr>
<tr>
<td>SDB</td>
<td>Small disadvantaged business</td>
</tr>
<tr>
<td>VOSB</td>
<td>Veteran-owned small business</td>
</tr>
<tr>
<td>WBE</td>
<td>Women-Owned Business Enterprise</td>
</tr>
<tr>
<td>WOSB</td>
<td>Women-Owned Small Business</td>
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## Volume III - Cross Reference Matrix

<table>
<thead>
<tr>
<th>Description/Specifications, Section L of RFP</th>
<th>Proposal Section</th>
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| L.6.1 SF 33 and Representations and Certifications | III.1 and Attachment 1  
Original SF 33 submitted in separate envelope |
| L.6.2 Alternate Proposals and Exceptions to Terms and Conditions | III.2                      |
| L.6.2.1 CAS Waiver                           | III.2.1                                               |
| L.6.2.2 FAR Part 31 Deviation                | III.2.2                                               |
| L.6.3 Other Required Information             | III.3                                                 |
| L.6.3.1 Authorized Personnel                 | III.3.1                                               |
| L.6.3.2 Subcontracting Plan                  | III.3.2 and Attachment 2                              |
| L.6.3.3 Socioeconomic Plan                   | III.3.3                                               |
This Contract Documentation Proposal was developed by Hardin County Water District No. 1 (HCWD1) in response to Request for Proposal (RFP) No.SP0600-08-R-0803 for the Privatization of Potable Water Utility Systems at Fort Knox, Kentucky. This submittal describes the HCWD1’s relevant contract documentation to support provision of water treatment and distribution to Fort Knox through privatization.

HCWD1 will be the prime contractor with Louisville Water Company (LWC), who will provide water treatment, as a subcontractor to HCWD1 and CH2M HILL, who will provide capital improvements management, as the second subcontractor to HCWD1.

How the Contract Documentation Volume is Organized

For this submittal, HCWD1 is the proposed owner, financier, operator, and manager of all of the Fort Knox water system. HCWD1 has prepared this volume in accordance with Section L.6 of the RFP.

The following sections specifically address each of the required volume documents:

1. Standard Form 33 & Representations and Certifications

2. Alternate Proposals and Exceptions to Terms and Conditions

3. Other Required Information

III.1: Standard Form 33 & Representations and Certifications—HCWD1 has provided a completed, signed, and dated SF33 and SF30 in Attachment 1. We have also included in Attachment 1 completed, signed, and dated Representations and Certifications as well as the online submittal as required by the RFP.

III.2: Exceptions to Terms and Conditions—HCWD1 takes no exceptions to the terms and conditions to the proposal and has provided the relevant assumptions made in the development in this proposal. All assumptions are provided in Volumes I and IV and for the provision of the services offered in this proposal, HCWD1 is exempt from Cost Accounting Standards (CAS) based on the fact that all prices offered in this proposal will be regulated by the Kentucky Public Service Commission (PSC) through a tariff rate.

Section III.2.1 is the Waiver of Applicability of Cost Accounting Standards and Deviations from Specific Parts of Federal Acquisition Regulation (FAR) Part 31.
III.3: Other Required Information—The HCWD1 team has provided a listing of authorized personnel that can obligate each company contractually. We have also prepared Small Business and Socioeconomic Plans that describe the extent of participation of small business throughout the life of this contract.

Attachment 2 is the Small Business Subcontracting Plan.
III.1 Standard Form 33 & Representations and Certifications

III.1.1 Standard Form 30 and Standard Form 33

In response to Section L.6.1 of the RFP, HCWD1 has included the original and completed SF33 under a separate cover of this volume. Copies have been provided and are bound within this proposal. HCWD1 has also provided completed and signed SF33s for the following:

- Amendment 001 – September 17, 2008
- Amendment 002 – December 15, 2009

III.1.2 Section K, Representations and Certifications

The completed Section K, Representations and Certifications follow the copies of the SF33 forms.
Exceptions to Terms and Conditions

HCWD1 takes no exceptions to the terms and conditions set forth under the RFP. We have provided the assumptions which our proposal was developed in Volumes I (Technical Proposal) and IV (Price Proposal).

III.2.1 Waiver of Applicability of Cost Accounting Standards and Deviations from Specific Parts of Federal Acquisition Regulation (FAR) Part 31

For the provision of the services offered in this proposal, HCWD1 is exempt from CAS. The basis for this exemption is the fact that all prices offered in this proposal will be regulated by the Kentucky PSC through a tariff rate. As such, the CAS exemption specified in 48 CFR Part 9903.201-1 (b) (5) applies. Specifically, because, under the proposed contract, “the price is set by law or regulation,” HCWD1 is “exempt from all CAS requirements.”

HCWD1 will maintain its books and records in accordance with Generally Accepted Accounting Principles (GAAP) using the National Association of Regulatory Commissioner’s (NARUC) Uniform System of Accounts. The NARUC system was developed to bring conformity and comparability to utility accounting and it is the standard for utility accounting in the United States.

HCWD1 will have its financial statements audited annually by an independent certified public accountant.
III.3 Other Required Information

III.3.1 Authorized Personnel

In Exhibit III-1, we are providing a listing of the company representatives that can obligate HCWD1 contractually and can negotiate with the Government.

EXHIBIT III-1
Signature Authority

<table>
<thead>
<tr>
<th>Name/Title</th>
<th>Authority to</th>
<th>Telephone No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Bruce, General Manager</td>
<td>Obligate Company, Resources, Negotiations, and Signature</td>
<td>270-351-3222</td>
</tr>
</tbody>
</table>

III.3.2 Subcontracting Plan

HCWD1 is committed to supporting and developing small businesses (SBs) and will meet or exceed each of the goals in our Subcontracting Plan. This section specifically addresses planned subcontracting dollars and percentages of total contract amount to be awarded to SBs, veteran-owned small businesses (VOSBs), historically underutilized business zone small businesses (HUBZone SBs), small disadvantaged businesses (SDBs), Historically Black Colleges and Universities/Minority Institutions (HBCUs/MIs), and women-owned small businesses (WOSBs).

In response to this section, we have developed a Small Business Subcontracting Plan (Attachment 2) in accordance with FAR 52-219-9. We have highlighted the method used for developing our goals, the types of work we plan to subcontract, and a list of subcontractors we plan to work with to exceed the goals. Should our Alternate Proposal be accepted, we will revise the Small Business Subcontracting Plan accordingly.

III.3.2.1 HCWD1’s Small Business Subcontracting History

HCWD1 is exceeding contract plan goals in every category with the exception of small disadvantaged business and HBCU/MI for the current contract for the ownership and operations of the Fort Knox wastewater and stormwater systems. However, steps have been taken to improve and HCWD1 has recently completed a project with North Carolina A&T State University, a registered HBCU. HCWD1 has recently updated its subcontracting plan to ensure that all available subcontractors are given equitable opportunities.

In 2006 and 2007, LWCC was awarded Corporation of the Year Public Sector for outstanding procurements with local women- and minority-owned businesses
III.3.2.1 LWC’s Small and Minority Business Subcontracting History

LWC is committed to increasing the effective use of certified small business enterprises. Our Minority and Women Business Enterprise Program Requirements help us define and plan for utilization of all capable subcontractors. LWC requires bidders for utility work to demonstrate good faith efforts to utilize MBEs and WBEs when seeking contracts with the water system. LWC itself will commit to seeking out and hiring qualified small business concerns for work on the Fort Knox water system privatization contract.

In 2003, we achieved membership in the Million Dollar Club for minority purchasing and participation (Kentucky and Minority Business Council).

III.3.2.3 CH2M HILL’s Small and Minority Business Subcontracting History

CH2M HILL has an excellent reputation for consistently exceeding small business goals. In the past 5 years, CH2M HILL’s proven commitment has placed $410.4 million into the SB community, with $85.2 million to SDBs, and $60.6 million to WOSBs on the firm’s federal projects alone.

Our achievements in SB subcontracting are attributed to:

- “Top-down” corporate philosophy to support the SB community
- Dedication to meaningful Mentor-Protégé Programs
- Practice of providing meaningful and challenging scopes of work to SB concerns
- Procurement systems and policies driven by “SBs first” approach
- Aggressive community outreach efforts
- Local “site-specific” SB workshops
- E-commerce/e-procurement SB links to the SBA’s Dynamic Automated Small Business Source System

Awards and Recognition

In addition to our successful past performance, further proof of CH2M HILL’s commitment has been the recognition CH2M HILL has received for our small business program as well as several distinguished awards. The Dwight D. Eisenhower Award for Excellence, a highly coveted national procurement award, was presented to CH2M HILL by the U.S. Small Business Administration in Washington, D.C., on May 9, 2001. The award is presented to large business prime contractors that have excelled in the utilization of Small Business Concerns.

Small Business of Distinction Award. The U.S. Small Business Administration has honored CH2M HILL with a national Award of Distinction. Created in 1985, the award recognizes large federal contractors that have exceptional subcontracting programs designed to include small and small-disadvantaged businesses on major projects and procurements. “Fewer than two percent of large prime federal contractors attain this award; it is truly a unique and inspirational accomplishment,” said John Bateman, SBA Area Director.

Nunn-Perry Award. CH2M HILL was awarded the 1999 Nunn-Perry Award recognizing exceptionally successful Mentor-Protégé partnerships. The award was given jointly to CH2M HILL and its DoD protégé Wendy Lopez & Associates. The criteria for the award are quantitative program results, level and type of technical assistance to the protégé, and protégé development.

EPA Administrator’s Award. CH2M HILL subcontracting efforts have received national recognition and were used as a model by U.S. Environmental Protection Agency’s (EPA’s) Management Advisory Group. CH2M HILL has won the EPA Administrator’s Award for outstanding prime contractor accomplishments in furthering the Agency’s socioeconomic program goals and objectives on five separate occasions.

CH2M HILL is confident in our performance record and our ability to achieve SB goals. We have a highly decorated SB program that has received numerous national and regional awards and recognition. Our commitment to SB initiatives is affirmed by the DoD Defense Contract Management Command’s (DCMC’s) review and approval of our SB Program with the highest rating possible—Outstanding—for
10 consecutive years. Because of these consecu-
tively high ratings, SBA and DCMC-Denver have
determined that CH2M HILL’s SB program does not
require a program review each year. Therefore, our
program was not reviewed for 2000 and 2002. We are
one of only a handful of firms granted this status in
the implementation of the SB program.

Based on CH2M HILL’s high standing in the
consulting and industrial communities, many
HBCU/MIs welcome the opportunity to provide
services to CH2M HILL, including Florida International
University, New Mexico State University, Clark
Atlanta University, and Prairie View A&M University.

III.3.3 Socioeconomic Plan
The information requested in Section L.6.3.3 of the
RFP is provided as our Socioeconomic Plan and
includes the following information:

- A description of the efforts the Offeror will make to
  assure that SBs and/or HBCUs/MIs will have equal
  opportunity to compete for subcontracts under any
  resulting contract.
- A description of the Offeror’s current and planned
  proposed range for services, supplies, and any
  other support that will be provided by SBs and/or
  HBCUs/MIs.
- The specific names of subcontractors to the extent
  they are known.
- A description of any future plans the Offeror has for
  developing additional subcontracting opportunities
  for SBs and/or HBCUs/MIs during the contract
  period.
- Identification of the portion of the Offeror’s
  proposal, as a percentage of dollars that will be
  subcontracted to SBs and/or HBCUs/MIs.
- The type of performance data the Offeror would
  accumulate and provide to the Contracting Officer
  regarding its support of SBs and/or HBCUs/MIs
  during the period of contract performance.
- The name and title of the individual principally
  responsible for ensuring company support to such
  firms.

III.3.3.1 Efforts HCWD1 Will Make to
Assure that SBs and/or HBCUs/MIs
Will have Equal Opportunity to
Compete for Subcontracts
The HCWD1 team encourages the meaningful
involvement in its operations of all citizens,
particularly those who are members of minority or
other traditionally disadvantaged groups. In fact, it is
policy to ensure the equitable participation of all
socioeconomic concerns in providing goods and
services to the Government.

For this project, we have identified services that will be
potentially contracted out in the future effort and have
matched them up with local SB, SDB, WOSB, VOSB
including service disabled veteran-owned small
businesses, HUBZone, and other SB concerns. This is
detailed in the following sections.

As work becomes identified as potential
subcontracted work, HCWD1 will prepare competitive
bid packages and identify qualified businesses to
provide estimates for the work. Sources of qualified
bidders will be retained in HCWD1’s existing
subcontractor database and will be obtained from
various sources such as the Small Business
Administration’s Dynamic Small Business Search and
local contacts, the National Minority Supplier
Development Council, National Minority Purchasing
Council Vendor Information, trade associations, and
local small business conferences.

III.3.3.2 Services, Supplies, and any
Other Support that will be Provided by
SBs and/or HBCUs/MIs.
We have developed a list of services that will be
subcontracted out for the duration of the contract.
Exhibit III-2 shows these potentially subcontracted
services by business category.

III.3.3.3 Specific Names of
Subcontractors to the Extent They are
Known
HCWD1 will be the prime contractor for this contract,
with, Louisville Water Company as a subcontractor to
HCWD1 providing water treatment. CH2M HILL, as
the second subcontractor to HCWD1, will provide capital improvements planning and implementation. We will also use local subcontractors for selected work and support to the extent it is practical and provides the best value to the Army. We intend to compete all other subcontracted work to get the best price for the Army and to make the work available to the maximum number of qualified small business concerns in the local area. Subcontractors will be used on an as-needed basis as material suppliers and for specialty services including, but not limited to:

- General Contractors
- Trucking
- Engineering
- Geotechnical
- Chemical Supply

III.3.3.4 Description of any Future Plans
HCWD1 has for Developing Additional Subcontracting Opportunities for SBs and/or HBCUs/MIs During the Contract Period

Following the operational transition period, any identified services required will be managed through HDR/Quest, who has been contracted to manage the small business program for HCWD1. HCWD1 will make a good faith effort to effectively implement our socioeconomic plan to the extent consistent with efficient contract performance.

By utilizing the methods described in the Socioeconomic Plan, we have identified a pool of potential SB contractors for this contract which is presented as Exhibit III-3. This listing will be updated frequently to include new businesses that may come to the Louisville area or additional services that have been identified during contract performance.

### EXHIBIT III-2
Planned Range of Services, Supplies, and Other Support to be Provided by SB

<table>
<thead>
<tr>
<th>Service Area</th>
<th>SB</th>
<th>VOSB and SDVOSB</th>
<th>HUB Zone</th>
<th>SDB</th>
<th>WOSB</th>
<th>HBCU/MI</th>
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</thead>
<tbody>
<tr>
<td>General Contractors (construction, concrete, excavation, etc.)</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
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<tr>
<td>Plumbing, Piping Contractors</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
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<tr>
<td>Electrical</td>
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<td></td>
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<td>Trucking, Hauling</td>
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<td>Surveying (Civil, GPS, etc.)</td>
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<td>Engineering and Design</td>
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<td>★</td>
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<td>Water System Maintenance, Instrumentation</td>
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## EXHIBIT III-3
Pool of Potential Subcontractors for This Contract

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III.3.3.5 Identification of the Portion of HCWD1’s Proposal, as a Percentage of Dollars, that will be Subcontracted to SBs and/or HBCUs/MIs.

HCWD1 will meet the minimum goals set forth by statutory requirements for large businesses as highlighted below in Exhibit III-4.

III.3.3.6 Type of Performance Data HCWD1 Would Accumulate and Provide to the Contracting Officer Regarding its Support of SBs and/or HBCUs/MIs During the Period of Contract Performance

HCWD1 will submit such periodic reports and cooperate in any studies or surveys as may be required by the contracting agency or the Small Business Administration in order to determine the extent of support provided during the period of contract performance. HCWD1 can use the “Subcontracting Report for Individual Contracts”, SF 294, and “Summary Subcontract Report”, SF 295, as the model for reporting on an annual basis.

III.3.3.7 Name and Title of the Individual Principally Responsible for Ensuring Support to Such Firms

As of this proposal submittal, this role is being filled by HDR/Quest.

Name: Patty Vanvooren, HDR/Quest
Title: Administrative Manager
Volume III
Attachment III-1—SF 33, SF 30, and Representations and Certifications
**SOLICITATION, OFFER AND AWARD**

<table>
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<th>3. SOLICITATION NO.</th>
<th>4. TYPE OF SOLICITATION</th>
<th>5. DATE ISSUED</th>
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<td>8725 JOHN J. KINGMAN ROAD, SUITE 3830</td>
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<td>DEFENSE ENERGY SUPPORT CENTER</td>
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<tr>
<td>FT. BELVOIR, VA 22060-6222</td>
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<td>8725 JOHN J. KINGMAN ROAD, SUITE 3830</td>
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<td>OFFICER/SYMBOL: Lottie Plater/EA (703) 767-9416</td>
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<td>FT. BELVOIR, VA 22060-6222</td>
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<tr>
<td>FAX: (703) 767-2382</td>
<td>Email: <a href="mailto:Lottie.Platel@dla.mil">Lottie.Platel@dla.mil</a></td>
<td>Email: <a href="mailto:Angela.Mattox@dla.mil">Angela.Mattox@dla.mil</a></td>
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**NOTE:** In sealed bid solicitation "offer" and "officer" mean "bid" and "bidder".

### SOLICITATION

9. Sealed offers in original hard copy and CD copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if hand-carried, in the depository located in **ROOM 3830** until **3:00 PM EST** local time **October 09, 2008**.

Caution - Late Submissions, Modifications, and Withdrawals: See Section L. Provision No. 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.

### FOR INFORMATION

**CALL:** (703) 767-1595

**A. NAME**

Lottie Plater

**B. TELEPHONE NO.** (Include Area Code) (NO COLLECT CALLS)

(703) 767-9416

### TABLE OF CONTENTS

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### PART II - CONTRACT CLAUSES

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<td>REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF OFFERORS</td>
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<td>INSTRS., COND., AND NOTICES TO OFFERORS</td>
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### EVALUATION FACTORS FOR AWARD

(72)

### OFFER (Must be fully completed by offeror)

**NOTE:** ITEM 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within **300** calendar days (60 calendar days unless a different period is inserted by the offerer) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

### DISCOUNT FOR PROMPT PAYMENT

(See section I, Clause No 52.232-6)

13. **AMENDMENT NO.** | **DATE** | **AMENDMENT NO.** | **DATE**
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<td>9/17/08</td>
<td>002</td>
<td>12/9/09</td>
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### ACKNOWLEDGMENT OF AMENDMENTS

(The offeror acknowledges receipt of amendments to the solicitation for offerors and related documents numbered and dated.

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### NAME AND ADDRESS OF OFFEROR

Hardin County Water District No. 1
1400 Rogersville Rd.
Radcliff, KY 40160

**CODE**

**FACILITY**

**CAGE CODE**

**JIM BRUCE, GENERAL MANAGER**

**FAX #** 270-351-3222

### TELEPHONE NO. (Include area code)

**270-351-3222**

### CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE

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<th>SIGNATURE</th>
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<td>JIM BRUCE</td>
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### AWARD (To be completed by Government)

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<th>ACCOUNTING AND APPROPRIATION</th>
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| SUBMIT INVOICES TO ADDRESS SHOWN IN ITEM |
| ITEM |

| PAYMENT WILL BE MADE BY CODE |
| ITEM |

| NAME OF CONTRACTING OFFICER (Type or print) |
| ITEM |

| UNITED STATES OF AMERICA |
| ITEM |

| AWARD DATE |
| ITEM |
AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

2. AMENDMENT/MODIFICATION NO.  
   0002

3. EFFECTIVE DATE  
   15 December 2009

4. REQUISITION/PURCHASE REQ. NO.  
   SP0600-08-1258

5. PROJECT NO.  
   (If applicable)

6. ISSUED BY  
   CODE  
   DEFENSE ENERGY SUPPORT CENTER  
   8725 JOHN J. KINGMAN ROAD, SUITE 3830  
   FT. BELVOIR, VA 22060-6222  
   BUYER/SYMBOL: Taina Rivera/DESC-EF  
   PHONE: (703) 767-8130   E-MAIL: Taina.Rivera@dlamil

7. ADMINISTERED BY CODE (If other than Item 6)

8. NAME AND ADDRESS OF CONTRACTOR (NO., street, city, county, State, and ZIP Code)
   X

9a. AMENDMENT OF SOLICITATION NO.  
    SP0600-08-R-0803

9b. DATED (SEE ITEM 11)  
    1 July 2008

10a. MODIFICATION OF CONTRACT/ORDER NO.  

10b. DATED (SEE ITEM 13)

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

[X] The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [ ] is extended. [X] is not extended. Offerors must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning ___ copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)
   Not Applicable.

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

   A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority)
   THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

   B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in procuring office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103b

   C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR 43.01

   OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor [ ] is not, [ X ] is required to sign this document and return ___ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

   Utility Privatization of the Potable Water Utility System Infrastructure at Fort Knox, KY

   See Additional Pages for Further Details.

15A. NAME AND TITLE OF SIGNER (Type or print)
   JAMES BRUCE, GENERAL MANAGER, HCDW1

15B. NAME OF CONTRACTOR/Offeror
   (Signature of person authorized to sign)

15C. DATE SIGNED  
   1-29-2010

16A. NAME OF CONTRACTING OFFICER (Type or print)
   ANGELA E. MATTOX

16B. UNITED STATES OF AMERICA

16C. DATE SIGNED
   (Signature of Contracting Officer)

STANDARD FORM 30 (REV. 10-83)
Previos Edition Unusable

NSN 7540-01-752-8070

Prescribed by GSA FAR (48 CFR) 53.243
Representations and certifications provided by vendors through ORCA may be supplemented by information submitted to the Government in response to a specific solicitation.

Company Name: HARDIN COUNTY WATER DISTRICT #1  
DUNS: 130402811  
Certification Validity:  
From: 10/07/2009 11:38:15 AM (EST)  
To: 10/07/2010 11:38:15 AM (EST)  

By submitting this certification, I, James Bruce, am attesting to the accuracy of the representations and certifications contained herein. I understand that I may be subject to penalties if I misrepresent HARDIN COUNTY WATER DISTRICT #1 in any of the above representations or certifications to the Government.

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<td>52.203-2</td>
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Vendor will provide information with specific offers to the Government.

I certify that I have read and understand the provision.

52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Sept 2007)

(a) Definitions. As used in this provision—“Lobbying contact” has the meaning provided at 2 U.S.C. 1602(8). The terms “agency,” “influencing or attempting to influence,” “officer or employee of an agency,” “person,” “reasonable compensation,” and “regularly employed” are defined in the FAR clause of this solicitation entitled “Limitation on Payments to Influence Certain Federal Transactions”(52.203-12).

(b) Prohibition. The prohibition and exceptions contained in the FAR clause of this solicitation entitled “Limitation on Payments to Influence Certain Federal Transactions” (52.203-12) are hereby incorporated by reference in this provision.

(c) Certification. The offeror, by signing its offer, hereby certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on its behalf in connection with the awarding of this contract.

(d) Disclosure. If any registrants under the Lobbying Disclosure Act of 1995 have made a lobbying contact on behalf of the offeror with respect to this contract, the offeror shall complete and submit, with its offer, OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the registrants. The offeror need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made.

(e) Penalty. Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by 31 U.S.C. 1352. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure required to be filed or amended by this provision, shall be subject to a civil penalty of not less than $10,000, and not more than $100,000, for each such failure.

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Vendor will provide information with specific offers to the Government.

I certify that I have read and understand the provision.

52.222-38 Compliance with Veterans' Employment Reporting Requirements (Dec 2001)

By submission of its offer, the offeror represents that, if it is subject to the reporting requirements of 38 U.S.C. 4212(d) (i.e., if it has any contract containing Federal Acquisition Regulation clause 52.222-37, Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans), it has submitted the most recent VETS-100 Report required by that clause.

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Vendor will provide information with specific offers to the Government.

I certify that I have read and understand the provision.

52.223-1 Biobased Product Certification (Dec 2007)

(a) As required by the Farm Security and Rural Investment Act of 2002 and the Energy Policy Act of 2005 (7 U.S.C. 8102(c)(3)), the offeror certifies, by signing this offer, that biobased products (within categories of products listed by the United States Department of Agriculture in 7 CFR part 2902, subpart B) to be used or delivered in the performance of the contract, other than biobased products that are not purchased by the
offeror as a direct result of this contract, will comply with the applicable specifications or other contractual requirements.

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READ ONLY

☒ Vendor will provide information with specific offers to the Government.
☐ I certify that I have read and understand the provision.


(a) Definitions. As used in this provision—

“Business operations” means engaging in commerce in any form, including by acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, or any other apparatus of business or commerce.

“Marginalized populations of Sudan” means—

(1) Adversely affected groups in regions authorized to receive assistance under section 8(c) of the Darfur Peace and Accountability Act (Pub. L. 109-344) (50 U.S.C. 1701 note); and

(2) Marginalized areas in Northern Sudan described in section 4(9) of such Act.

“Restricted business operations” means business operations in Sudan that include power production activities, mineral extraction activities, oil-related activities, or the production of military equipment, as those terms are defined in the Sudan Accountability and Divestment Act of 2007(Pub. L. 110-174). Restricted business operations do not include business operations that the person (as that term is defined in Section 2 of the Sudan Accountability and Divestment Act of 2007) conducting the business can demonstrate—

(1) Are conducted under contract directly and exclusively with the regional government of southern Sudan;

(2) Are conducted pursuant to specific authorization from the Office of Foreign Assets Control in the Department of the Treasury, or are expressly exempted under Federal law from the requirement to be conducted under such authorization;

(3) Consist of providing goods or services to marginalized populations of Sudan;

(4) Consist of providing goods or services to an internationally recognized peacekeeping force or humanitarian organization;

(5) Consist of providing goods or services that are used only to promote health or education; or

(6) Have been voluntarily suspended

(b) Certification. By submission of its offer, the offeror certifies that the offeror does not conduct any restricted business operations in Sudan.

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READ ONLY

☐ Vendor will provide information with specific offers to the Government.
☒ I certify that I have read and understand the provision.

52.227-6 Royalty Information (Apr 1984)
(a) Cost or charges for royalties. When the response to this solicitation contains costs or charges for royalties totaling more than $250, the following information shall be included in the response relating to each separate item of royalty or license fee:

1. Name and address of licensor.
2. Date of license agreement.
3. Patent numbers, patent application serial numbers, or other basis on which the royalty is payable.
4. Brief description, including any part or model numbers of each contract item or component on which the royalty is payable.
5. Percentage or dollar rate of royalty per unit.
6. Unit price of contract item.
7. Number of units.
8. Total dollar amount of royalties.

(b) Copies of current licenses. In addition, if specifically requested by the Contracting Officer before execution of the contract, the offeror shall furnish a copy of the current license agreement and an identification of applicable claims of specific patents.

Alternate I (Apr 1984)

Substitute the following for the introductory portion of paragraph (a) of the basic clause: When the response to this solicitation covers charges for special construction or special assembly that contain costs or charges for royalties totaling more than $250, the following information shall be included in the response relating to each separate item of royalty or license fee:

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52.203-2 Certificate of Independent Price Determination (Apr 1985)

(a) The offeror certifies that:
1. The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to-
   (i) Those Prices
   (ii) The intention to submit an offer; or
   (iii) The methods or factors used to calculate the prices offered.
2. The prices in this offer have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and
3. No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

(b) Each signature on the offer is considered to be a certification by the signatory that the signatory-
1. Is the person in the offeror’s organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this provision; or
2. (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this provision; Jim Bruce, General Manager
   (ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) of this provision have not participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this provision; and
   (iii) As an agent, has not personally participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this provision.

(c) If the offeror deletes or modifies paragraph (a)(2) of this provision, the offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

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52.204-3 Taxpayer Identification (Oct 1998)

(a) Definitions "Common parent," as used in this provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the offeror is a member. "Taxpayer Identification Number (TIN)," as used in this provision, means the number required by the Internal Revenue Service to identify the offeror for Federal tax purposes.
Revenue Service (IRS) to be used by the offeror in reporting income tax and other returns. The TIN may be either a Social Security Number or an Employer Identification Number.

(b) All offerors must submit the information required in paragraphs (d) through (f) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the IRS. If the resulting contract is subject to the payment reporting requirements described in Federal Acquisition Regulation (FAR) 4.904, the failure or refusal by the offeror to furnish the information may result in a 31 percent reduction of payments otherwise due under the contract.

(c) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror’s relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror’s TIN.

(d) Taxpayer Identification Number (TIN).

- TIN on file with CCR.
- TIN has been applied for.
- TIN is not required because:
  - Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;
  - Offeror is an agency or instrumentality of a foreign government;
  - Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;

(e) Type of organization.

- Sole proprietorship;
- Partnership;
- Corporate entity (not tax-exempt);
- Government entity (Federal, State, or local);
- International organization per 26 CFR 1.6049-4;
- Other

(f) Common parent.

- Offeror is not owned or controlled by a common parent as defined in paragraph (a) of this provision.
- Name: N/A
  TIN: TIN not on File with ORCA

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52.204-5 Women-Owned Business (Other Than Small Business) (May 1999)

(a) Definition. "Women-owned business concern," as used in this provision, means a concern that is at least 51 percent owned by one or more women; and whose management and daily business operations are effectively controlled by the women owners. A concern is not a women-owned business concern if it

-B. Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;
-C. Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph (a)(1)(i)(B) of this provision.
-D. Have not, within a three-year period preceding this offer, been notified of any delinquent Federal Taxes in an amount that exceeds $3,000 for which the liability remains unsatisfied.

(1) Federal taxes are considered delinquent if both of the following criteria apply:

(i) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.
(ii) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.

(2) Examples:  

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52.209-5 Certification Regarding Responsibility Matters (Dec 2008)

(a) (1) The Offeror certifies, to the best of its knowledge and belief, that-

-i. The Offeror and/or any of its Principals-

-(A) Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;
-(B) Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property; and
-(C) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph (a)(1)(i)(B) of this provision.

(1) Federal taxes are considered delinquent if both of the following criteria apply:

(ii) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.
(ii) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.

(2) Examples:
(i) The taxpayer has received a statutory notice of deficiency, under I.R.C. § 6212, which entitles the taxpayer to seek Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(ii) The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. § 6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals contesting the lien filing, and to further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability because the taxpayer has had no prior opportunity to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(iii) The taxpayer has entered into an installment agreement pursuant to I.R.C. § 6159. The taxpayer is making timely payments and is in full compliance with the agreement terms. The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.

(iv) The taxpayer has filed for bankruptcy protection. The taxpayer is not delinquent because enforced collection action is stayed under 11 U.S.C 362 (the Bankruptcy Code).

(ii) The Offeror has [☐] has not [☑], within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

(2) "Principals," for the purposes of this certification, means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment; and similar positions).

This Certification Concerns a Matter Within the Jurisdiction of an Agency of the United States and the Making of a False, Fictitious, or Fraudulent Certification May Render the Maker Subject to Prosecution Under Section 1001, Title 18, United States Code.

(b) The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.

(d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and additional information as requested by the Contracting Officer may render the Offeror nonresponsible.

(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

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52.212-3 Offeror Representations and Certifications –Commercial Items (Alternate 1 & 2) (Aug 2009)

An offeror shall complete only paragraph (b) of this provision if the offeror has completed the annual representations and certifications electronically at http://orca.bpn.gov. If an offeror has not completed the annual representations and certifications electronically at the ORCA website, the offeror shall complete only paragraphs (c) through (m) of this provision.

(a) Definitions. As used in this provision:

"Emerging small business" means a small business concern whose size is no greater than 50 percent of the numerical size standard for the NAICS code designated.

"Forced or indentured child labor" means all work or service—

(1) Exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or

(2) Performed by any person under the age of 18 pursuant to a contract the enforcement of which can be accomplished by process or penalties.

"Manufactured end product" means any end product in Federal Supply Classes (FSC) 1000-9999, except—

(1) FSC 5510, Lumber and Related Basic Wood Materials;
(2) Federal Supply Group (FSG) 87, Agricultural Supplies;
(3) FSC 88, Live Animals;
(4) FSC 89, Food and Related Consumables;
(5) FSC 9410, Crude Grades of Plant Materials;
(6) FSC 9430, Miscellaneous Crude Animal Products, Inedible;
(7) FSC 9440, Miscellaneous Crude Agricultural and Forestry Products;
(8) FSC 9610, Ores;
(9) FSC 9620, Minerals, Natural and Synthetic; and
(10) FSC 9630, Additive Metal Materials.

“Place of manufacture” means the place where an end product is assembled out of components, or otherwise made or processed from raw materials into the finished product that is to be provided to the Government. If a product is disassembled and reassembled, the place of reassembly is not the place of manufacture.

“Restricted business operations” means business operations in Sudan that include power production activities, mineral extraction activities, oil-related activities, or the production of military equipment, as those terms are defined in the Sudan Accountability and Divestment Act of 2007 (Pub. L. 110-174). Restricted business operations do not include business operations that the person (as that term is defined in Section 2 of the Sudan Accountability and Divestment Act of 2007) conducting the business can demonstrate —

(1) Are conducted under contract directly and exclusively with the regional government of southern Sudan;
(2) Are conducted pursuant to specific authorization from the Office of Foreign Assets Control in the Department of the Treasury, or are expressly exempted under Federal law from the requirement to be conducted under such authorization;
(3) Consist of providing goods or services to marginalized populations of Sudan;
(4) Consist of providing goods or services to an internationally recognized peacekeeping force or humanitarian organization;
(5) Consist of providing goods or services that are used only to promote health or education; or
(6) Have been voluntarily suspended.

“Service-disabled veteran-owned small business concern” means a small business concern—

(1) Means a small business concern—
   (i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and
   (ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a service-disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.
(2) Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

“Small business concern” means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR part 121 and size standards in this solicitation.

“Women-owned small business concern” means a small business concern—

(1) Not less than 51 percent of which is owned by one or more women; or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more women; and
(2) The management and daily business operations of which are controlled by one or more women.

“Women-owned business concern” means a concern which is at least 51 percent owned by one or more women; or in the case of any publicly owned business, at least 51 percent of its stock is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

“Women-owned small business concern” means a small business concern—

(1) That is at least 51 percent owned by one or more women; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and
(2) Whose management and daily business operations are controlled by one or more women.

(b)

(1) Annual Representations and Certifications. Any changes provided by the offeror in paragraph (b)(2) of this provision do not automatically change the representations and certifications posted on the Online Representations and Certifications Application (ORCA) website.
(2) The offeror has completed the annual representations and certifications electronically via the ORCA website at http://orca.bpn.gov. After reviewing the ORCA database information, the offeror verifies by submission of this offer that the representations and certifications currently posted electronically at FAR 52.212-3, Offeror Representations and Certifications—Commercial Items, have been entered or updated in the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201), except for paragraphs ______________.

Offeror to identify the applicable paragraphs at (c) through (m) of this provision that the offeror has completed for the purposes of this solicitation only, if any.

These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer.

Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted on ORCA.

(c)

Offers must complete the following representations when the resulting contract is to be performed inside the United States or its outlying areas. Check all that apply.

(1)* Small business concern. The offeror represents as part of its offer that it ☐s ☐ is not a small business concern. (See below)

<table>
<thead>
<tr>
<th>NAICS:</th>
<th>Description:</th>
<th>Small Business Concern (Yes/No):</th>
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</thead>
<tbody>
<tr>
<td>924110</td>
<td>ADMINISTRATION OF AIR AND WATER RESOURCE AND SOLID WASTE MANAGEMENT PROGRAMS</td>
<td>No</td>
</tr>
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</table>

(2)* Veteran-owned small business concern. The offeror represents as part of its offer that it ☐s ☐ is not a veteran-owned small business concern. (See Below)

<table>
<thead>
<tr>
<th>NAICS:</th>
<th>Description:</th>
<th>Veteran-Owned Small Business Concern (Yes/No):</th>
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</table>
924110  ADMINISTRATION OF AIR AND WATER RESOURCE AND SOLID WASTE MANAGEMENT PROGRAMS  No

(3)* Service-disabled veteran-owned small business concern. The offeror represents as part of its offer that it is not a service-disabled veteran-owned small business concern.

(See Below)

<table>
<thead>
<tr>
<th>NAICS:</th>
<th>Description:</th>
<th>Service-Disabled Veteran-Owned Small Business Concern (Yes/No):</th>
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<tr>
<td>924110</td>
<td>ADMINISTRATION OF AIR AND WATER RESOURCE AND SOLID WASTE MANAGEMENT PROGRAMS</td>
<td>No</td>
</tr>
</tbody>
</table>

(4) Small disadvantaged business concern. The offeror represents, for general statistical purposes, that it is not a small disadvantaged business concern as defined in 13 CFR 124.1002.

(5)* Women-owned small business concern. The offeror represents that it is not a women-owned small business concern.

(See Below)

<table>
<thead>
<tr>
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</tbody>
</table>

*Small business concern, Veteran-owned small business concern, Service-disabled veteran-owned small business concern, and Women-owned small business concern status was calculated based on the NAICS codes, Number of Employees, and Average Annual Gross Revenues listed in the CCR Registration for "Company Name" along with the Small Business Administration size standard for each NAICS code.

Note: Complete paragraphs (c)(6) and (c)(7) only if this solicitation is expected to exceed the simplified acquisition threshold.

(6) Women-owned business concern (other than small business concern). [Complete only if the offeror is a women-owned business concern and did not represent itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents that it is a women-owned business concern.

(7) Tie bid priority for labor surplus area concerns. If this is an invitation for bid, small business offerors may identify the labor surplus areas in which costs to be incurred on account of manufacturing or production (by offeror or first-tier subcontractors) amount to more than 50 percent of the contract price:

<table>
<thead>
<tr>
<th>State</th>
<th>Eligible Labor Surplus:</th>
<th>Civil Jurisdictions Included:</th>
</tr>
</thead>
</table>

(8) Small Business Size for the Small Business Competitiveness Demonstration Program and for the Targeted Industry Categories under the Small Business Competitiveness Demonstration Program.

(i) The offeror represents as part of its offer that it is not an emerging small business. (See below)

<table>
<thead>
<tr>
<th>NAICS:</th>
<th>Description:</th>
<th>Emerging Small Business Concern (Yes/No):</th>
</tr>
</thead>
<tbody>
<tr>
<td>924110</td>
<td>ADMINISTRATION OF AIR AND WATER RESOURCE AND SOLID WASTE MANAGEMENT PROGRAMS</td>
<td>No</td>
</tr>
</tbody>
</table>

(ii) Offeror represents as follows:

(A) Offeror's number of employees for the past 12 months (check the Employees column if size standard stated in the solicitation is expressed in terms of number of employees); or

(B) Offeror's average annual gross revenue for the last 3 fiscal years (check the Average Annual Gross Revenues column if size standard stated in the solicitation is expressed in terms of annual receipts). (Check one of the following):

- Number of Employees
  - 50 or fewer
  - 51-100
  - 101-250
  - 251-500
  - 501-750
  - 751-1,000
  - Over 1,000

- Average Annual Gross Revenues
  - $1 million or less
  - $1,000,001-$2 million
  - $2,000,001-$3.5 million
  - $3,500,001-$5 million
  - $5,000,001-$10 million
  - $10,000,001-$17 million
  - Over $17 million

(9) (i) General. The offeror represents that either:

(A) It is not certified by the Small Business Administration as a small disadvantaged business concern and identified, on the date of this representation, as a certified small disadvantaged business concern in the database maintained by the Small Business Administration (PRO-Net), and that no material change in disadvantaged ownership and control has occurred since its certification, and, where the concern is owned by one or more individuals claiming disadvantaged status, the net worth of each individual upon whom the certification is based does not exceed $750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); or

(B) It has not submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no
material change in disadvantaged ownership and control has occurred since its application was
submitted.

(ii) Joint Ventures under the Price Evaluation Adjustment for Small Disadvantaged Business
Concerns. The offeror represents, as part of its offer, that it is a joint venture that complies with
the requirements in 13 CFR 124.1002(f) and that the representation in paragraph (c)(9)(i) of this
provision is accurate for the small disadvantaged business concern that is participating in the joint
venture [The offeror shall enter the name of the small disadvantaged business concern that is
participating in the joint venture: ].

(10) HUBZone small business concern. The offeror represents, as part of its offer, that-

(i) It is not a HUBZone small business concern listed, on the date of this representation, on
the List of Qualified HUBZone Small Business Concerns maintained by the Small Business
Administration, and no material change in disadvantaged ownership and control has occurred since its application was
submitted.

(ii) It is not a HUBZone small business concern not a HUBZone small business concern listed, on
the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business
Administration, and no material change in disadvantaged ownership and control has occurred since it was certified by the Small Business Administration in accordance with 13 CFR part 126; and

(iii) It is not a joint venture that complies with the requirements of 13 CFR part 126, and the
representation in paragraph (c)(10)(i) of this provision is accurate for the HUBZone small business concern or concerns that are participating in the joint venture. [The offeror shall enter the name or names of the HUBZone small business concern or concerns that are participating in the joint
venture: ] Each HUBZone small business concern participating in the joint venture shall submit a
separate signed copy of the HUBZone representation.

(d) Representations required to implement provisions of Executive Order 11246-
(1) Previous contracts and compliance. The offeror represents that-

(i) It has not participated in a previous contract or subcontract subject to the Equal
Opportunity clause of this solicitation; and

(ii) It has not filed all required compliance reports.

(2) Affirmative Action Compliance. The offeror represents that-

(i) It has developed and has on file, It has not developed and does not have on file, at each
establishment, affirmative action programs required by rules and regulations of the Secretary of
Labor (41 CFR parts 60-1 and 60-2), or

(ii) It has not previously had contracts subject to the written affirmative action programs
requirement of the rules and regulations of the Secretary of Labor.

(e) Certification Regarding Payments to Influence Federal Transactions (31 U.S.C. 1352). (Applies only if the
contract is expected to exceed $100,000.) By submission of its offer, the offeror certifies to the best of its
knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for
influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an
officer or employee of a Member of Congress or an employee of a Member of Congress or his or her behalf in connection
with the award of any resultant contract. If any registrants under the Lobbying Disclosure Act of 1995 have
made a lobbying contact on behalf of the offeror with respect to this contract, the offeror shall complete and
submit, with its offer, OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the registrants. The offeror need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made.

(f) Buy American Act Certificate. (Applies only if the clause at Federal Acquisition Regulation (FAR) 52.225-1,
Buy American Act-Supplies, is included in this solicitation.)

(1) The offeror certifies that each end product, except those listed in paragraph (f)(2) of this provision, is
domestic end product and that for other than COTS items, the offeror has considered components of
unknown origin to have been mined, produced, or manufactured outside the United States. The offeror
shall list as foreign end products those end products manufactured in the United States that do not qualify as domestic end products, i.e., an end product that is not a COTS item and does not meet the
component test in paragraph (2) of the definition of "domestic end product." The terms "commercially available off-the-shelf (COTS) item," "component," "domestic end product," "end product," "foreign end product," and "United States" are defined in the clause of this solicitation entitled "Buy American Act–Supplies.

(2) Foreign End Products:

<table>
<thead>
<tr>
<th>Description</th>
<th>Country of Origin</th>
</tr>
</thead>
</table>

(3) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.

(g) Buy American Act-Free Trade Agreements-Israeli Trade Act Certificate. (Applies only if the clause at
FAR 52.225-3, Buy American Act: Free Trade Agreements-Israeli Trade Act, is included in this
solicitation.)

(1) The offeror certifies that each end product, except those listed in paragraph (g)(1)(ii) or (g)(1)(iii) of this provision, is a domestic end product and that for other than COTS items, the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The terms "Bahrainian, Moroccan, Omani, or Peruvian end product," "commercially available off-the-shelf (COTS) item," "component," "domestic end product," "end product," "foreign end product," "Free Trade Agreement country end product," "Israeli end product," and "United States" are defined in the clause of this solicitation entitled "Buy American Act–Free Trade Agreements-Israeli Trade Act." The offeror shall list as other foreign end products those end products manufactured in the United States that do not qualify as

(2) Foreign End Products:

<table>
<thead>
<tr>
<th>Description</th>
<th>Country of Origin</th>
</tr>
</thead>
</table>

(3) The offeror shall list those supplies that are foreign end products (other than those listed in paragraph (g)(1)(ii) of this provision) as defined in the clause of this solicitation entitled "Buy American Act–Free Trade Agreements-Israeli Trade Act." The offeror shall list as other foreign end products those end products manufactured in the United States that do not qualify as
domestic end products, i.e., an end product that is not a COTS item and does not meet the component test in paragraph (2) of the definition of “domestic end product.”

<table>
<thead>
<tr>
<th>Description:</th>
<th>Country of Origin:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(iv) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.</td>
<td></td>
</tr>
</tbody>
</table>

(2) Buy American Act-Free Trade Agreements-Israeli Trade Act Certificate, Alternate I. If Alternate I to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products as defined in the clause of this solicitation entitled "Buy American Act- Free Trade Agreements-Israeli Trade Act": Canadian End Products:

<table>
<thead>
<tr>
<th>Description:</th>
<th>Country of Origin:</th>
</tr>
</thead>
</table>
| (3) Buy American Act-Free Trade Agreements-Israeli Trade Act Certificate, Alternate II. If Alternate II to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act-Free Trade Agreements-Israeli Trade Act": Canadian or Israeli End Products:

<table>
<thead>
<tr>
<th>Description:</th>
<th>Country of Origin:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(4) Trade Agreements Certificate. (Applies only if the clause at FAR 52.225-5, Trade Agreements, is included in this solicitation.)</td>
<td></td>
</tr>
</tbody>
</table>

(i) The offeror certifies that each end product, except those listed in paragraph (g)(4)(ii) of this provision, is a U.S.-made, or designated country, end product, as defined in the clause of this solicitation entitled "Trade Agreements."

(ii) The offeror shall list as other end products those end products that are not U.S.-made, or designated country, end products.

Other End Products:

<table>
<thead>
<tr>
<th>Description:</th>
<th>Country of Origin:</th>
</tr>
</thead>
</table>

(h) Certification Regarding Responsibility Matters (Executive Order 12689). (Applies only if the contract value is expected to exceed the simplified acquisition threshold.) The offeror certifies, to the best of its knowledge and belief, that the offeror and/or any of its principals- |

(1) □ Are, □ Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency; and |

(2) □ Have, □ Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a Federal, state or local government contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property; and |

(3) □ Are, □ Are not presently indicted for, or otherwise criminally or civilly charged by a Government entity with, commission of any of these offenses (h)(2) of this clause. |

(4) □ Have, □ Have not within a three-year period preceding this offer, been notified of any delinquent Federal taxes in an amount that exceeds $3,000 for which the liability remains unsatisfied. |

(i) Taxes are considered delinquent if both of the following criteria apply: |

(A) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted. |

(B) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded. |

(ii) Examples: |

(A) The taxpayer has received a statutory notice of deficiency, under I.R.C. § 6212, which entitles the taxpayer to seek Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court Review, this will not be a final tax liability under the taxpayer has exercised all judicial appeal rights. |

(B) The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. § 6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals contesting the lien filing, and to further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights. |

(C) The taxpayer has entered into an installment agreement pursuant to I.R.C. § 6159. The taxpayer is making timely payments and is in full compliance with the agreement terms. |

The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.

(D) The taxpayer has filed for bankruptcy protection. The taxpayer is not delinquent because enforced collection action is stayed under II U. S. C 362 (the Bankruptcy Code).

(i) Certification Regarding Knowledge of Child Labor for Listed End Products (Executive Order 13126). [The Contracting Officer must list in paragraph (i)(1) any end products being acquired under this solicitation that are included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, unless excluded at 22.1503(b).]

(1) Listed end products.

<table>
<thead>
<tr>
<th>Listed End Products</th>
<th>Listed Country of Origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bamboo</td>
<td>Burma</td>
</tr>
<tr>
<td>Beans (including yellow, soya, and green beans)</td>
<td>Burma</td>
</tr>
<tr>
<td>Bricks (hand-made)</td>
<td>Burma, Pakistan</td>
</tr>
<tr>
<td>Chilies</td>
<td>Burma</td>
</tr>
<tr>
<td>Corn</td>
<td>Burma</td>
</tr>
<tr>
<td>Pineapples</td>
<td>Burma</td>
</tr>
<tr>
<td>Rice</td>
<td>Burma</td>
</tr>
<tr>
<td>Rubber</td>
<td>Burma</td>
</tr>
<tr>
<td>Shrimp (acquaculture)</td>
<td>Burma</td>
</tr>
<tr>
<td>Sugarcane</td>
<td>Burma</td>
</tr>
<tr>
<td>Teak</td>
<td>Burma</td>
</tr>
</tbody>
</table>

(2) Certification. [If the Contracting Officer has identified end products and countries of origin in paragraph (i)(1) of this provision, then the offeror must certify to either (i)(2)(i) or (i)(2)(ii) by checking the appropriate block.]

☐ (i) The offeror will not supply any end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product.

☐ (ii) The offeror may supply an end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product. The offeror certifies that it has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce, or manufacture any such end product furnished under this contract. On the basis of those efforts, the offeror certifies that it is not aware of any such use of child labor.

(j) Place of Manufacture (Does not apply unless the solicitation is predominantly for the acquisition of manufactured end products.) For statistical purposes only, the offeror shall indicate whether the place of manufacture of the end products it expects to provide in response to this solicitation is predominantly—

(1) ☐ In the United States (Check this box if the total anticipated price of offered end products manufactured in the United States exceeds the total anticipated price of offered end products manufactured outside the United States); or

(2) ☐ Outside the United States.

(k) Certificates regarding exemptions from the application of the Service Contract Act. (Certification by the offeror as to its compliance with respect to the contract also constitutes its certification as to compliance by its subcontractor if it subcontracts out the exempt services.) [The contracting officer is to check a box to indicate if paragraph (k)(1) or (k)(2) applies.]

(1) ☐ Maintenance, calibration, or repair of certain equipment as described in FAR 22.1003-4(c)(1). The offeror ☐ does, ☐ does not certify that

(i) The items of equipment to be serviced under this contract are used regularly for other than Governmental purposes and are sold or traded by the offeror (or subcontractor in the case of an exempt subcontract) in substantial quantities to the general public in the course of normal business operations;

(ii) The services will be furnished at prices which are, or are based on, established catalog or market prices (see FAR 22.1003-4(c)(2)(ii)) for the maintenance, calibration, or repair of such equipment; and

(iii) The compensation (wage and fringe benefits) plan for all service employees performing work under the contract will be the same as that used for these employees and equivalent employees servicing the same equipment of commercial customers.

(2) ☐ Certain services as described in FAR 22.1003-4(d)(1). The offeror ☐ does, ☐ does not certify that

(i) The services under the contract are offered and sold regularly to non-Governmental customers, and are provided by the offeror (or subcontractor in the case of an exempt subcontract) to the general public in substantial quantities in the course of normal business operations;

(ii) The contract services will be furnished at prices that are, or are based on, established catalog or market prices (see FAR 22.1003-4(d)(2)(iii));

(iii) Each service employee who will perform the services under the contract will spend only a small portion of his or her time (a monthly average of less than 20 percent of the available hours on an
annualized basis, or less than 20 percent of available hours during the contract period if the contract period is less than a month) servicing the Government contract; and

(iii) The compensation (wage and fringe benefits) plan for all service employees performing work under the contract is the same as that used for these employees and equivalent employees servicing commercial customers.

(3) If paragraph (k)(1) or (k)(2) of this clause applies

(i) If the offeror does not certify to the conditions in paragraph (k)(1) or (k)(2) and the Contracting Officer did not attach a Service Contract Act wage determination to the solicitation, the offeror shall notify the Contracting Officer as soon as possible; and

(ii) The Contracting Officer may not make an award to the offeror if the offeror fails to execute the certification in paragraph (k)(1) or (k)(2) of this clause or to contact the Contracting Officer as required in paragraph (k)(3)(i) of this clause.

(l) **Taxpayer Identification Number (TIN)** (26 U.S.C. 6109, 31 U.S.C. 7701). (Not applicable if the offeror is required to provide this information to a central contractor registration database to be eligible for award.)

(1) All offerors must submit the information required in paragraphs (l)(3) through (l)(5) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the Internal Revenue Service (IRS).

(2) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.

(3) **Type of organization.**

- TIN on file with CCR.
- TIN has been applied for.
- TIN is not required because:
  - Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States; ,
  - Offeror is an agency or instrumentality of a foreign government; ,
  - Offeror is an agency or instrumentality of the Federal Government.

(4) **Type of organization.**

- **Government entity (Federal, State, or local);**
- **Foreign government;**
- **International organization per 26 CFR 1.6049-4;**
- **Other**

(5) **Common parent.**

- Offeror is not owned or controlled by a common parent as defined in paragraph (a) of this provision.
- **Name: N/A**

(m) **Restricted business operations in Sudan.** By submission of its offer, the offeror certifies that the offeror does not conduct any restricted business operations in Sudan.

Alternate I (Apr 2002)

As prescribed in 12.301(b)(2), add the following paragraph (c)(11) to the basic provision:

(11) (Complete if the offeror has represented itself as disadvantaged in paragraph (c)(4) or (c)(9) of this provision.)

[The offeror shall check the category in which its ownership falls]:

- Black American.
- Hispanic American.
- Native American (American Indians, Eskimos, Aleuts, or Native Hawaiians).
- Asian-Pacific American (persons with origins from Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Japan, China, Taiwan, Laos, Cambodia (Kampuchea), Vietnam, Korea, The Philippines, U.S. Trust Territory of the Pacific Islands (Republic of Palau), Republic of the Marshall Islands, Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, Guam, Samoa, Macao, Hong Kong, Fiji, Tonga, Kiribati, Tuvalu, or Nauru).
- Subcontinent Asian (Asian-Indian) American (persons with origins from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands, or Nepal).
- Individual/concern, other than one of the preceding.

Alternate II (Oct 2000)

As prescribed in 12.301(b)(2), add the following paragraph (c)(9)(iii) to the basic provision:

(iii) Address. The offeror represents that its address is, is not in a region for which a small disadvantaged business procurement mechanism is authorized and its address has not changed since its certification as a
small disadvantaged business concern or submission of its application for certification. The list of authorized
small disadvantaged business procurement mechanisms and regions is posted at http://www.armedgov/
References/sdbadjustments.htm. The offeror shall use the list in effect on the date of this solicitation.
"Address," as used in this provision, means the address of the offeror as listed on the Small Business
Administration's register of small disadvantaged business concerns or the address on the completed
application that the concern has submitted to the Small Business Administration or a Private Certifier in
accordance with 13 CFR part 124, subpart B. For joint ventures, "address" refers to the address of the small
disadvantaged business concern that is participating in the joint venture.

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52.214-14 Place of Performance-Sealed Bidding (Apr 1985)

(a) The bidder, in the performance of any contract resulting from this solicitation, ☐ intends, ☐ does not intend
[check applicable box] to use one or more plants or facilities located at a different address from the address
of the bidder as indicated in this bid.

(b) If the bidder checks "intends" in paragraph (a) of this provision, it shall insert in the spaces provided below
the required information:
Name and Address of Owner and Operator of the Plant or Facility if Other than Bidder

<table>
<thead>
<tr>
<th>Address of Place of Performance (Street, Address, City, County, State, Zip Code):</th>
<th>Owner/Operator:</th>
<th>Owner Address (Street, Address, City, County, State, Zip Code):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bldg. 7207 South Carolina St. Ft. Knox, KY</td>
<td>40121</td>
<td>1400 Rogersville Road, Radcliff, KY 40160</td>
</tr>
</tbody>
</table>

(End of Provision) Back to Top

52.215-6 Place of Performance (Oct 1997)

(a) If the bidder checks "intends" in paragraph (a) of this provision, it shall insert in the following
spaces the required information:
Name and Address of Owner and Operator of the Plant or Facility if Other than Bidder

<table>
<thead>
<tr>
<th>Address of Place of Performance (Street, Address, City, County, State, Zip Code):</th>
<th>Owner/Operator:</th>
<th>Owner Address (Street, Address, City, County, State, Zip Code):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bldg. 7207 South Carolina St. Ft. Knox, KY</td>
<td>40121</td>
<td>1400 Rogersville Road, Radcliff, KY 40160</td>
</tr>
</tbody>
</table>

(End of Provision) Back to Top

52.219-1 Small Business Program Representations (May 2004)

(a) (1) The North American Industry Classification System (NAICS) code for this acquisition is See Note.*
(2) The small business size standard is See Note.
(3) The small business size standard for a concern which submits an offer in its own name, other than on a
construction or service contract, but which proposes to furnish a product which it did not itself
manufacture, is 500 employees.

(b) Representations.

(1) The offeror represents as part of its offer that it ☐s, ☐s not a small business concern (see below).

** NAICS: Description: Small Business Concern (Yes/No):**

<table>
<thead>
<tr>
<th>NAICS:</th>
<th>Description:</th>
<th>Small Business Concern (Yes/No):</th>
</tr>
</thead>
<tbody>
<tr>
<td>924110 ADMINISTRATION OF AIR AND WATER RESOURCE AND SOLID WASTE MANAGEMENT PROGRAMS</td>
<td></td>
<td>No</td>
</tr>
</tbody>
</table>

(2) [Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this
provision.] The offeror represents, for general statistical purposes, that it ☐s, ☐s not, a small
disadvantaged business concern as defined in 13 CFR 124.1002.

(3) [Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this
provision.] The offeror represents as part of its offer that it ☐s, ☐s not a women-owned small business
concern.

(See Below)

<table>
<thead>
<tr>
<th>NAICS:</th>
<th>Description:</th>
<th>Women-Owned Small Business Concern (Yes/No):</th>
</tr>
</thead>
<tbody>
<tr>
<td>924110 ADMINISTRATION OF AIR AND WATER RESOURCE AND SOLID WASTE MANAGEMENT PROGRAMS</td>
<td></td>
<td>No</td>
</tr>
</tbody>
</table>

(4) [Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this
provision.] The offeror represents as part of its offer that it ☐s, ☐s not a veteran-owned small business
concern.

<table>
<thead>
<tr>
<th>NAICS:</th>
<th>Description:</th>
<th>Veteran-Owned Small Business Concern (Yes/No):</th>
</tr>
</thead>
<tbody>
<tr>
<td>924110 ADMINISTRATION OF AIR AND WATER RESOURCE AND SOLID WASTE MANAGEMENT PROGRAMS</td>
<td></td>
<td>No</td>
</tr>
</tbody>
</table>
(5) [Complete only if the offeror represented itself as a veteran-owned small business concern in paragraph ** (b)(4) of this provision.] The offeror represents as part of its offer that it **is, is not a service-disabled veteran-owned small business concern. 

(See Below)

<table>
<thead>
<tr>
<th>NAICS:</th>
<th>Description:</th>
<th>Service-Disabled Veteran-Owned Small Business Concern (Yes/No):</th>
</tr>
</thead>
<tbody>
<tr>
<td>924110</td>
<td>ADMINISTRATION OF AIR AND WATER RESOURCE AND SOLID WASTE MANAGEMENT PROGRAMS</td>
<td>No</td>
</tr>
</tbody>
</table>

*If you are responding to a Government solicitation for supplies or services under a NAICS code not listed in paragraph (b) of this certification, you must provide this certification directly to the Contracting Officer. 

**Small business concern, Veteran-owned small business concern, Service-disabled veteran-owned small business concern, and Women-owned small business concern status was calculated based on the NAICS codes, Number of Employees, and Average Annual Gross Revenues listed in the CCR Registration for "Company Name " along with the Small Business Administration size standard for each NAICS code.

(6) [Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents, as part of its offer, that-

(i) It **is, is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material change in ownership and control, principal office, or HUBZone employee percentage has occurred since it was certified by the Small Business Administration in accordance with 13 CFR part 126; and 

(ii) It **is, is not a joint venture that complies with the requirements of 13 CFR part 126, and the representation in paragraph (b)(6)(i) of this provision is accurate for the HUBZone small business concern or concerns that are participating in the joint venture. [The offeror shall enter the name or names of the HUBZone small business concern or concerns that are participating in the joint venture: ] Each HUBZone small business concern participating in the joint venture shall submit a separate signed copy of the HUBZone representation.

(c) Definitions. As used in this provision-

"Service-disabled veteran-owned small business concern"-

(1) Means a small business concern-

(i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and 

(ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

(2) Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

"Small business concern" means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR part 121 and the size standard in paragraph (a) of this provision.

"Veteran-owned small business concern" means a small business concern-

(1) Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and 

(2) The management and daily business operations of which are controlled by one or more veterans.

"Women-owned small business concern" means a small business concern-

(1) That is at least 51 percent owned by one or more women; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and 

(2) Whose management and daily business operations are controlled by one or more women.

(d) Notice.

(1) If this solicitation is for supplies and has been set aside, in whole or in part, for small business concerns, then the clause in this solicitation providing notice of the set-aside contains restrictions on the source of the end items to be furnished.

(2) Under 15 U.S.C. 645(d), any person who misrepresents a firm's status as a small, HUBZone small, small disadvantaged, or women-owned small business concern in order to obtain a contract to be awarded under the preference programs established pursuant to section 8(a), 8(d), 9, or 15 of the Small Business Act or any other provision of Federal law that specifically references section 8(d) for a definition of program eligibility, shall-

(i) Be punished by imposition of fine, imprisonment, or both; 

(ii) Be subject to administrative remedies, including suspension and debarment; and 

(iii) Be ineligible for participation in programs conducted under the authority of the Act.

Alternate I (Apr 2002)

As prescribed in 19.308(a)(2), add the following paragraph (b)(7) to the basic provision:

(7) [Complete if offeror represented itself as disadvantaged in paragraph (b)(2) of this provision.] The offeror shall check the category in which its ownership falls:

☐ Black American.
☐ Hispanic American.
☐ Native American (American Indians, Eskimos, Aleuts, or Native Hawaiians).
☐ Asian-Pacific American (persons with origins from Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Japan, China, Taiwan, Laos, Cambodia (Kampuchea), Vietnam, Korea, The Philippines, U.S. Trust Territory of the Pacific Islands (Republic of Palau), Republic of the Marshall Islands, Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, Guam, Samoa, Macao, Hong Kong, Fiji, Tonga, Kiribati, Tuvalu, or Nauru).
☐ Subcontinent Asian (Asian-Indian) American (persons with origins from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands, or Nepal).
☐ Individual/concern, other than one of the preceding.

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52.219-2 Equal Low Bids (Oct 1995)

(a) This provision applies to small business concerns only
(b) The bidder's status as a labor surplus area (LSA) concern may affect entitlement to award in case of tie bids. If the bidder wishes to be considered for this priority, the bidder must identify, in the following space, the LSA in which the costs to be incurred on account of manufacturing or production (by the bidder or the first-tier subcontractors) amount to more than 50 percent of the contract price.

<table>
<thead>
<tr>
<th>State</th>
<th>Eligible Labor Surplus:</th>
<th>Civil Jurisdictions Included:</th>
</tr>
</thead>
</table>

(c) Failure to identify the labor surplus areas as specified in paragraph (b) of this provision will preclude the bidder from receiving priority consideration. If the bidder is awarded a contract as a result of receiving priority consideration under this provision and would not have otherwise received award, the bidder shall perform the contract or cause the contract to be performed in accordance with the obligations of an LSA concern.

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52.219-19 Small Business Concern Representation for the Small Business Competitiveness Demonstration Program (Oct 2000)

(a) Definition. "Emerging small business" as used in this solicitation, means a small business concern whose size is no greater than 50 percent of the numerical size standard applicable to the North American Industry Classification System (NAICS) code assigned to a contracting opportunity.
(b) [Complete only if the Offeror has represented itself under the provision at 52.219-1 as a small business concern under the size standards of this solicitation.] The Offeror ☐ is ☑ is not an emerging small business. (See below)

<table>
<thead>
<tr>
<th>NAICS:</th>
<th>Description:</th>
<th>Emerging Small Business Concern (Yes/No):</th>
</tr>
</thead>
<tbody>
<tr>
<td>924110</td>
<td>ADMINISTRATION OF AIR AND WATER RESOURCE AND SOLID WASTE MANAGEMENT PROGRAMS</td>
<td>No</td>
</tr>
</tbody>
</table>

(c) [Complete only if the Offeror is a small business or an emerging small business, indicating its size range.] Offeror's number of employees for the past 12 months [check this column if size standard stated in solicitation is expressed in terms of number of employees] or Offeror's average annual gross revenue for the last 3 fiscal years [check this column if size standard stated in solicitation is expressed in terms of annual receipts]. [Check one of the following.]

Number of Employees Average Annual Gross Revenues
☐ __ 50 or fewer ☐ __ $1 million or less
☐ __ 51-100 ☐ __ $1,000,001-$2 million
☐ __ 101-250 ☐ __ $2,000,001-$3.5 million
☐ __ 251-500 ☐ __ $3,500,001-$5 million
☐ __ 501-750 ☐ __ $5,000,001-$10 million
☐ __ 751-1,000 ☐ __ $10,000,001-$17 million
☐ __ Over 1,000 ☐ __ Over $17 million

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52.219-21 Small Business Size Representation for Targeted Industry Categories under the Small Business Competitiveness Demonstration Program (May 1999)

[Complete only if the Offeror has represented itself under the provision at 52.219-1 as a small business concern under the size standards of this solicitation.] Offeror's number of employees for the past 12 months [check this column if size standard stated in solicitation is expressed in terms of number of employees] or Offeror's average annual gross revenue for the last 3 fiscal years [check this column if size standard stated in solicitation is expressed in terms of annual receipts]. [Check one of the following.]

Number of Employees Average Annual Gross Revenues
☐ __ 50 or fewer ☐ __ $1 million or less
☐ __ 51-100 ☐ __ $1,000,001-$2 million
☐ __ 101-250 ☐ __ $2,000,001-$3.5 million
☐ __ 251-500 ☐ __ $3,500,001-$5 million
☐ __ 501-750 ☐ __ $5,000,001-$10 million
☐ __ 751-1,000 ☐ __ $10,000,001-$17 million
☐ __ Over 1,000 ☐ __ Over $17 million
52.219-22 Small Disadvantaged Business Status (Oct 1999)
(a) General. This provision is used to assess an offeror's small disadvantaged business status for the purpose of obtaining a benefit on this solicitation. Status as a small business and status as a small disadvantaged business for general statistical purposes is covered by the provision at FAR 52.219-1, Small Business Program Representation.

(b) Representations.
   (1) General. The offeror represents, as part of its offer, that it is a small business under the size standard applicable to this acquisition; and either-
      (i) It has received certification by the Small Business Administration as a small disadvantaged business concern consistent with 13 CFR 124, Subpart B; and
      (A) No material change in disadvantaged ownership and control has occurred since its certification; and
      (B) Where the concern is owned by one or more disadvantaged individuals, the net worth of each individual upon whom the certification is based does not exceed $750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and
      (C) It is identified, on the date of its representation, as a certified small disadvantaged business concern in the database maintained by the Small Business Administration (PRO-Net); or
      (ii) It has submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted.
   (2) For Joint Ventures. The offeror represents, as part of its offer, that it is a joint venture that complies with the requirements at 13 CFR 124.1002(f) and that the representation in paragraph (b)(1) of this provision is accurate for the small disadvantaged business concern that is participating in the joint venture. [The offeror shall enter the name of the small disadvantaged business concern that is participating in the joint venture: ]
   (c) Penalties and Remedies. Anyone who misrepresents any aspects of the disadvantaged status of a concern for the purposes of securing a contract or subcontract shall-
      (1) Be punished by imposition of a fine, imprisonment, or both;
      (2) Be subject to administrative remedies, including suspension and debarment; and
      (3) Be ineligible for participation in programs conducted under the authority of the Small Business Act.

Alternate I (Oct 1998)
As prescribed in 19.307(b) 19.308(b), add the following paragraph (b)(3) to the basic provision:
   (3) Address. The offeror represents that its address is not in a region for which a small disadvantaged business procurement mechanism is authorized and its address has not changed since its certification as a small disadvantaged business concern or submission of its application for certification. The list of authorized small disadvantaged business procurement mechanisms and regions is posted at http://www.armedgov/References/sdbadjustments.htm. The offeror shall use the list in effect on the date of this solicitation. "Address," as used in this provision, means the address of the offeror as listed on the Small Business Administration's register of small disadvantaged business concerns or the address on the completed application that the concern has submitted to the Small Business Administration or a Private Certifier in accordance with 13 CFR part 124, subpart B. For joint ventures, "address" refers to the address of the small disadvantaged business concern that is participating in the joint venture.

52.222-18 Certification Regarding Knowledge of Child Labor for Listed End Products (Feb 2001)
(a) Definition:
   "Forced or indentured child labor" means all work or service-
   (1) Exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or
   (2) Performed by any person under the age of 18 pursuant to a contract the enforcement of which can be accomplished by process or penalties.
(b) Listed end products. The following end product(s) being acquired under this solicitation is (are) included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, identified by their country of origin. There is a reasonable basis to believe that listed end products from the listed countries of origin may have been mined, produced, or manufactured by forced or indentured child labor.

<table>
<thead>
<tr>
<th>Listed End Products</th>
<th>Listed Country of Origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bamboo</td>
<td>Burma</td>
</tr>
<tr>
<td>Beans (including yellow, soya, and green beans)</td>
<td>Burma</td>
</tr>
<tr>
<td>Bricks (hand-made)</td>
<td>Burma, Pakistan</td>
</tr>
<tr>
<td>Chilies</td>
<td>Burma</td>
</tr>
<tr>
<td>Corn</td>
<td>Burma</td>
</tr>
<tr>
<td>Pineapples</td>
<td>Burma</td>
</tr>
<tr>
<td>Rice</td>
<td>Burma</td>
</tr>
<tr>
<td>Rubber</td>
<td>Burma</td>
</tr>
</tbody>
</table>
(c) Certification. The Government will not make award to an offeror unless the offeror, by checking the appropriate block, certifies to either paragraph (c)(1) or paragraph (c)(2) of this provision

☐ (1) The offeror will not supply any end product listed in paragraph (b) of this provision that was mined, produced, or manufactured in a corresponding country as listed for that end product.

☐ (2) The offeror may supply an end product listed in paragraph (b) of this provision that was mined, produced, or manufactured in a corresponding country as listed for that end product. On the basis of those efforts, the offeror certifies that it has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce, or manufacture such end product. On the basis of those efforts, the offeror certifies that it is not aware of any such use of child labor.

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52.222-22 Previous Contracts and Compliance Reports (Feb 1999)

The offeror represents that-

(a) It ☐ has It ☐ has not participated in a previous contract or subcontract subject the Equal Opportunity clause of this solicitation;

(b) It ☐ has It ☐ has not filed all required compliance reports; and

(c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

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52.222-25 Affirmative Action Compliance (Apr 1984)

The offeror represents that-

(a) It ☐ has developed and has on file, ☐ has not developed and does not have on file, at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2); or

(b) It ☐ has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

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52.222-48 Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment Certification (Feb 2009)

(a) The offeror shall check the following certification:

Certification

☐ (1) The items of equipment to be serviced under this contract are used regularly for other than Government purposes, and are sold or traded by the offeror (or subcontractor in the case of an exempt subcontractor) in substantial quantities to the general public in the course of normal business operations;

☐ (2) The services will be furnished at prices which are, or are based on, established catalog or market prices for the maintenance, calibration, or repair of equipment.

   (i) An “established catalog price” is a price included in a catalog, price list, schedule, or other form that is regularly maintained by the manufacturer or the offeror, is either published or otherwise available for inspection by customers, and states prices at which sales currently, or were last, made to a significant number of buyers constituting the general public.

   (ii) An “established market price” is a current price, established in the usual course of trade between buyers and sellers free to bargain, which can be substantiated from sources independent of the manufacturer or offeror; and

☐ (3) The compensation (wage and fringe benefits) plan for all service employees performing work under the contract are the same as that used for these employees and equivalent employees servicing the same equipment of commercial customers.

(b) Certification by the offeror as to its compliance with respect to the contract also constitutes its certification as to compliance by its subcontractor if it subcontracts out the exempt services. If the offeror certifies to the conditions in paragraph (a) of this provision, and the Contracting Officer determines in accordance with FAR 22.1003-4(c)(3) that the Service Contract Act—

☐ (1) Will not apply to this offeror, then the Service Contract Act of 1965 clause in this solicitation will not be included in any resultant contract to this offeror; or

☐ (2) Will apply to this offeror, then the clause at 52.222-51, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment—Requirements, in this solicitation will not be included in any resultant contract awarded to this offeror, and the offeror may be provided an opportunity to submit a new offer on that basis.

(c) If the offeror does not certify to the conditions in paragraph (a) of this provision—

☐ (1) The clause in this solicitation at 52.222-51, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment— Requirements, will not be included in any resultant contract awarded to this offeror; and

☐ (2) The offeror shall notify the Contracting Officer as soon as possible, if the Contracting Officer did not attach a Service Contract Act wage determination to the solicitation.
(d) The Contracting Officer may not make an award to the offeror, if the offeror fails to execute the certification in paragraph (a) of this provision or to contact the Contracting Officer as required in paragraph (c) of this provision.

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52.222-52 Exemption from Application of the Service Contract Act to Contracts for Certain Services—Certification. (Nov 2007)

(a) The offeror shall check the following certification:

Certification

The offeror does not certify that -

1. The services under the contract are offered and sold regularly to non-Governmental customers, and are provided by the offeror (or subcontractor in the case of an exempt subcontract) to the general public in substantial quantities in the course of normal business operations;

2. The contract services are furnished at prices that are, or are based on, established catalog or market prices. An "established catalog price" is a price included in a catalog, price list, schedule, or other form that is regularly maintained by the manufacturer or the offeror, or is either published or otherwise available for inspection by customers, and states prices at which sales currently, or were last, made to a significant number of buyers constituting the general public. An "established market price" is a current price, established in the usual course of ordinary and usual trade between buyers and sellers free to bargain, which can be substantiated from sources independent of the manufacturer or offeror;

3. Each service employee who will perform the services under the contract will spend only a small portion of his or her time (a monthly average of less than 20 percent of the available hours on an annualized basis, or less than 20 percent of available hours during the contract period if the contract period is less than a month) servicing the Government contract; and

4. The offeror uses the same compensation (wage and fringe benefits) plan for all service employees performing work under the contract as the offeror uses for these employees and for equivalent employees servicing commercial customers.

(b) Certification by the offeror as to its compliance with respect to the contract also constitutes its certification as to compliance by its subcontractor if it subcontracts out the exempt services. If the offeror certifies to the conditions in paragraph (a) of this provision, and the Contracting Officer determines in accordance with FAR 22.1003-4(d)(3) that the Service Contract Act—

1. Will not apply to this offeror, then the Service Contract Act of 1965 clause in this solicitation will not be included in any resultant contract to this offeror; or

2. Will apply to this offeror, then the clause at FAR 52.222-53, Exemption from Application of the Service Contract Act to Contracts for Certain Services—Requirements, in this solicitation will not be included in any resultant contract awarded to this offer, and the offeror may be provided an opportunity to submit a new offer on that basis.

(c) If the offeror does not certify to the conditions in paragraph (a) of this provision—

1. The clause of this solicitation at 52.222-53, Exemption from Application of the Service Contract Act to Contracts for Certain Services—Requirements, will not be included in any resultant contract to this offeror; and

2. The offeror shall notify the Contracting Officer as soon as possible if the Contracting Officer did not attach a Service Contract Act wage determination to the solicitation.

(d) The Contracting Officer may not make an award to the offeror, if the offeror fails to execute the certification in paragraph (a) of this provision or to contact the Contracting Officer as required in paragraph (c) of this provision.

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52.223-4 Recovered Material Certification (May 2008)

As required by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6962(c)(3)(A)(i)), the offeror certifies, by signing this offer, that the percentage of recovered materials content for EPA-designated items to be delivered or used in the performance of the contract will be at least the amount required by the applicable contract specifications or other contractual requirements.

[<name of certifier>] HARDIN COUNTY WATER DISTRICT #1 certifies compliance with 52.223-4

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52.223-9 Estimate of Percentage of Recovered Material Content for EPA-Designated Items

Alternate I (May 2008)

As prescribed in 23.406(d), redesignate paragraph (b) of the basic clause as paragraph (c) and add the following paragraph (b) to the basic clause:

(b) The Contractor shall execute the following certification required by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6962(i)(2)(C)):

Certification

-- Not Applicable --

[<name of certifier>] , as an officer or employee responsible for the performance of this contract and hereby certify that the percentage of recovered material content for EPA-designated items met the applicable contract specifications or other contractual requirements.

Submission of this ORCA record serves as the signature for this Certification

(a) Executive Order 13148, of April 21, 2000, Greening the Government through Leadership in Environmental Management, requires submission of this certification as a prerequisite for contract award.

(b) By signing this offer, the offeror certifies that-

1. As the owner or operator of facilities that will be used in the performance of this contract that are subject to the filing and reporting requirements described in section 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11023) and section 6007 of the Pollution Prevention Act of 1990 (PPA) (42 U.S.C. 13106), the offeror will file and continue to file for such facilities for the life of the contract the Toxic Chemical Release Inventory Form (Form R) as described in sections 313(a) and (g) of EPCRA and section 6007 of PPA;

2. None of its owned or operated facilities to be used in the performance of this contract is subject to the following reasons: [Check each block that is applicable.]

   (i) The facility does not manufacture, process, or otherwise use any toxic chemicals listed in 40 CFR 372.65;

   (ii) The facility does not have 10 or more full-time employees as specified in section 313(b)(1)(A) of EPCRA, 42 U.S.C. 11023(b)(1)(A);

   (iii) The facility does not meet the reporting thresholds of toxic chemicals established under section 313(f) of EPCRA, 42 U.S.C. 11023(f) (including the alternate thresholds at 40 CFR 372.27, provided an appropriate certification form has been filed with EPA);

   (iv) The facility does not fall within the following Standard Industrial Classification (SIC) codes or their corresponding North American Industry Classification System sectors:

      (A) Major group code 10 (except 1011, 1081, and 1094).

      (B) Major group code 12 (except 1241).

      (C) Major group codes 20 through 39.

      (D) Industry code 4911, 4931, or 4939 (limited to facilities that combust coal and/or oil for the purpose of generating power for distribution in commerce).

      (E) Industry code 4953 (limited to facilities regulated under the Resource Conservation and Recovery Act, Subtitle C (42 U.S.C. 6921, et seq.), or 5169, or 5171, or 7389 (limited to facilities primarily engaged in solvent recovery services on a contract or fee basis); or

   (v) The facility is not located in the United States or its outlying areas.

52.225-2 Buy American Act Certificate (Feb 2009)

(a) The offeror certifies that each end product, except those listed in paragraph (b) of this provision, is a domestic end product and that for other than COTS items, the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The terms "Bahrainian, Moroccan, Omani, or Peruvian end product," "commercially available off-the-shelf (COTS) item," "component," "domestic end product," "end product," "foreign end product," and "United States" are defined in the clause of this solicitation entitled "Buy American Act–Supplies."

(b) Foreign End Products:

<table>
<thead>
<tr>
<th>Description:</th>
<th>Country of Origin:</th>
</tr>
</thead>
</table>

(c) The Government will evaluate offers in accordance with the policies and procedures of Part 25 of the Federal Acquisition Regulation.

52.225-4 Buy American Act–Free Trade Agreements–Israeli Trade Act Certificate (Jun 2009)

(a) The offeror certifies that each end product, except those listed in paragraph (b) or (c) of this provision, is a domestic end product and that for other than COTS items, the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The terms "Bahrainian, Moroccan, Omani, or Peruvian end product," "commercially available off-the-shelf (COTS) item," "component," "domestic end product," "end product," "foreign end product," "Free Trade Agreement country end product," and ""United States" are defined in the clause of this solicitation entitled "Buy American Act–Free Trade Agreements–Israeli Trade Act."

(b) The offeror certifies that the following supplies are Free Trade Agreement country end products (other than Bahrainian, Moroccan, Omani, or Peruvian end products) or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act–Free Trade Agreements–Israeli Trade Act": Free Trade Agreement Country End Products (Other than Bahrainian, Moroccan, Omani, or Peruvian End Products) or Israeli End Products:

<table>
<thead>
<tr>
<th>Description:</th>
<th>Country of Origin:</th>
</tr>
</thead>
</table>
c) The offeror shall list those supplies that are foreign end products (other than those listed in paragraph (b) of this provision) as defined in the clause of this solicitation entitled "Buy American Act–Free Trade Agreements–Israeli Trade Act." The offeror shall list as foreign other end products those end products manufactured in the United States that do not qualify as domestic end products, i.e., an end product that is not a COTS item and does not meet the component test in paragraph (2) of the definition of "domestic end product."

Other Foreign End Products:

<table>
<thead>
<tr>
<th>Description</th>
<th>Country of Origin</th>
</tr>
</thead>
</table>

(d) The Government will evaluate offers in accordance with the policies and procedures of Part 25 of the Federal Acquisition Regulation.

Alternate I (Jan 2004)
As prescribed in 25.1101(b)(2)(ii), substitute the following paragraph (b) for paragraph (b) of the basic provision:

(b) The offeror certifies that the following supplies are Canadian end products as defined in the clause of this solicitation entitled "Buy American Act–Free Trade Agreements–Israeli Trade Act":

Canadian End Products:

<table>
<thead>
<tr>
<th>Description</th>
<th>Country of Origin</th>
</tr>
</thead>
</table>

Alternate II (Jan 2004)
As prescribed in 25.1101(b)(2)(iii), substitute the following paragraph (b) for paragraph (b) of the basic provision:

(b) The offeror certifies that the following supplies are Canadian end products or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act–Free Trade Agreements–Israeli Trade Act":

Canadian or Israeli End Products:

<table>
<thead>
<tr>
<th>Description</th>
<th>Country of Origin</th>
</tr>
</thead>
</table>

(End of Provision)

52.225-6 Trade Agreements Certificate (Jan 2005)

(a) The offeror certifies that each end product, except those listed in paragraph (b) of this provision, is a U.S.-made, or designated country, end product, as defined in the clause of this solicitation entitled "Trade Agreements."

(b) The offeror shall list as other end products those supplies that are not U.S.-made, or designated country, end products.

<table>
<thead>
<tr>
<th>Description</th>
<th>Country of Origin</th>
</tr>
</thead>
</table>

(c) The Government will evaluate offers in accordance with the policies and procedures of Part 25 of the Federal Acquisition Regulation. For line items covered by the WTO GPA, the Government will evaluate offers of U.S.-made, or designated country, end products without regard to the restrictions of the Buy American Act. The Government will consider for award only offers of U.S.-made, or designated country, end products unless the Contracting Officer determines that there are no offers for those products or that the offers for those products are insufficient to fulfill the requirements of this solicitation.

(End of Provision)

52.225-18 Place of Manufacture. (Sept 2006)

(a) Definitions. As used in this clause-

"Manufactured end product“ means any end product in Federal Supply Classes (FSC) 1000-9999, except—

1. FSC 5510, Lumber and Related Basic Wood Materials;
2. Federal Supply Group (FSG) 87, Agricultural Supplies;
3. FSG 88, Live Animals;
4. FSG 89, Food and Related Consumables;
5. FSC 9410, Crude Grades of Plant Materials;
6. FSC 9430, Miscellaneous Crude Animal Products, Inedible;
7. FSC 9440, Miscellaneous Crude Agricultural and Forestry Products;
8. FSC 9610, Ores;
9. FSC 9620, Minerals, Natural and Synthetic; and
10. FSC 9630, Additive Metal Materials.

"Place of manufacture“ means the place where an end product is assembled out of components, or otherwise made or processed from raw materials into the finished product that is to be provided to the Government. If a product is disassembled and reassembled, the place of reassembly is not the place of manufacture.

(b) For statistical purposes only, the offeror shall indicate whether the place of manufacture of the end products it expects to provide in response to this solicitation is predominantly—

1. In the United States (Check this box if the total anticipated price of offered end products manufactured in the United States exceeds the total anticipated price of offered end products manufactured outside the United States); or
2. Outside the United States.

FSC Code: Place of Manufacture:

(End of Clause)

52.226-2 Historically Black College or University and Minority Institution Representation (Oct 2008)

(a) Definitions. As used in this provision—

"Historically black college or university“ means an institution determined by the Secretary of Education to meet the requirements of 34 CFR 608.2. For the Department of Defense, the National Aeronautics and Space Administration, and the Coast Guard, the term also includes any nonprofit research institution that was an
integral part of such a college or university before November 14, 1986. "Minority institution" means an institution of higher education meeting the requirements of Section 365(3) of the Higher Education Act of 1965 (20 U.S.C. 1067k), including a Hispanic-serving institution of higher education, as defined in Section 502(a) of the Act (20 U.S.C. 1101a).

(b) Representation. The offeror represents that it-
- is not a historically black college or university;
- is not a minority institution.

(End of Provision) Back to Top

52.227-15 Representation of Limited Rights Data and Restricted Computer Software (Dec 2007)

(a) This solicitation sets forth the Government's known delivery requirements for data (as defined in the clause at 52.227-14, Rights in Data—General). Any resulting contract may also provide the Government the option to order additional data under the Additional Data Requirements clause at 52.227-16, if included in the contract. Any data delivered under the resulting contract will be subject to the Rights in Data—General clause at 52.227-14 included in this contract. Under the latter clause, a Contractor may withhold from delivery data that qualify as limited rights data or restricted computer software, and deliver form, fit, and function data instead. The latter clause also may be used with its Alternates II and or III to obtain delivery of limited rights data or restricted computer software, marked with limited rights or restricted rights notices, as appropriate. In addition, use of Alternate V with this latter clause provides the Government the right to inspect such data at the Contractor's facility.

(b) By completing the remainder of this paragraph, the offeror represents that it has reviewed the requirements for the delivery of technical data or computer software and states [offeror check appropriate block]—

(1) None of the data proposed for fulfilling such requirements qualifies as limited rights data or restricted computer software; or
(2) Data proposed for fulfilling such requirements qualify as limited rights data or restricted computer software and are identified as follows:

(c) Any identification of limited rights data or restricted computer software in the offeror's response is not determinative of the status of the data should a contract be awarded to the offeror.

(End of Provision) Back to Top

Defense Federal Acquisition Regulations Supplement (DFARS)

READ ONLY

Vendor will provide information with specific offers to the Government.
I certify that I have read and understand the provision.


As prescribed in 209.104-70(a), use the following provision:

DISCLOSURE OF OWNERSHIP OR CONTROL BY THE GOVERNMENT OF A TERRORIST COUNTRY

(JAN 2009)

(a) Definitions. As used in this provision—

(1) "Government of a terrorist country" includes the state and the government of a terrorist country, as well as any political subdivision, agency, or instrumentality thereof.
(2) "Terrorist country" means a country determined by the Secretary of State, under section 6(j)(1)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)(1)(A)), to be a country the government of which has repeatedly provided support for acts of international terrorism. As of the date of this provision, terrorist countries subject to this provision include: Cuba, Iran, Sudan, and Syria.
(3) "Significant interest" means—

(i) Ownership of or beneficial interest in 5 percent or more of the firm's or subsidiary's securities. Beneficial interest includes holding 5 percent or more of any class of the firm's securities in "nominee shares," "street names," or some other method of holding securities that does not disclose the beneficial owner; 
(ii) Holding a management position in the firm, such as a director or officer;
(iii) Ability to control or influence the election, appointment, or tenure of directors or officers in the firm;
(iv) Ownership of 10 percent or more of the assets of a firm such as equipment, buildings, real estate, or other tangible assets of the firm; or
(v) Holding 50 percent or more of the indebtedness of a firm.
(b) Prohibition on award. In accordance with 10 U.S.C. 2327, no contract may be awarded to a firm or a subsidiary of a firm if the government of a terrorist country has a significant interest in the firm or subsidiary or, in the case of a subsidiary, the firm that owns the subsidiary, unless a waiver is granted by the Secretary of Defense.
(c) Disclosure. If the government of a terrorist country has a significant interest in the Offeror or a subsidiary of the Offeror, the Offeror shall disclose such interest in an attachment to its offer. If the Offeror is a subsidiary, it shall also disclose any significant interest the government of a terrorist country has in any firm that owns or controls the subsidiary. The disclosure shall include—

(1) Identification of each government holding a significant interest; and
(2) A description of the significant interest held by each government.
252.209-7005 Reserve Officer Training Corps and Military Recruiting on Campus.
As prescribed in 209.470-4, use the following clause:

RESERVE OFFICER TRAINING CORPS AND MILITARY RECRUITING ON CAMPUS (JAN 2000)

(a) Definitions. "Institution of higher education," as used in this clause, means an institution that meets the requirements of 20 U.S.C. 1001 and includes all subelements of such an institution.

(b) Limitation on contract award. Except as provided in paragraph (c) of this clause, an institution of higher education is ineligible for contract award if the Secretary of Defense determines that the institution has a policy or practice (regardless of when implemented) that prohibits or in effect prevents—

(1) The Secretary of a military department from maintaining, establishing, or operating a unit of the Senior Reserve Officer Training Corps (ROTC) (in accordance with 10 U.S.C. 654 and other applicable Federal laws) at that institution;

(2) A student at that institution from enrolling in a unit of the Senior ROTC at another institution of higher education;

(3) The Secretary of a military department or the Secretary of Transportation from gaining entry to campuses, or access to students (who are 17 years of age or older) on campuses, for purposes of military recruiting; or

(4) Military recruiters from accessing, for purposes of military recruiting, the following information pertaining to students (who are 17 years of age or older) enrolled at that institution:

(i) Name.

(ii) Address.

(iii) Telephone number.

(iv) Date and place of birth.

(v) Educational level.

(vi) Academic major.

(vii) Degrees received.

(viii) Most recent educational institution enrollment.

(c) Exception. The limitation in paragraph (b) of this clause does not apply to an institution of higher education if the Secretary of Defense determines that—

(1) The institution has ceased the policy or practice described in paragraph (b) of this clause; or

(2) The institution has a long-standing policy of pacifism based on historical religious affiliation.

(d) Agreement. The Contractor represents that it does not now have, and agrees that during performance of this contract it will not adopt, any policy or practice described in paragraph (b) of this clause, unless the Secretary of Defense has granted an exception in accordance with paragraph (c)(2) of this clause.

(e) Notwithstanding any other clause of this contract, if the Secretary of Defense determines that the Contractor misrepresented its policies and practices at the time of contract award or has violated the agreement in paragraph (d) of this clause—

(1) The Contractor will be ineligible for further payments under this and any other contracts with the Department of Defense; and

(2) The Government will terminate this contract for default for the Contractor's material failure to comply with the terms and conditions of award.

(End of Clause)
(2) Purchases; and
(3) Intracompany transfers when transfers originate in a foreign location.
(d) The offeror shall submit the report using—
   (1) DD Form 2139, Report of Contract Performance Outside the United States; or
   (2) A computer-generated report that contains all information required by DD Form 2139.
(e) The offeror may obtain a copy of DD Form 2139 from the Contracting Officer or via the Internet at http://www.dtic.mil/whs/directives/infomgt/forms/formsprogram.htm.

(End of Provision) Back to Top

READ ONLY

I certify that I have read and understand the provision.

252.225-7031 Secondary Arab Boycott of Israel.

As prescribed in 225.7605, use the following provision:
SECONDARY ARAB BOYCOTT OF ISRAEL (JUN 2005)

(a) Definitions. As used in this provision—
   (1) "Foreign person" means any person (including any individual, partnership, corporation, or other form of association) other than a United States person.
   (2) "United States" means the 50 States, the District of Columbia, outlying areas, and the outer Continental Shelf as defined in 43 U.S.C. 1331.
   (3) "United States person" is defined in 50 U.S.C. App. 2415(2) and means—
      (i) Any United States resident or national (other than an individual resident outside the United States who is employed by other than a United States person);
      (ii) Any domestic concern (including any permanent domestic establishment of any foreign concern); and
      (iii) Any foreign subsidiary or affiliate (including any permanent foreign establishment) of any domestic concern that is controlled in fact by such domestic concern.

(b) Certification. If the offeror is a foreign person, the offeror certifies, by submission of an offer, that it—
   (1) Does not comply with the Secondary Arab Boycott of Israel; and
   (2) Is not taking or knowingly agreeing to take any action, with respect to the Secondary Boycott of Israel by Arab countries, which 50 U.S.C. App. 2407(a) prohibits a United States person from taking.

(End of Provision) Back to Top

READ ONLY

I certify that I have read and understand the provision.

252.225-7042 Authorization to Perform.

As prescribed in 225.1103(3), use the following provision:
AUTHORIZATION TO PERFORM (APR 2003)
The offeror represents that it has been duly authorized to operate and to do business in the country or countries in which the contract is to be performed.

(End of Provision) Back to Top

READ ONLY

I certify that I have read and understand the clause.

252.229-7003 Tax Exemptions (Italy).

As prescribed in 229.402-70(c), use the following clause:
TAX EXEMPTIONS (ITALY) (JAN 2002)

(a) The Contractor represents that the contract price, including the prices in subcontracts awarded under this contract, does not include taxes from which the United States Government is exempt.
(b) The United States Government is exempt from payment of Imposta Valore Aggiunto (IVA) tax in accordance with Article 72 of the IVA implementing decree on all supplies and services sold to United States Military Commands in Italy.
   (1) The Contractor shall include the following information on invoices submitted to the United States Government:
      (i) The contract number.
      (ii) The IVA tax exemption claimed pursuant to Article 72 of Decree Law 633, dated October 26, 1972.
      (iii) The following fiscal code(s): [Contracting Officer must insert the applicable fiscal code(s) for military activities within Italy: 80028250241 for Army, 80156020630 for Navy, or 91000190933 for Air Force].
(2) (i) Upon receipt of the invoice, the paying office will include the following certification on one copy of the invoice:

"I certify that this invoice is true and correct and reflects expenditures made in Italy for the Common Defense by the United States Government pursuant to international agreements. The amount to be paid does not include the IVA tax, because this transaction is not subject to the tax in accordance with Article 72 of Decree Law 633, dated October 26, 1972."

An authorized United States Government official will sign the copy of the invoice containing this certification.

(ii) The paying office will return the certified copy together with payment to the Contractor. The payment will not include the amount of the IVA tax.

(iii) The Contractor shall retain the certified copy to substantiate non-payment of the IVA tax.

(3) The Contractor may address questions regarding the IVA tax to the Ministry of Finance, IVA Office, Rome (06) 520741.

(c) In addition to the IVA tax, purchases by the United States Forces in Italy are exempt from the following taxes:

- Imposta di Fabbricazione (Production Tax for Petroleum Products).
- Imposta di Consumo (Consumption Tax for Electrical Power).
- Dazi Doganali (Customs Duties).
- Tassa di Sbarco e d'Imbarco sulle Merci Transportate per Via Aerea e per Via Marittima (Port Fees).
- Tassa de Circolazione sui Veicoli (Vehicle Circulation Tax).
- Imposta di Registro (Registration Tax).
- Imposta di Bollo (Stamp Tax).

(End of Clause)  Back to Top

READ ONLY

Vendor will provide information with specific offers to the Government.
I certify that I have read and understand the clause.

252.229-7005 Tax Exemptions (Spain).
As prescribed in 229.402-70(e), use the following clause:

TAX EXEMPTIONS (SPAIN) (JUN 1997)

(a) The Contractor represents that the contract prices, including subcontract prices, do not include the taxes identified herein, or any other taxes from which the United States Government is exempt.

(b) In accordance with tax relief agreements between the United States Government and the Spanish Government, and because the incumbent contract arises from the activities of the United States Forces in Spain, the contract will be exempt from the following excise, luxury, and transaction taxes:

- Derechos de Aduana (Customs Duties).
- Impuesto de Compensacion a la Importacion (Compensation Tax on Imports).
- Transmisiones Patrimoniales (Property Transfer Tax).
- Impuesto Sobre el Lujo (Luxury Tax).
- Actos Juridicos Documentados (Legal Official Transactions).
- Impuesto Sobre el Tráfico de Empresas (Business Trade Tax).
- Impuestos Especiales de Fabricacion (Special Products Tax).
- Impuesto Sobre el Petroleo y Derivados (Tax on Petroleum and its By-Products).
- Impuesto Sobre el Uso de Telefonía (Telephone Tax).
- Impuesto General Sobre la Renta de Sociedades y demas Entidades Juridicas (General Corporation Income Tax).
- Impuesto Industrial (Industrial Tax).
- Impuesto de Rentas Sobre el Capital (Capital Gains Tax).
- Plus Valia (Increase on Real Property).
- Contribucion Territorial Urbana (Metropolitan Real Estate Tax).
- Contribucion Territorial Rustica y Pecuaria (Farmland Real Estate Tax).
- Impuestos de la Diputacion (County Service Charges).
- Impuestos Municipal y Tasas Parafolios (Municipal Tax and Charges).

(End of Clause)  Back to Top

READ ONLY

Vendor will provide information with specific offers to the Government.
I certify that I have read and understand the clause.

252.239-7011 Special Construction and Equipment Charges.
As prescribed in 239.7411(b), use the following clause:

SPECIAL CONSTRUCTION AND EQUIPMENT CHARGES (DEC 1991)

(a) The Government will not directly reimburse the Contractor for the cost of constructing any facilities or providing any equipment, unless the Contracting Officer authorizes direct reimbursement.
If the Contractor stops using facilities or equipment which the Government has, in whole or part, directly reimbursed, the Contractor shall allow the Government credit for the value of the facilities or equipment attributable to the Government's contribution. Determine the value of the facilities and equipment on the basis of their foreseeable reuse by the Contractor at the time their use is discontinued or on the basis of the net salvage value, whichever is greater. The Contractor shall promptly pay the Government the amount of any credit.

(c) The amount of the direct special construction charge shall not exceed—
   (1) The actual costs to the Contractor; and
   (2) An amount properly allocable to the services to be provided to the Government.

(d) The amount of the direct special construction charge shall not include costs incurred by the Contractor which are covered by—
   (1) A cancellation or termination liability; or
   (2) The Contractor's recurring or other nonrecurring charges.

(e) The Contractor represents that—
   (1) Recurring charges for the services, facilities, and equipment do not include in the rate base any costs that have been reimbursed by the Government to the Contractor; and
   (2) Depreciation charges are based only on the cost of facilities and equipment paid by the Contractor and not reimbursed by the Government.

If it becomes necessary for the Contractor to incur costs to replace any facilities or equipment, the Government shall assume those costs or reimburse the Contractor for replacement costs at mutually acceptable rates under the following circumstances—
   (1) The Government paid direct special construction charges; or
   (2) The Government reimbursed the Contractor for those facilities or equipment as a part of the recurring charges; and
   (3) The need for replacement was due to circumstances beyond the control and without the fault of the Contractor.

(g) Before incurring any costs under paragraph (f) of this clause, the Government shall have the right to terminate the service under the Cancellation or Termination of Orders clause of this contract.

(End of Clause) Back to Top
(3) Are commissary or exchange cargoes transported outside of the Defense Transportation System in accordance with 10 U.S.C. 2643.

(c) The Contractor and its subcontractors may request that the Contracting Officer authorize shipment in foreign-flag vessels, or designate available U.S.-flag vessels, if the Contractor or a subcontractor believes that—

1. U.S.-flag vessels are not available for timely shipment;
2. The freight charges are inordinately excessive or unreasonable; or
3. Freight charges are higher than charges to private persons for transportation of like goods.

(d) The Contractor must submit any request for use of other than U.S.-flag vessels in writing to the Contracting Officer at least 45 days prior to the sailing date necessary to meet its delivery schedules. The Contracting Officer will process requests submitted after such date(s) as expeditiously as possible, but the Contracting Officer's failure to grant approvals to meet the shipper's sailing date will not of itself constitute a compensable delay under this or any other clause of this contract. Requests shall contain at a minimum—

1. Type, weight, and cube of cargo;
2. Required shipping date;
3. Special handling and discharge requirements;
4. Loading and discharge points;
5. Name of shipper and consignee;
6. Prime contract number; and
7. A documented description of efforts made to secure U.S.-flag vessels, including points of contact (with names and telephone numbers) with at least two U.S.-flag carriers contacted. Copies of telephone notes, telegraphic and facsimile message or letters will be sufficient for this purpose.

(e) The Contractor shall, within 30 days after each shipment covered by this clause, provide the Contracting Officer and the Maritime Administration, Office of Cargo Preference, U.S. Department of Transportation, 400 Seventh Street SW, Washington, DC 20590, one copy of the rated on board vessel operating carrier's ocean bill of lading, which shall contain the following information:

1. Prime contract number;
2. Name of vessel;
3. Vessel flag of registry;
4. Date of loading;
5. Port of loading;
6. Port of final discharge;
7. Description of commodity;
8. Gross weight in pounds and cubic feet if available;
9. Total ocean freight in U.S. dollars; and
10. Name of steamship company.

(f) The Contractor shall provide with its final invoice under this contract a representation that to the best of its knowledge and belief—

1. No ocean transportation was used in the performance of this contract;
2. Ocean transportation was used and only U.S.-flag vessels were used for all ocean shipments under the contract;
3. Ocean transportation was used, and the Contractor had the written consent of the Contracting Officer for all non-U.S.-flag ocean transportation; or
4. Ocean transportation was used and some or all of the shipments were made on non-U.S.-flag vessels without the written consent of the Contracting Officer. The Contractor shall describe these shipments in the following format:

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Contract Line Items</th>
<th>Quantity</th>
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<tbody>
<tr>
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<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(g) If the final invoice does not include the required representation, the Government will reject and return it to the Contractor as an improper invoice for the purposes of the Prompt Payment clause of this contract. In the event there has been unauthorized use of non-U.S.-flag vessels in the performance of this contract, the Contracting Officer is entitled to equitably adjust the contract, based on the unauthorized use.

(h) In the award of subcontracts for the types of supplies described in paragraph (b)(2) of this clause, the Contractor shall flow down the requirements of this clause as follows:

1. The Contractor shall insert the substance of this clause, including this paragraph (h), in subcontracts that exceed the simplified acquisition threshold in Part 2 of the Federal Acquisition Regulation.
2. The Contractor shall insert the substance of paragraphs (a) through (e) of this clause, and this paragraph (h), in subcontracts that are at or below the simplified acquisition threshold in Part 2 of the Federal Acquisition Regulation.

ALTERNATE I (MAR 2000) As prescribed in 247.573(b)(2), substitute the following paragraph (b) for paragraph (b) of the basic clause:

(b) (1) The Contractor shall use U.S.-flag vessels when transporting any supplies by sea under this contract.
2. A subcontractor transporting supplies by sea under this contract shall use U.S.-flag vessels if the supplies being transported are—
   (i) Noncommercial items; or
   (ii) Commercial items that—
       (A) The Contractor is reselling or distributing to the Government without adding value (generally, the Contractor does not add value to items that it subcontracts for f.o.b. destination shipment);
(B) Are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations (Note: This contract requires shipment of commercial items in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations); or

(C) Are commissary or exchange cargoes transported outside of the Defense Transportation System in accordance with 10 U.S.C. 2643.

ALTERNATE II (MAR 2000) As prescribed in 247.573(b)(3), substitute the following paragraph (b) for paragraph (b) of the basic clause:

(b) (1) The Contractor shall use U.S.-flag vessels when transporting any supplies by sea under this contract.

(2) A subcontractor transporting supplies by sea under this contract shall use U.S.-flag vessels if the supplies being transported are—

(i) Noncommercial items; or

(ii) Commercial items that—

(A) The Contractor is reselling or distributing to the Government without adding value (generally, the Contractor does not add value to items that it subcontracts for f.o.b. destination shipment);

(B) Are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; or

(C) Are commissary or exchange cargoes transported outside of the Defense Transportation System in accordance with 10 U.S.C. 2643.

(End of Clause) Back to Top

252.209-7002 Disclosure of Ownership or Control by a Foreign Government.

As prescribed in 209.104-70(b), use the following provision:

DISCLOSURE OF OWNERSHIP OR CONTROL BY A FOREIGN GOVERNMENT

(JUN 2005)

(a) Definitions. As used in this provision—

(1) "Effectively owned or controlled" means that a foreign government or any entity controlled by a foreign government has the power, either directly or indirectly, whether exercised or exercisable, to control the election, appointment, or tenure of the Offeror's officers or a majority of the Offeror's board of directors by any means, e.g., ownership, contract, or operation of law (or equivalent power for unincorporated organizations).

(2) "Entity controlled by a foreign government"—

(i) Means—

(A) Any domestic or foreign organization or corporation that is effectively owned or controlled by a foreign government; or

(B) Any individual acting on behalf of a foreign government.

(ii) Does not include an organization or corporation that is owned, but is not controlled, either directly or indirectly, by a foreign government if the ownership of that organization or corporation by that foreign government was effective before October 23, 1992.

(3) "Foreign government" includes the state and the government of any country (other than the United States and its outlying areas) as well as any political subdivision, agency, or instrumentality thereof.

(4) "Proscribed information" means—

(i) Top Secret information;

(ii) Communications Security (COMSEC) information, except classified keys used to operate secure telephone units (STU III’s);

(iii) Restricted Data as defined in the U.S. Atomic Energy Act of 1954, as amended;

(iv) Special Access Program (SAP) information; or

(v) Sensitive Compartmented Information (SCI).

(b) Prohibition on award. No contract under a national security program may be awarded to an entity controlled by a foreign government if that entity requires access to proscribed information to perform the contract, unless the Secretary of Defense or a designee has waived application of 10 U.S.C. 2536(a).

(c) Disclosure. The Offeror shall disclose any interest a foreign government has in the Offeror when that interest constitutes control by a foreign government as defined in this provision. If the Offeror is a subsidiary, it shall also disclose any reportable interest a foreign government has in any entity that owns or controls the subsidiary, including reportable interest concerning the Offeror's immediate parent, intermediate parents, and the ultimate parent. Use separate paper as needed, and provide the information in the following format:

Offeror's Point of Contact for Questions about Disclosure
(Name and Phone Number with Country Code, City Code and Area Code, as applicable)

Name and Address of Offeror
**Certification**

As prescribed in 212.301(f)(ii), use the following provision:

### 252.212-7000 Offeror Representations and Certifications--Commercial Items.

#### (c)

1. The Offeror shall indicate by checking the appropriate blank in paragraph (c)(2) of this provision whether transportation of supplies by sea is anticipated under the resultant contract. The term "supplies" is defined in the Transportation of Supplies by Sea clause of this solicitation.

#### (End of Provision)

#### 252.212-7000 Offeror Representations and Certifications--Commercial Items.

As prescribed in 212.301(f)(ii), use the following provision:

**OFFEROER REPRESENTATIONS AND CERTIFICATIONS--COMMERCIAL ITEMS**

**(JUN 2005)**

(a) **Definitions.** As used in this clause—

1. "Foreign person" means any person other than a United States person as defined in Section 16(2) of the Export Administration Act of 1979 (50 U.S.C. App. Sec. 2415).
2. "United States" means the 50 States, the District of Columbia, outlying areas, and the outer Continental Shelf as defined in 43 U.S.C. 1331.
3. "United States person" is defined in Section 16(2) of the Export Administration Act of 1979 and means any United States resident or national (other than an individual resident outside the United States and employed by other than a United States person), any domestic concern (including any permanent foreign establishment of any foreign concern), and any foreign subsidiary or affiliate (including any permanent foreign establishment) of any domestic concern which is controlled in fact by such domestic concern, as determined under regulations of the President.

(b) **Certification.** By submitting this offer, the Offeror, if a foreign person, company or entity, certifies that it—

1. Does not comply with the Secondary Arab Boycott of Israel; and
2. Is not taking or knowingly agreeing to take any action, with respect to the Secondary Boycott of Israel by Arab countries, which 50 U.S.C. App. Sec. 2407(a) prohibits a United States person from taking.

(c) **Representation of Extent of Transportation by Sea.** (This representation does not apply to solicitations for the direct purchase of ocean transportation services).

1. The Offeror shall indicate by checking the appropriate blank in paragraph (c)(2) of this provision whether transportation of supplies by sea is anticipated under the resultant contract. The term "supplies" is defined in the Transportation of Supplies by Sea clause of this solicitation.

#### (End of Provision)

#### 252.216-7003 Economic Price Adjustment--Wage Rates or Material Prices Controlled by a Foreign Government.

As prescribed in 216.203-4-70(c), use the following clause:

**ECONOMIC PRICE ADJUSTMENT--WAGE RATES OR MATERIAL PRICES CONTROLLED BY A FOREIGN GOVERNMENT**

**(JUN 1997)**

(a) **The Contractor represents that the prices set forth in this contract—**

1. Are based on the wage rate(s) or material price(s) established and controlled by the Government of ; and
2. Do not include contingency allowances to pay for possible increases in wage rates or material prices.

(b) **If wage rates or material prices are revised by the government named in paragraph (a) of this clause, the Contracting Officer shall make an equitable adjustment in the contract price and shall modify the contract to reflect the extent that the Contractor's actual costs of performing this contract are increased or decreased, as a direct result of the revision, subject to the following:**

1. **For increases in established wage rates or material prices, the increase in contract unit price(s) shall be effective on the same date that the government named in paragraph (a) of this clause increased the applicable wage rate(s) or material price(s), but only if the Contracting Officer receives the Contractor's written request for contract adjustment within 10 days of the change. If the Contractor's request is received later, the effective date shall be the date that the Contracting Officer received the Contractor's request.**

2. **For decreases in established wage rates or material prices, the decrease in contract unit price(s) shall be effective on the same date that the government named in paragraph (a) of this clause decreased the applicable wage rate(s) or material price(s). The decrease in contract unit price(s) shall apply to all items delivered on and after the effective date of the government's rate or price decrease.**

3. **No modification changing the contract unit price(s) shall be executed until the Contracting Officer has verified the applicable change in the rates or prices set by the government named in paragraph (a) of this clause. The Contractor shall make available its books and records that support a requested change in contract price.**

4. **Failure to agree to any adjustment shall be a dispute under the Disputes clause of this contract.**

As prescribed in 225.1101(1), use the following provision:

BUY AMERICAN ACT--BALANCE OF PAYMENTS PROGRAM CERTIFICATE
(JAN 2009)

(a) Definitions. "Commercially available off-the-shelf (COTS) item," "domestic end product," "foreign end product," "qualifying country," "qualifying country end product," and "United States" have the meanings given in the Buy American Act and Balance of Payments Program clause of this solicitation.

(b) Evaluation. The Government—

1. Will evaluate offers in accordance with the policies and procedures of Part 225 of the Defense Federal Acquisition Regulation Supplement; and

2. Will evaluate offers of qualifying country end products without regard to the restrictions of the Buy American Act or the Balance of Payments Program.

(c) Certifications and identification of country of origin.

1. For all line items subject to the Buy American Act and Balance of Payments Program clause of this solicitation, the offeror certifies that—
   i. Each end product, except those listed in paragraphs (c)(2) or (3) of this provision, is a domestic end product; and
   ii. For end products other than COTS items, components of unknown origin are considered to have been mined, produced, or manufactured outside the United States or a qualifying country.

2. The offeror certifies that the following end products are qualifying country end products:

<table>
<thead>
<tr>
<th>Description</th>
<th>Country of Origin</th>
</tr>
</thead>
</table>

3. The following end products are other foreign end products, including end products manufactured in the United States that do not qualify as domestic end products, i.e., an end product that is not a COTS item and does not meet the component test in paragraph (ii) of the definition of "domestic end product":

<table>
<thead>
<tr>
<th>Description</th>
<th>Country of Origin (If known)</th>
</tr>
</thead>
</table>

(End of Provision)

252.225-7020 Trade Agreements Certificate.

As prescribed in 225.1101(5), use the following provision:

TRADE AGREEMENTS CERTIFICATE (JAN 2005)

(a) Definitions. "Designated country end product," "nondesignated country end product," "qualifying country end product," and "U.S.-made end product" have the meanings given in the Trade Agreements clause of this solicitation.

(b) Evaluation. The Government—

1. Will evaluate offers in accordance with the policies and procedures of Part 225 of the Defense Federal Acquisition Regulation Supplement; and

2. Will consider only offers of end products that are U.S.-made, qualifying country, or designated country end products unless—
   i. There are no offers of such end products;
   ii. The offers of such end products are insufficient to fulfill the Government’s requirements; or
   iii. A national interest waiver has been granted.

(c) Certification and identification of country of origin.

1. For all line items subject to the Trade Agreements clause of this solicitation, the offeror certifies that each end product to be delivered under this contract, except those listed in paragraph (c)(2) of this provision, is a U.S.-made, qualifying country, or designated country end product.

2. The following supplies are other nondesignated country end products:

<table>
<thead>
<tr>
<th>Description</th>
<th>Country of Origin</th>
</tr>
</thead>
</table>

(End of Provision)


As prescribed in 225.1101(9), use the following provision:

BUY AMERICAN ACT--FREE TRADE AGREEMENTS--BALANCE OF PAYMENTS PROGRAM CERTIFICATE
(JAN 2009)

(a) Definitions. "Bahrainian end product," "commercially available off-the-shelf (COTS) item," "domestic end product," "Free Trade Agreement country," "Free Trade Agreement country end product," "foreign end product," "Moroccan end product," "qualifying country end product," and "United States" have the meanings given in the Buy American Act--Free Trade Agreements--Balance of Payments Program clause of this solicitation.

(b) Evaluation. The Government—

1. Will evaluate offers in accordance with the policies and procedures of Part 225 of the Defense Federal Acquisition Regulation Supplement; and

2. For line items subject to Free Trade Agreements, will evaluate offers of qualifying country end products or Free Trade Agreement country end products other than Bahrainian end products or Moroccan end products without regard to the restrictions of the Buy American Act or the Balance of Payments Program.

(c) Certifications and identification of country of origin.
(1) For all line items subject to the Buy American Act—Free Trade Agreements—Balance of Payments Program clause of this solicitation, the offeror certifies that—
   (i) Each end product, except the end products listed in paragraph (c)(2) of this provision, is a domestic end product; and
   (ii) Components of unknown origin are considered to have been mined, produced, or manufactured outside the United States or a qualifying country.
(2) The offeror shall identify all end products that are not domestic end products.
   (i) The offeror certifies that the following supplies are qualifying country (except Australian or Canadian) end products:

<table>
<thead>
<tr>
<th>Description</th>
<th>Country of Origin</th>
</tr>
</thead>
</table>

   (ii) The offeror certifies that the following supplies are Free Trade Agreement country end products other than Bahrainian end products or Moroccan end products:

<table>
<thead>
<tr>
<th>Description</th>
<th>Country of Origin</th>
</tr>
</thead>
</table>

   (iii) The following supplies are other foreign end products, including end products manufactured in the United States that do not qualify as domestic end products, i.e., an end product that is not a COTS item and does not meet the component test in paragraph (ii) of the definition of “domestic end product”:

<table>
<thead>
<tr>
<th>Description</th>
<th>Country of Origin (If known):</th>
</tr>
</thead>
</table>

**ALTERNATE I (OCT 2006)**

As prescribed in 225.1101(9), substitute the phrase "Canadian end product” for the phrases "Bahrainian end product," “Free Trade Agreement country,” “Free Trade Agreement country end product,” and “Moroccan end product” in paragraph (a) of the basic provision; and substitute the phrase "Canadian end products" for the phrase "Free Trade Agreement country end products other than Bahrainian end products or Moroccan end products” in paragraphs (b)(2) and (c)(2)(ii) of the basic provision.

(End of Provision)  Back to Top

**252.247-7022 Representation of Extent of Transportation by Sea.**

As prescribed in 247.573(a), use the following provision:

REPRESENTATION OF EXTENT OF TRANSPORTATION BY SEA (AUG 1992)

(a) The Offeror shall indicate by checking the appropriate blank in paragraph (b) of this provision whether transportation of supplies by sea is anticipated under the resultant contract. The term “supplies” is defined in the Transportation of Supplies by Sea clause of this solicitation.

(b) Representation. The Offeror represents that it—

☐ Does anticipate that supplies will be transported by sea in the performance of any contract or subcontract resulting from this solicitation.

☒ Does not anticipate that supplies will be transported by sea in the performance of any contract or subcontract resulting from this solicitation.

(3) Any contract resulting from this solicitation will include the Transportation of Supplies by Sea clause. If the Offeror represents that it will not use ocean transportation, the resulting contract will also include the Defense Federal Acquisition Regulation Supplement clause at 252.247-7024, Notification of Transportation of Supplies by Sea.

(End of Provision)  Back to Top

HARDIN COUNTY WATER DISTRICT #1
130402811

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Note: Download may take a minute, please click only once to avoid an error

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NOTE: Session will terminate after 20 minutes of inactivity.

Click Here for feedback or comments form.
Volume III
Attachment III-2—Small Business Subcontracting Plan
SMALL BUSINESS SUBCONTRACTING PLAN

Date: 10/1/08; revised 07/27/10

Type of plan (check one): If Individual, supply solicitation number; if Commercial, supply effective period.

☐ Individual  SP0600-08-R-0803
☐ Commercial

Effective begin date
Effective end date

The following, along with any attachments, is hereby submitted as a Subcontracting Plan to satisfy the applicable requirements of Public Law 95-507, Public Law 99-661, and paragraph (d) of FAR Clause 52.219-9, Small Business Subcontracting Plan.

TERMS AND DEFINITIONS

The following terms and acronyms are used throughout this form:

- **Commercial Plan** – a subcontracting plan (including goals) that covers the offeror's fiscal year and that applies to the entire production of commercial items sold by either the company or a portion thereof (e.g., division, plant, or production line).
- **Individual Plan** – a subcontracting plan that covers the entire contract period.
- **SB** – Small Business concern
- **VOSB** – Veteran Owned Small Business concern
- **SD-VOSB** – Service-Disabled Veteran Owned Small Business concern
- **HUBZone** – Historically Underutilized Business Zone
- **SDB** – Small Disadvantaged Business concern
- **WOSB** – Women-Owned Small Business concern
- **Direct and Indirect Cost** – Overhead activities may be used to supplement direct charge activities. Contractors are encouraged to use indirect costs to meet goals when direct costs subcontracting opportunities are restrictive toward meeting established goals.

PART 1 – SUBCONTRACTING GOALS

A. Total dollars planned to be subcontracted: $ 90,000,000

<table>
<thead>
<tr>
<th></th>
<th>Dollars</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>LB</td>
<td>$64,800,000</td>
<td>72%</td>
</tr>
<tr>
<td>SB</td>
<td>$20,700,000</td>
<td>23%</td>
</tr>
<tr>
<td>VOSB</td>
<td>$6,300,000</td>
<td>7%</td>
</tr>
<tr>
<td>SD-VOSB</td>
<td>$2,700,000</td>
<td>3%</td>
</tr>
<tr>
<td>HUBZone</td>
<td>$2,700,000</td>
<td>3%</td>
</tr>
<tr>
<td>SDB</td>
<td>$4,500,000</td>
<td>5%</td>
</tr>
<tr>
<td>WOSB</td>
<td>$4,500,000</td>
<td>5%</td>
</tr>
</tbody>
</table>

B(1). Dollars and percentages planned to be subcontracted to large business concerns.

B(2). Dollars and percentages planned to be subcontracted to SB concerns. Percentages should be expressed as a percentage of the total dollars planned to be subcontracted. The offeror shall include all subcontracts that contribute to contract performance.

C. Description of principal types of supplies and services to be subcontracted to each of the SB concerns:

<table>
<thead>
<tr>
<th>SB</th>
<th>General contracting, engineering, geotechnical, GIS/surveying, maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>VOSB</td>
<td>General contracting, engineering, geotechnical, GIS/surveying, electrical, plumbing, office supplies</td>
</tr>
<tr>
<td>SD-VOSB</td>
<td>General contracting, GIS/surveying</td>
</tr>
<tr>
<td>HUBZone</td>
<td>General contracting, engineering, electrical, plumbing, janitorial</td>
</tr>
<tr>
<td>SDB</td>
<td>General contracting, engineering, GIS/surveying, electrical, plumbing</td>
</tr>
<tr>
<td>WOSB</td>
<td>General contracting, engineering, office supplies, general supplies/equipment, laboratory, trucking</td>
</tr>
</tbody>
</table>
SMALL BUSINESS SUBCONTRACTING PLAN

D. Describe method used to develop these goals (e.g. based on procurement history, available resources, etc.):

HCWD1 currently has a Small Business Subcontracting Plan for the privatization of Ft. Knox Wastewater and Stormwater Systems. This plan was submitted in July 2005 and meets the requirements and regulations of the Ft. Knox Army Contracting Agency and FAR Subpart 19.7. This plan was updated on Sept. 30, 2008 to include:

Evaluation of resources needed and appropriate areas for SB subcontracting
Utilize database of existing vendors
Attend/host networking events
Prepare targeted mailings to SBs
Use SBA’s CCR database of SBs in local area

These methods were part of the SB subcontracting pool for this proposal.

E. Were indirect costs included in establishing these goals? ☒ Yes ☐ No

If yes, describe the method used to determine proportionate share of indirect costs to be incurred with each of the SB concerns:

<table>
<thead>
<tr>
<th>SB</th>
<th>VOSB</th>
<th>SD-VOSB</th>
<th>HUBZone</th>
<th>SDB</th>
<th>WOSB</th>
</tr>
</thead>
</table>

PART 2 – SUBCONTRACTING PROCEDURES

A. Individual who will administer the offeror’s subcontracting program

(Reference FAR Part 52.219-1, Small Business Subcontracting Plan, (Para 9-11) for specific duties as they relate to the firm’s subcontracting program and include additional duties the company has designated).

Name: Patty Vanwooren
Title: HDR/Quest Administrative Manager
E-Mail: patty.vanwooren@hdrinc.com Phone: 859-223-3755

Description of Duties:

Prepare and ensure compliance with small business subcontracting plans for Fort Knox utility privatization contracts.

B. Indicate methods used to identify potential sources for solicitation purposes:

☒ Existing company source lists
☒ Central Contractor Registration (CCR) Dynamic Small Business Search
☒ National Minority Purchasing Council Vendor Information Service
☒ Trade Associations
☒ Federal government development centers such as DoD’s Procurement Technical Assistance Center (PTAC), SBA’s Small Business Development Center (SBDC) and Department of Commerce’s Minority Business Development Center (MBDC)
☐ Other: ____________________________
## SMALL BUSINESS SUBCONTRACTING PLAN

C. Describe methods used to assure that SB, VOSB, SD-VOSB, HUBZone, SDB and WOSB concerns are provided an equitable opportunity to compete for subcontracts.

- Attain SB goals in all categories
- Recruit SB contractors
- Account for SB utilization with SF294/295 reporting
- Create opportunities for outreach to SBs and organizations and associations that support SBs
- Structure bid packages to permit SB participation
- Include SBs on all solicitations for services they are capable of providing
- Utilize existing vendor/subcontracting database
- Monitor records to support award data and solicitations
- Provide technical assistance to SBs

## PART 3 – SUBCONTRACTING PLAN MANAGEMENT

The offeror certifies, by signature on this plan, that the following procedures regarding management of this subcontracting plan will be enacted and maintained. The contractor agrees to provide the following:

1. Assistance to SB, VOSB, SD-VOSB, HUBZone, SDB and WOSB concerns by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate participation by such concerns.
2. Adequate and timely consideration of the potentialities of SB, VOSB, SD-VOSB, HUBZone, SDB and WOSB concerns in all "make or buy" decisions.
3. Counseling and discussion of subcontracting opportunities with representatives of SB, VOSB, SD-VOSB, HUBZone, SDB and WOSB concerns.
4. Emphasis on and notice to subcontractors of the penalties and remedies for misrepresentations of business status for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in the Contractor's Subcontracting Plan.
5. Assurance that the clause entitled "Utilization of Small Business Concerns" (latest revision), contained in the referenced solicitation, will be included in all subcontracts that offer subcontracting opportunities and that all large business subcontractors receiving a subcontract in excess of $500,000 to adopt a subcontracting plan that complies with the requirements of this clause.
6. Preparation and submission of periodic subcontracting reports required ($1,000,000 for construction of any public facility) to adopt a plan that complies with the requirements of the clause at FAR 52.219-9.
7. Assurances that the offeror will—
   - Cooperate in any studies or surveys as may be required.
   - Submit periodic reports so that the Government can determine the extent of compliance by the offeror with the subcontracting plan.
   - Submit the Standard Form (SF) 294, Subcontracting Report for Individual Contracts and (SF) 295, Summary Subcontract Report, in accordance with the paragraph (j) of FAR Clause 52.219-9.
   - Ensure that its subcontractors agree to submit the SF 294 and SF 295.
8. Establishment and maintenance of records of solicitations and subcontract activity that include the procedures that have been adopted to comply with the requirements and goals in the plan; and a description of the efforts to locate SB, VOSB, SD-VOSB, HUBZone, SDB and WOSB concerns for subcontract awards; and at least the following records/information on a plant-wide or company-wide basis.
   - Source lists (e.g., PRO-Net), guides, and other data that identify SB, VOSB, SD-VOSB, HUBZone, SDB and WOSB concerns.
   - Organizations contacted in an attempt to locate sources that are SB, VOSB, SD-VOSB, HUBZone, SDB and WOSB concerns.
   - Records on each subcontract solicitation resulting in an award of more than $100,000, indicating—
     1. Whether SB concerns were solicited, and if not, why not;
     2. Whether VOSB concerns were solicited, and if not, why not;
     3. Whether SD-VOSB concerns were solicited, and if not, why not;
     4. Whether HUBZone concerns were solicited, and if not, why not;
     5. Whether SDB concerns were solicited, and if not, why not;
     6. Whether WOSB concerns were solicited, and if not, why not; and
     7. If applicable, the reason award was not made to a SB concern.
SMALL BUSINESS SUBCONTRACTING PLAN

(d) Records of outreach efforts to contact—
   (1) Trade associations;
   (2) Business development organizations; and (3) Conferences and trade fairs to locate SB, VOSB, SD-VOSB, HUBZone, SDB and WOSB sources.

(e) Records of internal guidance and encouragement provided to buyers through—
   (1) Workshops, seminars, training, etc., and (2) Monitoring performance to evaluate compliance with the program's requirements.

(f) On a contract-by-contract basis, supporting information for award data submitted by the contractor to the Government, including the name, address, and business size of each subcontractor.

PART 4 – AGREEMENT AND APPROVAL SIGNATURES

A. Offeror's agreement

<table>
<thead>
<tr>
<th>Offeror's signature</th>
<th>Jim Bruce, General Manager</th>
<th>Date</th>
</tr>
</thead>
</table>

B. Reviewed By:

<table>
<thead>
<tr>
<th>Contract Specialist's signature</th>
<th>Typed name and title</th>
<th>Date</th>
</tr>
</thead>
</table>

C. Contracting Officer's determination of acceptance

<table>
<thead>
<tr>
<th>Contracting Officer's signature</th>
<th>Typed name and title</th>
<th>Date</th>
</tr>
</thead>
</table>

D. Division Chief's approval

Is SDB goal less than 5%?  □ Yes  □ No

If yes, a Division Chief's signature, one level above Contracting Officer is required:

<table>
<thead>
<tr>
<th>Deputy's/Director's signature</th>
<th>Typed name and title</th>
<th>Date</th>
</tr>
</thead>
</table>

E. Small Business Office □ Concur □ Non-concur

<table>
<thead>
<tr>
<th>Small Business Specialist's signature</th>
<th>Typed name and title</th>
<th>Date</th>
</tr>
</thead>
</table>

Small Business Special's Rationale:

F. Contracting Officer's approval

<table>
<thead>
<tr>
<th>Contracting Officer's signature</th>
<th>Typed name and title</th>
<th>Date</th>
</tr>
</thead>
</table>
July 29, 2010

Mr. Brian J. Koessel  
Branch Chief/Contracting Officer  
DLA Energy - EF  
8725 John J. Kingman Road, Suite 3937  
Fort Belvoir, Virginia 22060-6222

Subject: Final Proposal Revision - Solicitation No.: SP0600-08-R-0803  
Privatization of the Potable Water Utility System at Fort Knox Army Installation, Kentucky  
Volume IV - Price Proposal

Mr. Koessel:

The Hardin County Water District No. 1 (HCWD1) is pleased to submit our Final Proposal Revision (FPR) for assuming the ownership and operation of the Fort Knox potable water system. HCWD1 is the agency designated to provide utility services in the northern part of Hardin County, around Fort Knox and also provides ownership and operations of the privatized Fort Knox sanitary and storm sewer systems on post.

As a regulated utility by the Kentucky Public Service Commission, HCWD1 serves 10,000 residential and commercial customers and acts as a regional water supplier to two other water systems. The transfer of the utilities at Fort Knox is an unprecedented opportunity for Hardin County and one that would follow the trend of Fort Knox and the local government working together toward well planned and managed water and sewer utilities.

Under our proposal, HCWD1 will be the owner and manager of the potable water system serving Fort Knox. Although many of HCWD1’s staff have water experience, we have formed a team of professionals to handle the ownership transition, immediate system improvements, and operation of the water distribution system. Joining with HCWD1 in this project will be Louisville Water Company (LWC) and CH2M HILL, Inc. HCWD1 believes that our management expertise and local knowledge, combined with national experts, can provide the best option for Fort Knox to privatize its potable water system.

We have conducted an extensive due diligence and field reconnaissance of the water utility and have developed a plan that offers long-term economic benefit and reduction in costs, which are specific goals identified in the Solicitation. We have also responded in a timely manner to all the Government’s issues and questions during our recent round of negotiation messages. Our FPR proposal is presented in four volumes, This document is Volume IV, Price Proposal.

This Proposal remains a valid offer for 90 days from the date of submittal, and we are prepared to work with you to extend this period should it be required. We look forward to your review of our Proposal, and I invite you to contact me should you have any questions or need any additional information.

Thank You

Jim Bruce, General Manager

Encl.
Volume IV. Price Proposal - BASE

Prepared by:

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

Hardin County Water District No. 1 agrees with all terms, conditions, and provisions included in the solicitation except as highlighted in Volume III, Contract Documentation and agrees to furnish any or all items upon which prices are offered by Hardin County Water District No. 1 in this proposal at the price set opposite each item.

This proposal includes data that shall not be disclosed outside the Government.

Person(s) Authorized to Negotiate: Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

Person(s) Authorized to Sign Proposal: Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government’s right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are clearly marked with the proprietary legend in the side margin of the page.
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<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>AACE</td>
<td>Association for the Advancement of Cost Engineering</td>
</tr>
<tr>
<td>CAS</td>
<td>Cost Accounting Standards</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>General and Administrative</td>
</tr>
<tr>
<td>HCWD1</td>
<td>Hardin County Water District No. 1</td>
</tr>
<tr>
<td>ISDC</td>
<td>Initial System Deficiency Correction</td>
</tr>
<tr>
<td>NARUC</td>
<td>National Association of Regulatory Commissioners</td>
</tr>
<tr>
<td>O&amp;M</td>
<td>Operations and Maintenance</td>
</tr>
<tr>
<td>PSC</td>
<td>Public Service Commission</td>
</tr>
<tr>
<td>R&amp;R</td>
<td>Renewals and Replacement</td>
</tr>
<tr>
<td>WTP</td>
<td>Water Treatment Plant</td>
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# Cross Reference Matrix for Section L

<table>
<thead>
<tr>
<th>Description/Specifications, Section L of RFP</th>
<th>Proposal Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule B1 and Price Data Sheets</td>
<td>Section 1</td>
</tr>
<tr>
<td>Cost Proposal, Introduction, and Pricing Assumptions</td>
<td>Section 2</td>
</tr>
<tr>
<td>General Estimating Methodology</td>
<td>Section 3</td>
</tr>
<tr>
<td>Cost Risk Assessment</td>
<td>Section 4</td>
</tr>
</tbody>
</table>
Section 1 – Price Schedule B-1

Introduction
Hardin County Water District No. 1 (HCWD1) proposes to provide water utility service to Fort Knox under a tariff regulated by the Kentucky Public Service Commission (PSC). As a water and wastewater utility within the Commonwealth of Kentucky, all of HCWD1’s operations are regulated by the PSC. In this role, the PSC also regulates all tariffs charged for utility service by HCWD1. Accordingly, HCWD1 proposes to provide water utility service to Fort Knox, as outlined in DESC RFP SP0600-08-R-0803, under the regulated tariff option provided in the RFP. Consistent with the RFP requirements, HCWD1 is therefore submitting its proposed pricing through Price Schedule B-1.

HCWD1 proposes to charge the Government under Rate Schedule FKW, which will exclusively be for water utility service at Ft. Knox. The rate schedule will have 4 separate charges: a Monthly Service Charge, an Initial System Deficiency Correction (ISDC) Surcharge, a Transition Surcharge, and a Purchase Price Recovery Surcharge. Each charge is discussed below and will be subject to approval by the PSC. During the 50-year contract period, any of the charges can be changed at any time with approval from the PSC.

The Government recently revised Schedule B-1 to include projected Monthly Service Charges for all 50 years of the proposed contract. Those projections are in nominal dollars and include projected changes based on future inflation. Initial charges shown in Schedule B-1 match those shown in proposed Rate Schedule FKW. However, future year prices to the Government will be established through Rate Schedule FKW as approved by the PSC. Changes shown in Schedule B-1 are projections and do not reflect programmed year to year changes in prices.

As allowed by the RFP, the tariff is being offered subject to PSC approval. That approval is expected within 90 days of contract award.
Schedule B-1 and Rate Schedule FKW

Schedule B-1 for this proposal is provided on the following page. The schedule includes 4 CLINs.

The PSC requires that charges for the service it regulates be established through a public process and that charges approved by the PSC be published in a tariff sheet. HCWD1’s proposed tariff sheet for water service to Fort Knox is provided on the page following Schedule B-1. That tariff sheet contains HCWD1’s Rate Schedule FKW—Fort Knox Water. This is the “applicable tariff” that would apply to water utility service within Fort Knox.

The FKW rate schedule includes a Monthly Service Charge, an ISDC Surcharge, a Transition Surcharge, and a Purchase Price Recovery Surcharge. Together, these constitute the utility service charges specified for CLINs 0001, 0002, 0003, and 0004 in Schedule B-1.
## SCHEDULE B-1 REGULATED TARIFF

**Payment by the Government for Utility Service**

### Applicable Tariff

<table>
<thead>
<tr>
<th>CLIN</th>
<th>Applicable Tariff (s)</th>
<th>--Monthly Service Charge Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>(See B.5.1)</td>
<td>Detailed, Year by Year Charges:</td>
</tr>
</tbody>
</table>

#### Year 1
- **O&M/G&A Expenses:** $113,623
- **Capital Costs:** $137,746
- **Federal Income Taxes:** $141,160
- **Tariff Rate:** $230,440

#### Year 2
- **O&M/G&A Expenses:** $130,750
- **Capital Costs:** $154,225
- **Federal Income Taxes:** $175,788
- **Tariff Rate:** $267,340

#### Year 3
- **O&M/G&A Expenses:** $155,560
- **Capital Costs:** $181,891
- **Federal Income Taxes:** $181,891
- **Tariff Rate:** $318,069

#### Year 4
- **O&M/G&A Expenses:** $185,079
- **Capital Costs:** $216,406
- **Federal Income Taxes:** $216,406
- **Tariff Rate:** $378,425

#### Year 5
- **O&M/G&A Expenses:** $220,199
- **Capital Costs:** $257,471
- **Federal Income Taxes:** $257,471
- **Tariff Rate:** $450,234

### Monthly Credit as Payment for Purchase Price (See B.5.2)

<table>
<thead>
<tr>
<th>Year</th>
<th>Monthly Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$82,249</td>
</tr>
<tr>
<td>12</td>
<td>$82,249</td>
</tr>
</tbody>
</table>

### Initial System Deficiency Corrections / Connection Charges

- **CLIN 0002**
  - This amount should not be included in the price offered for CLIN 0001.

### Recoverable Portion of Purchase Price

- **CLIN 0003**
  - This amount should not be included in the price offered for CLIN 0001.

### Transition Period

- **CLIN 0004**
  - See Schedule 4

#### NOTES:

1. The Purchase Price, Recoverable Portion of the Purchase Price, interest rate and amortization period are proposed by the Offeror.
2. Tariff rates presented in CLIN 0001 are nominal dollar values. Both Nominal and Constant 2011$ tariffs are presented in the applicable J45 schedule.
Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
RATES, SURCHARGES AND MONTHLY CHARGES

Rate Schedule FKW—Water Service within Fort Knox, Kentucky

Terms and conditions for water utility service to Fort Knox are as provided in the service agreement between the U.S. Army and Hardin County Water HCWD1 No. 1.

The following rates are hereby prescribed for water supply and distribution services provided within Fort Knox, Kentucky military reservation:

<table>
<thead>
<tr>
<th>Rate Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Service Charge</td>
<td>$230,440 per month</td>
</tr>
<tr>
<td>Initial System Deficiency Correction Surcharge</td>
<td>$484,659 per month for 60 months*</td>
</tr>
<tr>
<td>Transition Surcharge</td>
<td>$542,170 per month, for one month only*</td>
</tr>
<tr>
<td>Purchase Price Recovery Surcharge</td>
<td>$82,249 per month for 120 Months</td>
</tr>
</tbody>
</table>

* From the effective date of this tariff

DATE OF ISSUE: Draft—Under Review  DATE EFFECTIVE: Draft—Under Review

1 The executed contract from the Government to HCWD1 would also become part of HCWD1’s Tariff applicable to Fort Knox water
**CLIN 0001 — Applicable Tariff**

CLIN 0001 includes a provision for a Utility Service Charge and a Monthly Credit as Payment for Purchase Price. Each of these provisions is discussed below.

The Monthly Service charge covers all normal operations and maintenance (O&M) expenses, as well as the cost of normal renewals and replacements (R&R) of plant and equipment for the Fort Knox water utility system. As shown in Schedule B-1, no federal income taxes are included in the Monthly Service Charge. Federal income taxes are also not included in any other charges proposed by HCWD1. That is because the District is exempt from any federal or state income taxes. A letter from the law firm of Skeeters, Bennett, Wilson & Pike (SBW&P), included in Attachment IV-1, affirms that exemption. That affirmation is confirmed by a letter from the accounting firm of Ray, Foley, Hensley & Company, also included in Attachment IV-1.

As shown in the FKW rate schedule, the charge will initially be $230,440 per month. This rate may vary in the future to compensate for the effect of general price inflation as well as other conditions that may differ from those projected in Schedule B-1 for the 50 year contract period.

The methods used to estimate O&M costs and capital costs, including costs for R&R and ISDCs, are described in Section 3.

Each of these rates is based on the direct cost of service for providing water utility service to Fort Knox, plus a 3.8 percent markup to cover an apportionment of HCWD1’ general and administrative (G&A) overhead costs. As such, the rates are no less favorable to Fort Knox than any other HCWD1 rate is to any other HCWD1’s customer. Details regarding this tariff are provided in Section 2 of this price proposal.

The PSC recently approved a similar fixed monthly service charge associated with the special contract for sanitary and storm sewer utility service at Ft. Knox. KAR 5:011 § 13 provides more guidance for special contracts. More detail on this subject is provided in Attachment IV-1.

**Credit as Payment for Purchase Price**

HCWD proposes to pay $8,162,000 for the Ft. Knox potable water system. HCWD1 bases its rates on the net book value of its plant in service. Accordingly, net book value is the market value for the Ft. Knox potable water system that will be used to provide water utility service to the base for the long term. Because the Government does not keep accounting records regarding the book value of its utility assets, HCWD1 estimated the net book value. This consisted of estimating the Original Cost New Less Depreciation value of the potable water system assets that will not be demolished as part of HCWD’s contract with the Government.

HCWD proposes to pay the Government over a 10 year (120 month) period at an annual interest rate of 3.9 percent (0.325 percent per month). This rate is equal to the Government’s Nominal Interest Rate on Treasury Securities and Bonds for a 10-year term as specified in OMB Circular A-94, Appendix C (December 2009). As indicated in CLIN 0001, this will translate into a fixed credit to the Government of $82,249 per month for 120 months.

**CLIN 0002 — Initial System Deficiency Corrections/Connection Charges**

As mentioned above, Rate Schedule FKW includes a surcharge that is designed to recover the cost of ISDCs over a 60-month period.

The ISDC Surcharge will recover all ISDC costs based on a uniform monthly charge during the 5-year period when the ISDC projects are to be completed. This surcharge will be in effect for 60 months and then be removed from the rate tariff.

The ISDC will be subject to change based on changes from conditions projected in this proposal. Such changes could include variation from the 1.752628 percent inflation rate that the Government specified for use in this proposal and changes in site conditions from those reasonably anticipated from inventory information and site visits. During
the first 2 years, the surcharge is projected to be $484,659 per month ($5,815,908 per year).

HCWD1 is authorized by the State of Kentucky (KRS 74.395) to impose surcharges. That regulation and a legal opinion from SBW&P stating that HCWD1 has the authority to impose a surcharge for capital improvements are included in Attachment IV-1. The attachment also includes a statement from SBW&P that KPSC legal counsel affirms the willingness of the PSC to approve surcharges where appropriate for capital funding.

The bases for the ISDC Surcharge are further discussed in Section 2.

**CLIN 0003 — Recoverable Portion of Purchase Price**

Because Ft. Knox will be the only beneficiary of water utility service supplied by HCWD1, all costs incurred to provide this service must be recovered from the Government. Accordingly, HCWD1 plans to assess a CLIN0003 charge for recovery of the full purchase price. The charge will be equal to the credit provided to the Government in CLIN0001. Specifically, the charge will be $82,249 per month and will only be assessed during the first 120 months of the contract. Details of the calculation are provided below.

<table>
<thead>
<tr>
<th>Item</th>
<th>Interest Rate</th>
<th>Amount</th>
<th>Amortization Period (Months)</th>
<th>Monthly Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recoverable Portion</td>
<td>3.9%</td>
<td>$8,162,000</td>
<td>120</td>
<td>$82,249</td>
</tr>
</tbody>
</table>

**CLIN 0004 — Transition Period**

As mentioned above, Rate Schedule FKW also includes a 1-month surcharge for HCWD1 to recover costs it incurs during the transition period prior to the initial day of full HCWD1 operations.

The Transition Surcharge will last 1 month and then no longer be charged. In effect, this will simply be a single payment of $542,170.

The proposed Transition Surcharge assumes that the transition period will last 4 months. A longer transition period will require that an interest charge be assessed to the Government for funds expended during transition but not recovered until the first month of operation. The annual interest rate for that charge would be 5.5 percent.

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**Our team members are recognized as industry leaders in asset management, which will ensure that the Government will receive the maximum lives from its assets. Based on our preliminary evaluation of the Fort Knox Water System, we believe that it is possible for many of the deficiencies noted in the ISDC to be deferred into the future. Our proposal includes the cost for these improvements to be responsive to the RFP. We would welcome the opportunity to discuss additional cost saving measures associated with deferring some of the ISDC projects during the negotiation process or as part of a negotiated change in the future during contract performance, which HCWD1 and the Government would agree to in advance.**
Section 2—Price Proposal, Introduction, and Pricing Assumptions

This section provides a description and documentation of the cost basis for HCWD1’s price proposal, presents a projection of the total costs over the course of the 50-year contract, and outlines key pricing assumptions. Other long-term costs and benefits are also discussed in the context of commodity supply relationships with third parties that are able to deliver water supplies to Fort Knox.

Bases for Proposed Prices

The cost bases for HCWD1’s price proposal provided in Schedule B-1 and Rate Schedule FKW are provided below. For each Rate Schedule FKW charge, costs were estimated using methodologies described in Section 3. Costs for each charge were then adjusted to Year 1 and Year 2 price levels for inclusion in Rate Schedule FKW and to 2009 price levels for input to RFP Schedule 5 (Table IV-8 of this proposal). Costs were escalated conservatively, based on an assumed inflation rate of 1.752678 percent specified by the Government.

Specific cost bases for the Monthly Service Charge, the ISDC Surcharge, and the Transition Surcharge are provided below.

Monthly Service Charge

The Monthly Service Charge covers HCWD1’s cost of providing O&M and R&R for the Fort Knox water utility system. The Monthly Service Charge shown in Rate Schedule FKW is based on the summation of the following O&M and R&R costs (in average Years 1 and 2 dollars):

<table>
<thead>
<tr>
<th>Cost Component</th>
<th>Annual</th>
<th>Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td>O&amp;M Costs</td>
<td>$1,363,476</td>
<td>$113,623</td>
</tr>
<tr>
<td>R&amp;R Costs</td>
<td>1,401,805</td>
<td>116,817</td>
</tr>
<tr>
<td>Total</td>
<td>$2,765,281</td>
<td>$230,440</td>
</tr>
</tbody>
</table>

The O&M and R&R components of the Monthly Charge are discussed below.

O&M Component

HCWD1 has estimated the annual cost to operate and maintain the Fort Knox water system given the different requirement for four different phases of operation:

- Transition period
- Year 1
- Years 2-5
- Years 6-50

The estimated O&M cost in each of these periods is shown in Table IV-1. As mentioned above, the transition period was assumed to last 4 months. Operations in Year 1 are projected to include slightly more operating expenses than in Years 2-5, reflecting some continuing startup requirements. The O&M costs in Years 1 through 5 do not include any costs for operation of the Muldraugh Water Treatment Plant (MWTP). That plant is scheduled for demolition by the end of Year 5 and, consistent with Government specifications, operating costs prior to demolition are proposed to be recovered as part of the ISDC surcharge. When the MWTP is closed at the end of Year 5, costs associated with the plant will end as will the associated fee included in the ISDC surcharge. Given that the Government will replace Muldraugh water with supplies from an off-Post source at no charge, HCWD1’s Monthly Service Charge to the Government, will not be affected by the MWTP closure.

The cost estimates for the four phases of operation are provided in Table IV-1 in terms of 2008, 2009, and 2010-2011 dollars. The differences reflect the general inflation rate of 1.752678 percent per year. Details to the summary labor costs and other direct expenses shown in this table in 2008 dollars are provided in Attachment IV-2.

HCWD1’s general and administrative (G&A) expenses are equal to 3.8 percent of all O&M and capital costs. Accordingly, the direct O&M costs shown in Table IV-1 were marked up to provide a 3.8 percent G&A allowance.
The cost basis for the O&M component of the Monthly Service Charge shown in Rate Schedule FKW is the average of Year 1 and Year 2 costs.
# Annual O&M Costs for Planned Operational Phases for Water Utility Service at Ft. Knox

<table>
<thead>
<tr>
<th>Dollar Basis, Cost Components</th>
<th>Transition Period</th>
<th>Year 1</th>
<th>Years 2-5</th>
<th>Years 6-50</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Constant 2008 Dollars</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor and Benefits</td>
<td>$ 45,725</td>
<td>$ 896,273</td>
<td>$ 896,273</td>
<td>$ 855,852</td>
</tr>
<tr>
<td>Purchased Water</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>454,450</td>
<td>362,432</td>
<td>360,752</td>
<td>360,752</td>
</tr>
<tr>
<td><strong>Total Direct Costs</strong></td>
<td>$ 500,175</td>
<td>$1,258,705</td>
<td>$1,257,025</td>
<td>$1,216,605</td>
</tr>
<tr>
<td>General and Administrative Cost</td>
<td>19,007</td>
<td>47,831</td>
<td>47,767</td>
<td>46,231</td>
</tr>
<tr>
<td><strong>Total (Annual)</strong></td>
<td>$ 519,182</td>
<td>$1,306,536</td>
<td>$1,304,792</td>
<td>$1,262,836</td>
</tr>
<tr>
<td><strong>Total (Monthly)</strong></td>
<td>$ 43,265</td>
<td>$ 108,878</td>
<td>$ 108,733</td>
<td>$ 105,236</td>
</tr>
</tbody>
</table>

| **Constant 2009 Dollars (for Input to RFP Schedule 5)** |                  |        |           |           |
| Labor and Benefits           | $ 46,527         | $ 911,982 | $ 911,982 | $ 870,853 |
| Purchased Water              | -                | -      |           |           |
| Other Operating Expenses     | 462,415          | 368,785 | 367,075   | 367,075   |
| **Total Direct Costs**       | $ 508,942        | $1,280,766| $1,279,057| $1,237,928|
| General and Administrative Cost | 19,340          | 48,669 | 48,604    | 47,041    |
| **Total (Annual)**           | $ 528,281        | $1,329,435| $1,327,661| $1,284,969|
| **Total (Monthly)**          | $ 44,023         | $ 110,786 | $ 110,638 | $ 107,081 |

| **Constant 2010-11 Dollars** |                  |        |           |           |
| Labor and Benefits           | $ 47,750         | $ 935,958 | $ 935,958 | $ 893,748 |
| Purchased Water              | -                | -      |           |           |
| Other Operating Expenses     | 474,572          | 378,480 | 376,726   | 376,726   |
| **Total Direct Costs**       | $ 522,322        | $1,314,438| $1,312,684| $1,270,473|
| General and Administrative Cost | 19,848          | 49,949 | 49,882    | 48,278    |
| **Total (Annual)**           | $ 542,170        | $1,364,387| $1,362,566| $1,318,751|
| **Total (Monthly)**          | $ 113,699        | $ 113,547 | $ 109,896 |           |
### Table IV-2

**Renewal and Replacement Schedule**

(2010$)

This table generally follows the format included in RFP Schedule 2—Renewals and Replacements—50 YEAR SCHEDULE

Notes: For each inventory component/item listed in the applicable J-section inventory, clearly show the $value of the planned R&R (if any) for each year 1-50

<table>
<thead>
<tr>
<th>Item and Size</th>
<th>Quant</th>
<th>Unit</th>
<th>Approx Year Installed</th>
<th>Existing Item Service Life</th>
<th>New Item Service Life</th>
<th>% ISDC</th>
<th>New Item</th>
<th>New Unit Cost</th>
<th>New Item RCN</th>
<th>Rehab R&amp;R</th>
<th>Rehab R&amp;R</th>
<th>Rehab R&amp;R</th>
<th>Expected Subsequent Replacement Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAW WATER SOURCES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>McCracken Spring Intake</td>
<td>1 Each</td>
<td>1937</td>
<td>77</td>
<td>2014</td>
<td>Same as existing</td>
<td>50</td>
<td>$23,000</td>
<td>$23,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Otter Creek PS - 16”</td>
<td>2,500</td>
<td>LF</td>
<td>1937</td>
<td>77</td>
<td>2014</td>
<td>Ductile Iron Pipe</td>
<td>75</td>
<td>$105,000</td>
<td>$262,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intake /Mechanical Screen</td>
<td>1 Each</td>
<td>1953</td>
<td>61</td>
<td>2014</td>
<td>Same as existing</td>
<td>50</td>
<td>$23,000</td>
<td>$23,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump Controls</td>
<td>3 Each</td>
<td>1995</td>
<td>60</td>
<td>Part of ISDC</td>
<td>Same as existing</td>
<td>50</td>
<td>$103,500</td>
<td>$103,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump No. 4 - 1,200 gpm, 150 HP</td>
<td>1 Each</td>
<td>1983</td>
<td>34</td>
<td>2017</td>
<td>Same as existing</td>
<td>25</td>
<td>$34,500</td>
<td>$34,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump No. 6 - 1,200 gpm, 230 HP</td>
<td>1 Each</td>
<td>1983</td>
<td>34</td>
<td>2017</td>
<td>Same as existing</td>
<td>25</td>
<td>$52,900</td>
<td>$52,900</td>
<td>2042</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump No. 9 - 2,100 gpm, 250 HP</td>
<td>1 Each</td>
<td>2008</td>
<td>25</td>
<td>2033</td>
<td>Same as existing</td>
<td>25</td>
<td>$57,500</td>
<td>$57,500</td>
<td>2058</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency Generator - 350 kW</td>
<td>1 Each</td>
<td>1981</td>
<td>35</td>
<td>2016</td>
<td>Same as existing</td>
<td>35</td>
<td>$104,545</td>
<td>$104,545</td>
<td>2051</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central WTP - 16-inch</td>
<td>1,963 LF</td>
<td>1937</td>
<td>80</td>
<td>2017</td>
<td>Ductile Iron Pipe</td>
<td>50</td>
<td>$1,256,115</td>
<td>$1,256,115</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central WTP (Facility No. 1205) - 3.5 MGD</td>
<td>6,799 SF</td>
<td>1937</td>
<td>75</td>
<td>2012</td>
<td>Same as existing</td>
<td>75</td>
<td>$543,920</td>
<td>$543,920</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chemical Feed Systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clarifier - 3.5 MG</td>
<td>1 Each</td>
<td>1937</td>
<td>86</td>
<td>2023</td>
<td>Same as existing</td>
<td>75</td>
<td>$3,450,000</td>
<td>$3,450,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-Media Filters - 1 MG</td>
<td>3 Each</td>
<td>1937</td>
<td>86</td>
<td>2023</td>
<td>Same as existing</td>
<td>75</td>
<td>$1,128,150</td>
<td>$1,128,150</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Filter Back Wash Tank - 150,000 gallons</td>
<td>1 Each</td>
<td>1978</td>
<td>75</td>
<td>2053</td>
<td>Same as existing</td>
<td>75</td>
<td>$747,500</td>
<td>$747,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clear Well No. 1 - 0.5 MG</td>
<td>1 Each</td>
<td>1937</td>
<td>84</td>
<td>2021</td>
<td>Same as existing</td>
<td>75</td>
<td>$287,500</td>
<td>$287,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clear Well No. 2 - 2 MG - 1945</td>
<td>1 Each</td>
<td>1945</td>
<td>90</td>
<td>2034</td>
<td>Same as existing</td>
<td>75</td>
<td>$1,950,000</td>
<td>$1,950,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central WTP High Lift</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump No. 1 &amp; Controls - 4,850 gpm, 250 HP</td>
<td>1 Each</td>
<td>1970</td>
<td>44</td>
<td>2014</td>
<td>Same as existing</td>
<td>25</td>
<td>$57,500</td>
<td>$57,500</td>
<td>2039</td>
<td></td>
<td></td>
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<td>Pump No. 2 &amp; Controls - 1,000 gpm, 70 HP</td>
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<td>Muldraugh WTP (Facility No. 3009) - 7.0 MGD</td>
<td>15,840 LF</td>
<td>1937</td>
<td>82</td>
<td>2019</td>
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### Table IV-2
Renewal and Replacement Schedule (2010$)

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

Notes: For each inventory component/item listed in the applicable J-section inventory, clearly show the $value of the planned R&R (if any) for each year 1-50

<table>
<thead>
<tr>
<th>Item and Size</th>
<th>Qty</th>
<th>Unit</th>
<th>Approx Year Installed</th>
<th>Service Life</th>
<th>First Replacement Date</th>
<th>% ISDC</th>
<th>New Service Life</th>
<th>New Item Cost</th>
<th>New Item RCN</th>
<th>RCN</th>
<th>New Item R&amp;R</th>
<th>Rehab Cost</th>
<th>Rehab Year</th>
<th>Second R&amp;R</th>
<th>Third R&amp;R</th>
<th>Fourth R&amp;R</th>
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<tr>
<td>Muldraugh WTP (Facility No. 3009) - Structure</td>
<td>14,860</td>
<td>SF</td>
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<td>Chemical Feed Systems (value included in WTP cost)</td>
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<td>Same as existing</td>
<td>25</td>
<td>$0</td>
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<td>Multi-Media Filters - 1 MGD</td>
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<td>2 Each</td>
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<td>Each</td>
<td>2007</td>
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<td>1</td>
<td>Each</td>
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<td>Included with pipe</td>
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<tr>
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<td>1&quot;</td>
<td>4</td>
<td>Each</td>
<td>1997</td>
<td>Included with pipe</td>
<td>$</td>
<td>-</td>
<td>$0</td>
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<tr>
<td>Yano Range - Valves</td>
<td>1&quot;</td>
<td>2</td>
<td>Each</td>
<td>2002</td>
<td>Included with pipe</td>
<td>$</td>
<td>-</td>
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<td>1</td>
<td>Each</td>
<td>2002</td>
<td>Included with pipe</td>
<td>$</td>
<td>-</td>
<td>$0</td>
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<td>4&quot;</td>
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<td>Each</td>
<td>1997</td>
<td>Included with pipe</td>
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<td>-</td>
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<td>4&quot;</td>
<td>13</td>
<td>Each</td>
<td>2002</td>
<td>Included with pipe</td>
<td>$</td>
<td>-</td>
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<td>1&quot;</td>
<td>4</td>
<td>Each</td>
<td>1997</td>
<td>Included with pipe</td>
<td>$</td>
<td>-</td>
<td>$0</td>
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<tr>
<td>Zussman Range (Mt.Eden) - Valves</td>
<td>1&quot;</td>
<td>2</td>
<td>Each</td>
<td>2002</td>
<td>Included with pipe</td>
<td>$</td>
<td>-</td>
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</tr>
<tr>
<td>Zussman Range (Mt.Eden) - Valves</td>
<td>1.5&quot;</td>
<td>1</td>
<td>Each</td>
<td>2002</td>
<td>Included with pipe</td>
<td>$</td>
<td>-</td>
<td>$0</td>
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<tr>
<td>Zussman Range (Mt.Eden) - Valves</td>
<td>4&quot;</td>
<td>2</td>
<td>Each</td>
<td>1997</td>
<td>Included with pipe</td>
<td>$</td>
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<tr>
<td>Zussman Range (Mt.Eden) - Valves</td>
<td>4&quot;</td>
<td>13</td>
<td>Each</td>
<td>2002</td>
<td>Included with pipe</td>
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<tr>
<td>Basham's Corner - Meters</td>
<td>Meters</td>
<td>50 ea</td>
<td>1998</td>
<td>25</td>
<td>2023</td>
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<td>25</td>
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<td>2048</td>
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<td>Basham's Corner - Back Flow Preventers</td>
<td>Meters</td>
<td>2 ea</td>
<td>2004</td>
<td>25</td>
<td>2029</td>
<td>Same as existing</td>
<td>25</td>
<td>$</td>
<td>550</td>
<td>$1,100</td>
<td>2054</td>
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<td>Pressure Reducing Station</td>
<td>Pressure Reducing Station</td>
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<td>2003</td>
<td>25</td>
<td>2028</td>
<td>Same as existing</td>
<td>25</td>
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<tr>
<td>SCADA</td>
<td>SCADA (Pump Controls)</td>
<td>3 ea</td>
<td>1995</td>
<td>--</td>
<td>In New Scada</td>
<td>Same as existing</td>
<td>--</td>
<td>$</td>
<td>--</td>
<td>$0</td>
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<tr>
<td>SCADA</td>
<td>New SCADA System</td>
<td>1 ea</td>
<td>ISDC</td>
<td>--</td>
<td>2037</td>
<td>Same as existing</td>
<td>25</td>
<td>$</td>
<td>220,000</td>
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<td>Automatic Transfer Switches</td>
<td>Install switches at Otter creek PS, Central WTP and Muldraugh HLF</td>
<td>1</td>
<td>0</td>
<td>2011</td>
<td>25</td>
<td>2036</td>
<td>Same as existing</td>
<td>25</td>
<td>$</td>
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<td>$22,500</td>
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<td></td>
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<tr>
<td>Well Control System</td>
<td>Well Control System</td>
<td>1 ea</td>
<td>1995</td>
<td>25</td>
<td>2020</td>
<td>Same as existing</td>
<td>25</td>
<td>$</td>
<td>--</td>
<td>--</td>
<td>2045</td>
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<td>Van Voorhis BPS (Facility No. 5898)</td>
<td>Van Voorhis BPS - Structure</td>
<td>1,500</td>
<td>SF</td>
<td>1995</td>
<td>75</td>
<td>2070</td>
<td>Same as existing</td>
<td>75</td>
<td>$</td>
<td>80</td>
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**Table IV-2**
Renewal and Replacement Schedule

(2010$)

This table generally follows the format included in RFP Schedule 2--Renews and Replacements--50 YEAR SCHEDULE

Notes: For each inventory component/item listed in the applicable J-section inventory, clearly show the $value of the planned R&R (if any) for each year 1-50
## Table IV-2
Renewal and Replacement Schedule
(2010$)

This table generally follows the format included in RFP Schedule 2–Renewals and Replacements–50 YEAR SCHEDULE

Notes: For each inventory component/item listed in the applicable J-section inventory, clearly show the $value of the planned R&R (if any) for each year 1-50

| Existing First New New
<p>| Approx |
| Item | Item | % | Replacement Dates |</p>
<table>
<thead>
<tr>
<th>and Size</th>
<th>Quantity</th>
<th>Service Life</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pump No. 1 &amp; Pressure Tank - 175 gpm, 10 HP</strong></td>
<td>1 ea</td>
<td>1995</td>
<td>25</td>
</tr>
<tr>
<td><strong>Pump No. 2 &amp; Pressure Tank - 175 gpm, 10 HP</strong></td>
<td>1 ea</td>
<td>1995</td>
<td>25</td>
</tr>
<tr>
<td><strong>Pump No. 3 &amp; Pressure Tank - 175 gpm, 10 HP</strong></td>
<td>1 ea</td>
<td>1995</td>
<td>25</td>
</tr>
<tr>
<td><strong>Fire Protection (Diesel Fueled) - 2,000 gpm, 125 HP</strong></td>
<td>1 ea</td>
<td>1995</td>
<td>25</td>
</tr>
<tr>
<td><strong>Tank No. 1 &amp; cathodic protection - 250,000 gallons</strong></td>
<td>250,000 Gal</td>
<td>1935</td>
<td>94</td>
</tr>
<tr>
<td><strong>Tank No. 2 &amp; cathodic protection - 250,000 gallons - 1937</strong></td>
<td>500,000 Gal</td>
<td>1937</td>
<td>92</td>
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<tr>
<td><strong>Tank No. 3 &amp; cathodic protection - 250,000 gallons - 1941</strong></td>
<td>0 Gal</td>
<td>1941</td>
<td>94</td>
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<td><strong>Tank No. 4 &amp; cathodic protection - 500,000 gallons</strong></td>
<td>500,000 Gal</td>
<td>1941</td>
<td>86</td>
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<td><strong>Tank No. 5 &amp; cathodic protection - 500,000 gallons - 1958</strong></td>
<td>300,000 Gal</td>
<td>1958</td>
<td>77</td>
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<tr>
<td><strong>Tank No. 6 &amp; cathodic protection - 500,000 gallons</strong></td>
<td>500,000 Gal</td>
<td>1995</td>
<td>75</td>
</tr>
<tr>
<td><strong>Tank No. 7 &amp; cathodic protection - 500,000 gallons</strong></td>
<td>500,000 Gal</td>
<td>1997</td>
<td>75</td>
</tr>
<tr>
<td><strong>Tank No. 8 &amp; cathodic protection - 500,000 gallons</strong></td>
<td>500,000 Gal</td>
<td>1997</td>
<td>75</td>
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**DISTRIBUTION PIPE - CAST IRON (Replaced with DIP)**

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<th>Unknown Diameter (assume 6&quot;)</th>
<th>Quantity</th>
<th>Approx Year Installed</th>
<th>First Replacement Year</th>
<th>% ISDC</th>
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<tr>
<td>1.25&quot; (NA - DIP starts at 4&quot; Diameter)</td>
<td>2,500 LF</td>
<td>1935</td>
<td>79</td>
<td>2014</td>
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<td>2&quot; (NA - DIP starts at 4&quot; Diameter)</td>
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<td>1935</td>
<td>79</td>
<td>2014</td>
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<tr>
<td>4&quot; (NA - DIP starts at 4&quot; Diameter)</td>
<td>10,000 LF</td>
<td>1935</td>
<td>79</td>
<td>2014</td>
</tr>
<tr>
<td>5&quot; (NA Pipe diameters even numbers - use 6&quot;)</td>
<td>10,000 LF</td>
<td>1935</td>
<td>79</td>
<td>2014</td>
</tr>
</tbody>
</table>

**DISTRIBUTION PIPE - DUCTILE IRON**

<table>
<thead>
<tr>
<th>Unknown Diameter (assume 6&quot;)</th>
<th>Quantity</th>
<th>Approx Year Installed</th>
<th>First Replacement Year</th>
<th>% ISDC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2&quot; (NA - DIP starts at 4&quot; Diameter)</td>
<td>2,500 LF</td>
<td>1958</td>
<td>55</td>
<td>2014</td>
</tr>
<tr>
<td>4&quot; (NA - DIP starts at 4&quot; Diameter)</td>
<td>4,500 LF</td>
<td>1958</td>
<td>55</td>
<td>2014</td>
</tr>
<tr>
<td>6&quot; (NA - DIP starts at 4&quot; Diameter)</td>
<td>12,000 LF</td>
<td>1958</td>
<td>55</td>
<td>2014</td>
</tr>
<tr>
<td>8&quot; (NA - DIP starts at 4&quot; Diameter)</td>
<td>24,000 LF</td>
<td>1958</td>
<td>55</td>
<td>2014</td>
</tr>
</tbody>
</table>

**Second R&R** | **Third R&R** | **Fourth R&R** | **Expected Subsequent Replacement Dates** |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;R</td>
<td>R&amp;R</td>
<td>R&amp;R</td>
<td>DIP</td>
</tr>
</tbody>
</table>

**Notes:**
- The table follows the format included in RFP Schedule 2–Renewals and Replacements–50 YEAR SCHEDULE.
- For each inventory component/item listed in the applicable J-section inventory, clearly show the $value of the planned R&R (if any) for each year 1-50.
- The table includes items such as pumps, tanks, and distribution pipes, with details such as service life, expected replacement year, and cost for each year 1-50.
### Table IV-2
Renewal and Replacement Schedule
(2010$)

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

Notes: For each inventory component/item listed in the applicable J-section inventory, clearly show the $value of the planned R&R (if any) for each year 1-50

<table>
<thead>
<tr>
<th>Item and Size</th>
<th>Quant</th>
<th>Unit</th>
<th>Approx Year Installed</th>
<th>Existing Item Service Life</th>
<th>First Expected Replacement Date</th>
<th>% ISDC</th>
<th>New Item</th>
<th>New Item Service Life</th>
<th>New Unit Cost</th>
<th>New Item RCN</th>
<th>Rehab Cost</th>
<th>Rehab Year</th>
<th>Second R&amp;R</th>
<th>Third R&amp;R</th>
<th>Fourth R&amp;R</th>
</tr>
</thead>
<tbody>
<tr>
<td>12&quot;</td>
<td>897</td>
<td>LF</td>
<td>1958</td>
<td>55</td>
<td>2013</td>
<td>100%</td>
<td>Ductile Iron</td>
<td>50</td>
<td>74</td>
<td>$66,378</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12&quot;</td>
<td>9,183</td>
<td>LF</td>
<td>1994</td>
<td>50</td>
<td>2044</td>
<td>0%</td>
<td>Ductile Iron</td>
<td>50</td>
<td>74</td>
<td>$679,542</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14&quot;</td>
<td>192</td>
<td>LF</td>
<td>1958</td>
<td>55</td>
<td>2013</td>
<td>100%</td>
<td>Ductile Iron</td>
<td>50</td>
<td>84</td>
<td>$16,128</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**DISTRIBUTION PIPE - TRANSITE (Replaced with C-900/PVC sch 80)**

| 1"           | 834   | LF   | 1935                  | 78                         | 2013                            | 100%   | PVC        | 50                   | 21            | $17,514    |            |            |            |            |            |
| 1.5"         | 1,988 | LF   | 1935                  | 78                         | 2013                            | 100%   | PVC        | 50                   | 22            | $43,736    |            |            |            |            |            |
| 2"           | 3,727 | LF   | 1935                  | 78                         | 2013                            | 100%   | PVC        | 50                   | 24            | $89,448    |            |            |            |            |            |
| 3"           | 284   | LF   | 1935                  | 78                         | 2013                            | 100%   | PVC        | 50                   | 25            | $7,100     |            |            |            |            |            |
| 4"           | 4,231 | LF   | 1935                  | 78                         | 2013                            | 100%   | PVC        | 50                   | 37            | $156,547   |            |            |            |            |            |
| 5"           | 6,472 | LF   | 1935                  | 78                         | 2013                            | 100%   | PVC        | 50                   | 38            | $245,936   |            |            |            |            |            |
| 10"          | 5,927 | LF   | 1935                  | 78                         | 2013                            | 100%   | PVC        | 50                   | 66            | $391,182   |            |            |            |            |            |

**DISTRIBUTION PIPE - PVC (Replaced with C-900/PVC sch 80)**

| 1.5"         | 16,608| LF   | 2005                  | 50                         | 2055                            | 0%     | PVC        | 50                   | 23            | $381,984   |            |            |            |            |            |
| 2"           | 10,698| LF   | 2008                  | 50                         | 2058                            | 0%     | PVC        | 50                   | 24            | $256,752   |            |            |            |            |            |
| 3"           | 473   | LF   | 2007                  | 50                         | 2057                            | 0%     | PVC        | 50                   | 25            | $11,625    |            |            |            |            |            |
| 4"           | 603   | LF   | 2008                  | 50                         | 2058                            | 0%     | PVC        | 50                   | 25            | $15,075    |            |            |            |            |            |
| 6"           | 24    | LF   | 1997                  | 50                         | 2047                            | 0%     | PVC        | 50                   | 28            | $660       |            |            |            |            |            |
| 8"           | 334   | LF   | 2005                  | 50                         | 2055                            | 0%     | PVC        | 50                   | 28            | $9,185     |            |            |            |            |            |
| 10"          | 443   | LF   | 2007                  | 50                         | 2057                            | 0%     | PVC        | 50                   | 28            | $12,183    |            |            |            |            |            |
| 12"          | 6,368 | LF   | 2008                  | 50                         | 2058                            | 0%     | PVC        | 50                   | 28            | $175,120   |            |            |            |            |            |
| 14"          | 9,224 | LF   | 1994                  | 50                         | 2044                            | 0%     | PVC        | 50                   | 37            | $341,288   |            |            |            |            |            |
| 16"          | 7,640 | LF   | 2003                  | 50                         | 2053                            | 0%     | PVC        | 50                   | 37            | $282,680   |            |            |            |            |            |
| 18"          | 2,912 | LF   | 2005                  | 50                         | 2055                            | 0%     | PVC        | 50                   | 37            | $107,744   |            |            |            |            |            |
| 20"          | 6,372 | LF   | 2007                  | 50                         | 2057                            | 0%     | PVC        | 50                   | 37            | $235,764   |            |            |            |            |            |
| 24"          | 5,033 | LF   | 2008                  | 50                         | 2058                            | 0%     | PVC        | 50                   | 37            | $186,221   |            |            |            |            |            |
| 28"          | 10,211| LF   | 1994                  | 50                         | 2044                            | 0%     | PVC        | 50                   | 38            | $338,018   |            |            |            |            |            |
| 32"          | 14,522| LF   | 1997                  | 50                         | 2047                            | 0%     | PVC        | 50                   | 38            | $551,636   |            |            |            |            |            |
| 36"          | 18,915| LF   | 2005                  | 50                         | 2055                            | 0%     | PVC        | 50                   | 38            | $718,770   |            |            |            |            |            |
| 40"          | 2,223 | LF   | 2007                  | 50                         | 2057                            | 0%     | PVC        | 50                   | 38            | $84,474    |            |            |            |            |            |
| 44"          | 4,644 | LF   | 2008                  | 50                         | 2058                            | 0%     | PVC        | 50                   | 38            | $176,472   |            |            |            |            |            |
| 48"          | 1,555 | LF   | 1994                  | 50                         | 2044                            | 0%     | PVC        | 50                   | 66            | $102,530   |            |            |            |            |            |
| 52"          | 106   | LF   | 2005                  | 50                         | 2055                            | 0%     | PVC        | 50                   | 66            | $6,996     |            |            |            |            |            |
| 56"          | 1,996 | LF   | 1994                  | 50                         | 2044                            | 0%     | Ductile Iron| 50                   | 75            | $149,700   |            |            |            |            |            |

**Zussman Range (Mt.Eden) - Pipe Material - PVC**

| 1"           | 110   | LF   | 1997                  | 50                         | 2047                            | 0%     | PVC        | 50                   | 24            | $2,657     |            |            |            |            |            |
| 1.5"         | 383   | LF   | 2002                  | 50                         | 2052                            | 0%     | PVC        | 50                   | 24            | $9,249     |            |            |            |            |            |
| 2"           | 60    | LF   | 2002                  | 50                         | 2052                            | 0%     | PVC        | 50                   | 26            | $1,587     |            |            |            |            |            |
| 4"           | 30,177| LF   | 1997                  | 50                         | 2047                            | 0%     | PVC        | 50                   | 28            | $829,868   |            |            |            |            |            |

**Zussman Range (Mt.Eden) - Pipe Material - PE**

<p>| 1&quot;           | 1,111 | LF   | 2002                  | 50                         | 2052                            | 0%     | PVC        | 50                   | 24            | $26,631    |            |            |            |            |            |</p>
<table>
<thead>
<tr>
<th>Item and Size</th>
<th>Quant</th>
<th>Unit</th>
<th>Approx Year Installed</th>
<th>Existing Item Service Life</th>
<th>First Replacement Date</th>
<th>% ISDC</th>
<th>New Item</th>
<th>New Item Service Life</th>
<th>New Item Cost</th>
<th>New Item RCN</th>
<th>Rehab Cost</th>
<th>Rehab Year</th>
<th>Expected Subsequent Replacement Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>4&quot; Yano Range - Pipe Material - PVC</td>
<td>13,668</td>
<td>LF</td>
<td>2002</td>
<td>50</td>
<td>2052</td>
<td>0%</td>
<td>PVC</td>
<td>50</td>
<td>$28</td>
<td>$375,870</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2&quot; Basham’s Corner - Pipe Material - PVC</td>
<td>2,500</td>
<td>LF</td>
<td>1990</td>
<td>50</td>
<td>2040</td>
<td>0%</td>
<td>PVC</td>
<td>50</td>
<td>$28</td>
<td>$69,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.25&quot;</td>
<td>72</td>
<td>LF</td>
<td>2004</td>
<td>50</td>
<td>2054</td>
<td>0%</td>
<td>PVC</td>
<td>50</td>
<td>$25</td>
<td>$1,822</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2&quot;</td>
<td>60</td>
<td>LF</td>
<td>2004</td>
<td>50</td>
<td>2054</td>
<td>0%</td>
<td>PVC</td>
<td>50</td>
<td>$28</td>
<td>$1,656</td>
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<tr>
<td>6&quot;</td>
<td>256</td>
<td>LF</td>
<td>2004</td>
<td>50</td>
<td>2054</td>
<td>0%</td>
<td>PVC</td>
<td>50</td>
<td>$37</td>
<td>$9,472</td>
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<td>FIRE HYDRANTS</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Fire Hydrants</td>
<td>600</td>
<td>Each</td>
<td>1935</td>
<td>40</td>
<td>2010</td>
<td>100%</td>
<td>Same as existing</td>
<td>40</td>
<td>$3,000</td>
<td>$1,800,000</td>
<td>2050</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire Hydrants</td>
<td>122</td>
<td>Each</td>
<td>1935</td>
<td>40</td>
<td>2014</td>
<td>0%</td>
<td>Same as existing</td>
<td>40</td>
<td>$3,000</td>
<td>$366,000</td>
<td>2054</td>
<td></td>
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</tr>
<tr>
<td>Fire Hydrants</td>
<td>83</td>
<td>Each</td>
<td>1958</td>
<td>40</td>
<td>2014</td>
<td>0%</td>
<td>Same as existing</td>
<td>40</td>
<td>$3,000</td>
<td>$249,000</td>
<td>2054</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire Hydrants</td>
<td>14</td>
<td>Each</td>
<td>1997</td>
<td>40</td>
<td>2037</td>
<td>0%</td>
<td>Same as existing</td>
<td>40</td>
<td>$3,000</td>
<td>$42,000</td>
<td>2054</td>
<td></td>
<td></td>
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<tr>
<td>Fire Hydrants</td>
<td>1</td>
<td>Each</td>
<td>1990</td>
<td>40</td>
<td>2030</td>
<td>0%</td>
<td>Same as existing</td>
<td>40</td>
<td>$3,000</td>
<td>$3,000</td>
<td>2054</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire Hydrants</td>
<td>2</td>
<td>Each</td>
<td>2004</td>
<td>40</td>
<td>2044</td>
<td>0%</td>
<td>Same as existing</td>
<td>40</td>
<td>$3,000</td>
<td>$6,000</td>
<td>2054</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire Hydrants</td>
<td>54</td>
<td>Each</td>
<td>2005</td>
<td>40</td>
<td>2045</td>
<td>0%</td>
<td>Same as existing</td>
<td>40</td>
<td>$3,000</td>
<td>$162,000</td>
<td>2054</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operation &amp; Maintenance Building</td>
<td>1 ea</td>
<td>0</td>
<td>75</td>
<td>2010</td>
<td>0%</td>
<td>Same as existing</td>
<td>75</td>
<td>$425,000</td>
<td>$425,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicles/Equipment</td>
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</tr>
<tr>
<td>Water Lab Equipment + Backhoe</td>
<td></td>
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<td></td>
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<tr>
<td>Tools, and Furniture</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Admin Equipment, Power Equipment</td>
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<td></td>
<td></td>
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</tr>
</tbody>
</table>

1. Includes contractor overhead and profit, permitting, G&A, and contingency.
[$1,364,387 + $1,362,566]/2 = $1,363,476]. This annual cost was divided by 12 to determine the O&M component of the Monthly Service Charge.

R&R Component

The basis for establishing the R&R charge for recovering R&R costs is described below followed by a brief discussion of the bases for future changes in the rate component.

Basis for R&R Charge

Section B.7.1 of the RFP requires that the Offeror:

1. “Establish a 50-year schedule for renewals and replacements of major system components.”

2. Show the 50-year schedule “in current dollars.”

3. “Clearly establish a direct correlation between the applicable J-section inventory, the 50-year schedule for renewals and replacements and the renewals and replacements component of the Utility Service Charge.”

In order to comply with these requirements, HCWD1 created an R&R plan for each Fort Knox water utility inventory component included in RFP Section J1 Table 5. That plan is summarized in Table IV-2. Among other details, Table IV-2 shows the expected replacement date(s) for each system component, the items that will be used for each R&R, the planned life for each R&R, and the cost (in 2010 dollars) of each R&R.

While we generally adopted the useful life guidelines provided by the Government, R&Rs for some existing facilities were extended to recognize that some facilities do not need to be replaced as early as indicated by the useful life guidelines. One example is the storage tanks that were originally installed in the 1930’s and 1940’s. These tanks will be rehabilitated as part of the planned ISDCs. Accordingly, their useful life will be extended. Similarly, replacement of pipe is planned to begin according to the useful life guidelines. However, the plan recognizes that the replacement is best performed over a number of years using an asset management approach that recognizes that some pipe will be in better condition is some location than in others and that better value can be achieved by staying within the contractor capacity within the local market.

R&R costs shown in Table IV-2 are directly transferred to the R&R cash flow presented in Table IV-3. Table IV-3 also shows the “residual value”, or undepreciated value, of each R&R project at the end of the 50-year contract term. Residual values were calculated in 2010 dollars by reducing the RCN value of each component by the amount of depreciation on the component between the time it was last installed and the end of the fiftieth year of the contract. Specifically, the RCN value was multiplied by 1-A/L, where A equalled the age of the item at the end of Year 50 and L equalled the service life of the item.

The total annual cash flow for all R&Rs is shown at the bottom of Table IV-3 with the addition of a 3.8 percent G&A allowance. That annual cash flow is transferred to Column 2 (Project Costs 2010$) of Table IV-4. In Column 4 of Table IV-4, the R&R project costs are translated into current year dollars using an assumed inflation rate of 1.752678 percent per year as specified by the Government.

The purpose of Table IV-4 is to establish a uniform R&R charge component to the Monthly Service

At the Government’s request, the amount of HCWD1’s R&R costs to be recovered during the contract period is equal to the portion of the R&R costs that depreciates during the contract period based on the service life of each R&R component shown in Table IV-2. Specifically, $32.9 million of HCWD’s R&R investments during the 50-year contract period are not planned to be recovered through the R&R charge (nominal dollars assuming a 1.752678 inflation rate). These costs will either be recovered as part of an ongoing water utility service contract that succeeds the initial 50-year contract or be paid by the Government to HCWD1 if

2 This table follows the general format of RFP Schedule 2. Exact compliance with Schedule 2 is not required for Offerors proposing a regulated tariff under RFP Schedule B-1.
the contract terminates without a succeeding contract.

The R&R charge component of the Monthly Service Charge is shown in the Column 3 of the table as “R&R Revenues”.

Net revenues (R&R revenues less R&R costs) are shown in Column 5. Columns 6 through 10 show the calculation of the cumulative balance of net revenues over the 50-year contract period. Beginning fund balances for each year are shown in Column 6 and ending balances are shown in Column 10.

It is assumed that HCWD1 can earn 0.5 percent in interest on investments of surplus balances and pay 5.5 percent interest on deficit balances. The interest rate used to calculate interest expense will be the “all-in total interest cost” associated with bonds used to finance Ft. Knox water system projects. As such it will include the cost of issuing the bonds. That will include, but not necessarily be limited to, the nominal interest rate on the bonds as well as financing and legal fees, the cost of a surety bond if needed, and the cost of bond insurance if needed. Additionally, if the bonds require a provision for interest coverage or debt service coverage, those coverage requirements may be added to the R&R charge calculation. At the same time, HCWD1 would credit revenues generated from coverage requirements to the Ft. Knox water fund for exclusive use in funding R&R projects at the post.

Because investments in the Ft. Knox water system are planned to grow substantially during the contract period, HCWD1 will likely need to issue revenue bonds to finance the R&R program. The Government as the only possible beneficiary of investments made with proceeds from the bonds may need to guarantee their repayment in order for HCWD1 to raise capital from the bond markets.

Any equity invested by HCWD1 would be treated in the same way as debt issued to fund water system R&R projects at the Post. Return to equity investments would be set at the same annual rate as for the most recent debt issued for Ft. Knox water system R&Rs.

As shown at the bottom of Column 10, with the R&R revenues and costs included in the annual cash flows, the ending balance of the R&R fund in Year 50 is -32,906,688. The R&R revenues shown for Year 1 and Year 2 are the annual amounts that constitute the R&R component of the Monthly Service Charge calculated above. The monthly component was determined by simply dividing the annual amount of $1,401,805 by 12.

In practice, HCWD1 will manage its R&R expenditures with a goal of providing quality service to the post while minimizing the need to borrow for capital projects that would be included in its rate base and incur interest costs. This management approach would also include consultation with the Government in updating the water utility capital improvement plan and Government approval of the plan.

**Future Changes to the R&R Charge**

As time passes, the R&R Charge will be revised based primarily on 3 adjustments:

- Projected data in Table IV-4 will be replaced by actual data. For example, in Year 3, data in columns 3 through 10 of Table IV-4 for Years 1 and 2 will be replaced by actual data for each respective category of revenues and costs in those columns.

- The projected amount of R&R investments that will not to be recovered in the 50-year contract period will be updated. That update will be based in part on actual R&R expenditures for individual projects replacing projections when projects are complete. These adjustments will result in changes in the projected unrecovered residual values shown in the last column of Table IV-3 and, in turn, result in a change to the target ending balance to the R&R fund at the end of the 50th contract year.

- Adjustments will be made to projected inflation using a projected inflation index to be agreed upon between the Government and HCWD1.
With those adjustments, a new 50-year cash flow, consisting of actual historic costs and projected future costs will be input to the Table IV-4 pricing model. A new R&R charge will be calculated for the upcoming year based on the full 50 year cash flow (historic and projected) that will yield the target R&R fund balance at the end of the 50th contract year. For example, the R&R charge in Year 3 would be adjusted based on actual data from Years 1 and 2, changes in residual values based on actual R&R expenditures in Years 1 and 2 and possible changes in planned R&Rs, and possible changes in the projected inflation rate.

In practice, HCWD1 plans to manage deviations between estimated to actual bid costs in a manner designed to keep costs low. For an actual bid which is lower than estimated, the portion of that project’s cost included in the fixed fee, would still stay in HCWD1’s separate Ft Knox Water Fund, and could only be used on other Ft. Knox water projects. If an actual bid came in higher than the estimate, HCWD1 could either adjust the annual capital plan being funded by current year R&R revenues (e.g., by postponing a project), or use existing reserves in the Ft. Knox Water Fund to fund the full capital plan for the year. The Government is protected from over payments for projects where actual costs are higher than estimated, by the requirement that HCWD1 only spend those revenues for the specific customer of the utility, which in this case would be the U.S. Government. Furthermore, by maintaining a separate cash balance and reserves, with a flexible Capital Plan, approved by the Government, changes in bid and actual prices compared to those used in initial estimates can also be somewhat mitigated by spending reserves received from prior payments from the Government.

This pricing method also is intended to reduce the amount of future capital funding HCWD1 will need to raise through bond issues, or other long term financing. Such financing would require higher rates be in place before going to the capital market, and will also require higher rates to the Government due to interest and cost of issuance being included in HCWD1’s rate base to the Government.

When the capital program, O&M costs, and construction costs can no longer be met by current revenues, or total revenue requirements are higher than current rates, HCWD1 would be required to request a rate adjustment. The Government would be consulted and all costs used in HCWD’s proposed rate change would be fully disclosed to the Contracting Officer and Government in advance.

It is HCWD1’s intent that it receives prior acceptance and approval from the Government first, before filing any rate change with the Public Service Commission. This is the same process set forth in the “Final Utilities Privatization Service Contract Price Redetermination Guidance Manual”, Section 7, pages 67~71 (DESC, May 2005).” Negotiation of a rate adjustment between the Government and HCWD1 is discussed in more detail in Section 3 under “Regulatory Process for Future Rate Changes”.

**ISDC Surcharge**

The ISDC Surcharge covers the cost of completing the ISDCs identified in Table 12 of RFP Section J1. HCWD1 is proposing to recover all costs over the same 5 years that the ISDCs will be completed. Therefore the surcharge will last 60 months and then be removed from Rate Schedule FKW.
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### Table IV-3
Renewals and Replacement Costs
and Residual Values
(2010 Dollars)

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## Table IV-3

### Renewals and Replacement Costs and Residual Values

(2010 Dollars)

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Table IV-3

Renewals and Replacement Costs
and Residual Values
(2010 Dollars)

Item and Size
Raw Water Sources
McCracken Spring Intake
CI Line to Otter Creek PS - 16"
Otter Creek PS (Facility No. 9213) - Structure
Intake /Mechanical Screen
Pump Controls
Pump No. 4 - 1,200 gpm, 150 HP
Pump No. 9 - 2,100 gpm, 230 HP
Pump No. 10 - 2,100 gpm, 250 HP
Emergency Generator - 350 KW
CI Line to Central WTP - 16-inch
Central WTP (Facility No 1205) - 3.5 MGD
Central WTP (Facility No. 1205) - Structure
Chemical Feed Systems
Clarifier - 3.5 MG
Multi-Media Filters - 1 MG
Filter Back Wash Tank - 150,000 gallons
Clear Well No. 1 - 0.5 MG
Clear Well No. 2 - 2 MG - 1945
Central WTP High Lift
Pump No. 1 & Controls - 4,850 gpm, 250 HP
Pump No. 2 & Controls - 1,000 gpm, 70 HP
Pump No. 3 & Controls - 1,400 gpm, 60 HP
Filter Back Wash Pump & Controls - 5,400 gpm
Emergency Generator - 750 KW
West Point Well Field
Well No. 1. Pump/Controls - 750 gpm, 125 HP
Well No. 2. Pump/Controls - 750 gpm, 125 HP
Well No. 3. Pump/Controls - 750 gpm, 125 HP
Well No. 5. Pump/Controls - 750 gpm, 125 HP
Well No. 6. Pump/Controls - 500 gpm, 75 HP
Well No. 7. Pump/Controls - 750 gpm, 125 HP
Well No. 8. Pump/Controls - 750 gpm, 125 HP
Well No. 9. Pump/Controls - 750 gpm, 125 HP
Well No. 10. Pump/Controls - 750 gpm, 125 HP
Well No. 11. Pump/Controls - 750 gpm, 125 HP
Well No. 12A. Pump/Controls - 750 gpm, 125 H
Well No. 12B. Pump/Controls - 750 gpm, 125 H
Well No. 13. Pump/Controls - 750 gpm, 125 HP
Well Field Header - 16-inch
CI Line to Muldraugh WTP - 24 inch
Muldraugh WTP (Facility No. 3009) - 7.0 MGD
Muldraugh WTP (Facility No. 3009) - Structure
Chemical Feed Systems (value included in WTP
Clarifier No. 1 - 5.0 MG
Clarifier No. 2 - 2.0 MG
Multi-Media Filters - 1 MGD

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## Table IV-3
### Renewals and Replacement Costs and Residual Values

(2010 Dollars)

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</tbody>
</table>
### Table IV-3

**Renewals and Replacement Costs and Residual Values**

(2010 Dollars)

<table>
<thead>
<tr>
<th>Item and Size</th>
<th>16</th>
<th>17</th>
<th>18</th>
<th>19</th>
<th>20</th>
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<th>29</th>
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</tr>
</thead>
<tbody>
<tr>
<td>0.75&quot; (NA - DIP starts at 4&quot; Diameter)</td>
<td>17,957</td>
<td>$17,957</td>
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<td>$17,957</td>
<td>$0</td>
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<td>3&quot; (NA - DIP starts at 4&quot; Diameter)</td>
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<tr>
<td>6&quot;</td>
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<td>$620,252</td>
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<td>$527,160</td>
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<tr>
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<td>$138,245</td>
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<tr>
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<td>$127,424</td>
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</tbody>
</table>

**DISTRIBUTION PIPE - DUCTILE IRON**

| 1" (NA - DIP starts at 4" Diameter) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.25" (NA - DIP starts at 4" Diameter) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.5" (NA - DIP starts at 4" Diameter) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2" (NA - DIP starts at 4" Diameter) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3" (NA - DIP starts at 4" Diameter) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4" | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6" | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DISTRIBUTION PIPE - TRANSITE (Replaced with C-90) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DISTRIBUTION PIPE - PVC (Replaced with C-90) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

**DISTRIBUTION PIPE - PVC (Replaced with C-90)**

| 1" (NA - DIP starts at 4" Diameter) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.25" (NA - DIP starts at 4" Diameter) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.5" (NA - DIP starts at 4" Diameter) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2" (NA - DIP starts at 4" Diameter) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3" (NA - DIP starts at 4" Diameter) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4" | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6" | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

**DISTRIBUTION PIPE - TRANSITE (Replaced with C-90)**

<p>| 1&quot; (NA - DIP starts at 4&quot; Diameter) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.25&quot; (NA - DIP starts at 4&quot; Diameter) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.5&quot; (NA - DIP starts at 4&quot; Diameter) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2&quot; (NA - DIP starts at 4&quot; Diameter) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3&quot; (NA - DIP starts at 4&quot; Diameter) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4&quot; | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6&quot; | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |</p>
<table>
<thead>
<tr>
<th>Item and Size</th>
<th>16</th>
<th>17</th>
<th>18</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Zussman Range (Mt.Eden) - Pipe Material - PVC</td>
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Table IV-3
Renewals and Replacement Costs and Residual Values
(2010 Dollars)

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### Table IV-3
Renewals and Replacement Costs and Residual Values (2010 Dollars)

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### Table IV-3

**Renewsals and Replacement Costs and Residual Values (2010 Dollars)**

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<td>Operation &amp; Maintenance Building</td>
<td>Vehicles/Equipment</td>
<td>Water Lab Equipment + Backhoe</td>
<td>Tools, and Furniture</td>
<td>Admin Equipment, Power Equipment</td>
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|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
### Table IV-3

#### Renewals and Replacement Costs and Residual Values

(2010 Dollars)

<table>
<thead>
<tr>
<th>Item and Size</th>
<th>46</th>
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<th>Residual Value of R&amp;R Year End 50 (2059)</th>
<th>Inflated Residual Value of R&amp;R Year End 50 (2059)</th>
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<td>Item and Size</td>
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<td>Residual Value of R&amp;R Year End 50 (2059)</td>
<td>Inflated Residual Value of R&amp;R Year End 50 (2059)</td>
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<td>Inflated Residual Value of R&amp;R Year End 50 (2059)</td>
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## Table IV-3

### Renewals and Replacement Costs

and Residual Values

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<td><strong>Admin Equipment, Power Equipment</strong></td>
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<td><strong>General and Administrative Overhead</strong></td>
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<td><strong>Total Cost</strong></td>
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### Table IV-4

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<tr>
<th>Contract Year</th>
<th>Project Costs</th>
<th>Renewal and Replacement Cash Flow</th>
<th>R&amp;R Revenues</th>
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<td>Cash Flow (Current Year)$^*$</td>
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<td>978,808</td>
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<td></td>
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<td>1,513,132</td>
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<td>2,780,597</td>
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<td>1,443,527</td>
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<td>775,459</td>
<td>3,227,663</td>
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</table>

**Notes:**
- Includes projected future inflation of 2.5 percent per year.
- Table IV-4, P. 2025-2025, Table IV-4, P. 467,468, (22,064,219), 1,353,929, (29,986,866)

**Footnotes:**
- Table IV-4, P. 2025-2025, Table IV-4, P. 467,468, (22,064,219), 1,353,929, (29,986,866)
ISDC project costs and completion schedule are shown in Table IV-5 and conform to completion dates specified in Table 12 of RFP Section J1. Similar to the R&R project analysis, data in Table IV-5 is translated into an overall cash flow schedule in Table IV-6. The annual uniform charge for ISDC projects is calculated in Table IV-7.

All ISDC costs are to be recovered through the 5-year surcharge period. The charge is a fixed monthly rate that can be modified based on changed conditions such as variation from the 1.752678 percent inflation rate specified for this proposal. The ISDC charges shown in Table IV-7 are based on a 5.5 percent annual interest rate and an assumed 1.752678 percent inflation rate.

**Transition Surcharge**
The Transition Surcharge simply recovers HCWD1's cost of transition activities in the first month the Rate Schedule FKW is applied. After that surcharge is applied, it will be removed from the rate schedule. The charge is equal to the O&M cost total shown for the transition period in Table IV-1.

**Total Contract Costs**
Total costs to the Government over the 50-year contract term are shown in Table IV-8. This table contains Schedule 5 from the RFP. As required for that schedule, all costs are provided in 2009 dollars. Data are shown as costs to the Government from HCWD1 charges for water utility service. While there would only be 4 charges to the Government, cost bases for these charges are provided in the table.

The RFP also requires that "all values shown on Schedule 5 should be documented in the Offeror’s Proposal and the derivation of same should be provided in the Offeror’s Pricing Proposal and supporting documentation." A description and documentation of the derivation of values shown in Schedule 5 is provided below.

---

3 This table follows the general format of RFP Schedule 3. Exact compliance with Schedule 3 is not required for Offerors proposing a regulated tariff under RFP Schedule B-1.
## Table IV-5
### Initial System Deficiency Correction Schedule

This table generally follows the format included in RFP Schedule 3—Initial System Deficiency Corrections/Connection Charges/Transition Period

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Volume I Reference Number</th>
<th>Year to Be Constructed</th>
<th>Project Cost 2010 $</th>
<th>First Full Month Project Will Be in Service</th>
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</thead>
<tbody>
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<td>1</td>
<td>1</td>
<td>$119,515</td>
<td>AUG, YEAR 1</td>
</tr>
<tr>
<td>Leak Detection Survey</td>
<td>2</td>
<td>1</td>
<td>$40,706</td>
<td>OCT, YEAR 1</td>
</tr>
<tr>
<td>Hydraulic Model</td>
<td>3</td>
<td>1</td>
<td>$21,670</td>
<td>OCT, YEAR 1</td>
</tr>
<tr>
<td>Master Flow Meters at the WTPs</td>
<td>4</td>
<td>1</td>
<td>$24,480</td>
<td>JUN, YEAR 1</td>
</tr>
<tr>
<td>20-inch Valves</td>
<td>5</td>
<td>1</td>
<td>$9,512</td>
<td>JUN, YEAR 1</td>
</tr>
<tr>
<td>New Raw Water from the Muldraugh WTP to 16-inch Raw Water Line Between Otter Creek PS &amp; Central WTP</td>
<td>6</td>
<td>1</td>
<td>$1,912,680</td>
<td>JAN, YEAR 2</td>
</tr>
<tr>
<td>Otter Creek PS</td>
<td>7</td>
<td>1</td>
<td>$102,500</td>
<td>SEP YEAR 1</td>
</tr>
<tr>
<td>Muldraugh HLPS</td>
<td>8</td>
<td>1</td>
<td>$88,000</td>
<td>SEP YEAR 1</td>
</tr>
<tr>
<td>Central WTP</td>
<td>9</td>
<td>1</td>
<td>$58,500</td>
<td>SEP YEAR 1</td>
</tr>
<tr>
<td>Central WTP Clearwell</td>
<td>10</td>
<td>1</td>
<td>$1,370,000</td>
<td>JAN YEAR 2</td>
</tr>
<tr>
<td>Fire Hydrants</td>
<td>11</td>
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<td>JAN YEAR 2</td>
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<tr>
<td>Water Storage No. 5</td>
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<td>$316,250</td>
<td>JAN YEAR 2</td>
</tr>
<tr>
<td>Automatic Transfer Switches</td>
<td>14</td>
<td>2</td>
<td>$22,500</td>
<td>JUN YEAR 2</td>
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<td>19</td>
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<tr>
<td>Leak Detection Survey</td>
<td>2</td>
<td>$40,706</td>
<td>$0</td>
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<td>3</td>
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<td>Master Flow Meters at the WTPs</td>
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<td>5</td>
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<td>New Raw Water from the Muldraugh WTP to 16-inch Raw Water Line Between Otter Creek</td>
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<td>11</td>
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<td>SCADA System</td>
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<td>$0</td>
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<tr>
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<td>Distribution Pipe &amp; Valves - DIP</td>
<td>21</td>
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<tr>
<td>Tanks - Rehab</td>
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<td></td>
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<td>$0</td>
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<td>West Point Well Platforms</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Well Platforms - Rehab (6)</td>
<td>27</td>
<td>$56,000</td>
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<td>$0</td>
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<td>Van Voorhis Pump House</td>
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<td>Pump House - Rehab</td>
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<td>Decommission Muldraugh WTP</td>
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<td>Muldraugh operation--Year 1</td>
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<td>$0</td>
<td>$0</td>
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<tr>
<td>Muldraugh operation--Year 2</td>
<td>31</td>
<td>$1,071,614</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
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<td>$0</td>
</tr>
<tr>
<td>Muldraugh operation--Year 4</td>
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<td>$0</td>
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<tr>
<td>Muldraugh operation--Year 5</td>
<td>34</td>
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<tr>
<td><strong>Subtotal</strong></td>
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<td>$7,016,311</td>
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<tr>
<td><strong>General &amp; Administrative Overhead</strong></td>
<td></td>
<td><strong>$257,108</strong></td>
<td><strong>$120,057</strong></td>
<td><strong>$245,834</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$7,273,418</strong></td>
<td><strong>$3,279,438</strong></td>
<td><strong>$6,715,138</strong></td>
</tr>
<tr>
<td>Contract Year</td>
<td>Project Costs 2010$</td>
<td>ISDC Revenues</td>
<td>Project Costs</td>
<td>Net Revenues</td>
</tr>
<tr>
<td>---------------</td>
<td>----------------------</td>
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</tr>
<tr>
<td>1</td>
<td>7,273,418</td>
<td>5,815,914</td>
<td>7,273,418</td>
<td>(4,457,505)</td>
</tr>
<tr>
<td>2</td>
<td>3,279,438</td>
<td>5,815,914</td>
<td>3,336,916</td>
<td>2,478,998</td>
</tr>
<tr>
<td>3</td>
<td>6,715,138</td>
<td>5,917,848</td>
<td>6,952,591</td>
<td>(1,034,743)</td>
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<tr>
<td>4</td>
<td>9,752,004</td>
<td>6,021,569</td>
<td>10,273,807</td>
<td>(4,252,238)</td>
</tr>
<tr>
<td>5</td>
<td>1,465,255</td>
<td>6,127,107</td>
<td>1,570,712</td>
<td>4,566,395</td>
</tr>
</tbody>
</table>

* Includes projected future inflation of 1.752678 percent per year
Table IV-8

B.7.5 Schedule 5--Proposal 50 Year Charges to the Government, Constant 2009 Dollars
Notes:
1. Offerors shall provide for Schedules B-1, B-2, B-3, and B-4
2. Contract year--Fill in for each year (1-50)
(1)

(2)

(3)

(4)

(5)

(6)

(7)

(8)

(9)

(10)

(11)

(12)

Contract Items

Contract
Year

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Price
Credit

Purchase
Price
Recovery

General
&
Admin

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Operations & Renewals &
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less taxes
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and G&A
and G&A
Corrections*
Costs

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* G&A on ISDCs is excluded from the amounts shown in this column. All G&A costs are included in the General & Admin column.
**Credit for value of assets transferred to Government.

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The total of all costs are shown in Column 12. As documented in this proposal, HCWD1 proposes to charge Fort Knox a regulated rate that recovers only its direct costs invested in owning and operating the Fort Knox water utility system, plus a small proration of G&A costs. No profit or other operating margin is built into the Rate Schedule FKW charges.

### Key Pricing Assumptions

Key pricing assumptions are as follow:

- Water requirements for Fort Knox are 1.08 billion gallons per year
- Future general price inflation will average 1.752678 percent per year
- HCWD1 will be able to borrow construction funds at an “all-in total interest cost” of 5.5 percent per year. The basis for this assumption is current interest rates for municipal bonds with the same Moody’s Investor Service rating that has previously been set for HCWD1 bonds (A1).
- HCWD1 will be able to invest reserve funds at an annual yield of 0.5 percent per year. The basis for this assumption is U.S. Treasury Daily Yield Curve Rates for 1 to 2 year maturities.
- Construction will be done on a competitive-bid design build basis and the construction contractor will have a reasonable amount of time to complete the work.
- All construction contracts will be delivered according to a reasonable project schedule with no mandatory overtime, constructed under a single contract, and with no liquidated damages clauses or penalties
- Fabricated equipment will be shipped from the mainland United States.

The schedule for renewing and replacing assets was developed based on average age information and useful life information provided by the Government. Useful life information is shown in Table IV-9.

<table>
<thead>
<tr>
<th>Asset Component</th>
<th>Typical Design Lifea (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Water Wells – Structures</td>
<td>75</td>
</tr>
<tr>
<td>Raw Water Wells – Pumps/Control Systems</td>
<td>25</td>
</tr>
<tr>
<td>WTP Structures and Improvements</td>
<td>75</td>
</tr>
<tr>
<td>WTP – Pumps/Control Systems</td>
<td>25</td>
</tr>
<tr>
<td>Pipes and Services</td>
<td>50</td>
</tr>
<tr>
<td>Meters</td>
<td>25</td>
</tr>
<tr>
<td>Main Valves</td>
<td>25</td>
</tr>
<tr>
<td>Hydrants</td>
<td>40</td>
</tr>
<tr>
<td>Back Flow Preventors</td>
<td>50</td>
</tr>
<tr>
<td>Water Storage Tanks</td>
<td>75</td>
</tr>
<tr>
<td>Pump Station – Structure</td>
<td>75</td>
</tr>
<tr>
<td>Pump Station – Pumps/Control Systems</td>
<td>25</td>
</tr>
<tr>
<td>SCADA Systems</td>
<td>25</td>
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<tr>
<td>Intake or Mechanical Screen</td>
<td>50</td>
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<tr>
<td>Emergency Generator</td>
<td>35</td>
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<td>Chemical Feed System</td>
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<td>Filters</td>
<td>75</td>
</tr>
<tr>
<td>Sludge Lagoons</td>
<td>60</td>
</tr>
<tr>
<td>Pressure Reducing Station</td>
<td>50</td>
</tr>
</tbody>
</table>

### Other Long-Term Benefits and Costs

The HCWD1 team is uniquely capable of providing efficient operation of the Fort Knox Water System due to the availability of its local resources. The Government will realize a direct savings due to our team’s ability to provide the optimal level of staffing to meet the daily operating requirements of the system, yet have a depth of resources readily available when required. Additionally, LWC is able to transfer staff from the Fort Knox Water System to its other operating facilities when the Muldraugh WTP is decommissioned, thus reducing any transition costs to the Government.
Section 3—Standard Estimating Methodology

This section provides a description of HCWD1’s accounting system and CAS exemption, the regulatory process for future price changes, and HCWD1’s cost estimating approaches that underpin its price proposal.

HCWD1 Accounting System

HCWD1 proposes to incorporate accounting for Fort Knox water utility service into its existing accounting system. That system is described below, followed by a statement of HCWD1’s exemption from Federal Cost Accounting Standards (CAS).

Existing System

HCWD1’s accounting system complies with standards established by the National Association of Regulatory Utility Commissioners (NARUC) and the American Water Works Association (AWWA). HCWD1’s chart of accounts conforms to the Uniform System of Accounts prescribed by NARUC. A comprehensive accounting and financial audit is completed annually by a Certified Public Accountant, with results presented to HCWD1’s Board of Commissioners and the PSC. All year end account balances are classified and reported to the PSC in prescribed account numbers, using the PSC annual financial report templates. Record retention also complies with NARUC record retention schedules.

The accounting system maintains four separate funds: Water, Radcliff Sewer, Ft. Knox Sewer, and Ft. Knox Storm Sewer. A fifth fund will be added for the Fort Knox water system. This system allows HCWD1 to separate costs among different customer classes and design rates that better reflect cost of service characteristics.

CAS Exemption

According to 48 CFR 9903.210-1(b), Federal contracts “in which the price is set by law or regulation” are “exempt from all CAS requirements,” where “CAS” refers to Federal Cost Accounting Standards. As a public utility with its prices regulated under the laws of the Commonwealth of Kentucky by the PSC, HCWD1 is exempt from CAS. It is therefore also exempt from submitting a CAS Disclosure Statement.

Regulatory Process for Future Price Changes

HCWD1’s primary criteria for setting water utility service rates at Ft. Knox are to be sure that:

- Funding is adequate to provide quality service to the Post
- There are no cross subsidies where HCWD1’s other water or sewer service customers subsidize service to the post or where the post subsidizes service to HCWD1’s other customers
- HCWD1 continues its performance as a quality service provider with and appropriately strong financial condition.

HCWD1 proposes to negotiate rate adjustments with the Government prior to approaching the PSC to seek formal approval of the rate change. Such a process will minimize time and expense the Government and HCWD1 will need to invest in the regulatory process. The proposed process for negotiating rate adjustments is described below followed by a brief description of the formal PSC ratemaking process that would serve as a fall-back process if the Government and HCWD1 could not agree on needed rate adjustments.

Negotiation Process

After receiving PSC approval of the overall utility service contract between the Government and HCWD1, we propose that the process for making rate changes be negotiated using guidelines for the Monthly Service Charge and the ISDC Surcharge described below.

Monthly Service Charge: O&M Component

HCWD1 will maintain separate funds for its O&M expenditures at Ft. Knox. This is a requirement of GASB 34 accounting standards as well as required
by PSC for rate making and avoiding un-allowed subsidies between customer classes. It will routinely compare the accumulation of those costs plus its G&A overhead rate (currently 3.8 percent) against revenues being received from the O&M component of the Monthly Service Charge. If they are out of alignment, we will propose a rate adjustment.

**Monthly Service Charge: R&R Component**

The basis for making a rate adjustment in the R&R component of the Monthly Service Charge is presented in Section 2, under “Future Changes to the R&R Charge”. HCWD1 will monitor key inputs to the R&R Charge (as calculated in Col. 3 of Table IV-4) and propose rate adjustments when it appears necessary in order to keep the charge stable and relatively constant in real terms over the 50-year contract period.

**ISDC Surcharge**

The ISDC Surcharge will remain in effect for the first 60 months of the contract period. It will be removed from Rate Schedule FKW in the 61st month of the contract and will not be assessed again during the contract period.

It will be subject to adjustment based on conditions that may differ from those reasonably projected for the various ISDC projects. ISDC adjustments would be made on the same basis as described for R&R projects.

The PSC has an administrative regulation for temporary surcharges, which HCWD1 will be required to follow. This includes accounting for all revenues received from the surcharge, and all expenditures paid from the revenues, as well as a specific list of projects that the surcharge will fund.

**PSC Ratemaking Process**

Once a rate revision is negotiated between the Government and HCWD1, HCWD1 would file it with the PSC. The normal process for negotiated rate adjustments between a utility and a single contract customer is for the PSC to approve the adjustment without a hearing.

However, in the unlikely event that the Government and HCWD1 could not agree on an adjustment, both parties can rely on the PSC to effectively arbitrate the rate change through a normal hearing process.

**Cost Estimating Methods**

Methods employed to estimate costs that underpin prices included in this price proposal are described below. This includes O&M cost estimating procedures and capital cost estimating procedures used to estimate R&R and ISDC costs.

**O&M Costs**

The O&M cost estimates were prepared based on standard operational practices at similar facilities within the water utility industry, along with reference material from O&M manuals for equipment similar to that at Fort Knox. The estimates also consider facility condition assessment data and the facility replacement schedule prepared by the Government. Additionally, information provided by the Army and obtained during the site visit was used to determine normal operating conditions, such as staffing levels, hours of operations, pump run time, operations tasks, sampling and analytical requirements, and maintenance tasks.

The operating costs were developed separately for the water treatment and distribution systems. Costs for the water treatment system cover the actual production of water from the source water supply through the first reservoir storage point in the system. Costs for the distribution system cover other storage reservoirs and the distribution pipelines.

Costs were estimated for individual direct cost categories, including labor and benefits, equipment and repairs, travel and administration, materials and supplies, insurance, and other direct costs. These cost estimates cover all the tasks described in the O&M Plan. HCWD1 is aware of the security and access requirements at Fort Knox and has a process in place for it and its subcontractors. The costs associated with security and access requirements are included in the cost estimates.
The transition-phase costs cover several essential tasks, such as coordinating meetings with Fort Knox stakeholders, hiring necessary employees, establishing on-site administrative facilities, conducting inventories, procuring O&M materials and stock, transferring manuals and records, reading meters, implementing standard operating procedures, and training new employees.

For water treatment operations, costs were estimated with reliance on information provided by the Government, such as chemical dosages needed to meet regulatory requirements and staffing levels and schedules. Since Fort Knox distribution system operational data were limited, costs were estimated based on operating experience at similar water distribution facilities and HCWD1’s process knowledge as the current wastewater privatization contractor at Fort Knox.

The estimating methods used for each cost category are described in the following paragraphs. In some cases, it was necessary to estimate the combined cost of production and distribution operations and then prorate the costs between the two functions.

**Labor and Benefits**

Labor time and costs were identified for each task required for operations, routine inspection, travel to remote facilities, and estimated maintenance (preventive, predictive, and corrective) for similar facilities with similar equipment. HCWD1’s standard labor rates were used, including benefits and overhead cost. Because no historical information was provided on past corrective or preventive maintenance, the maintenance labor requirements were estimated based on assessment of the current equipment condition during the site visit.

**Electricity**

No costs were included in the proposal for energy or other on-post utilities. It is assumed that the Government will provide electricity for water utility operations without charge.

**Equipment and Repairs**

Maintenance costs were determined based on the Government Recognized Deficiencies outlined in Section J1 of the RFP and on experience with similar equipment at existing facilities. Costs were developed for predictive, preventive, and corrective maintenance based on HCWD1’s standard maintenance practices, as described in the Maintenance Plan.

**Travel and Administration**

These costs were estimated from standard HCWD1 costs for meetings and administration associated with the O&M personnel at equivalent-sized facilities.

**Materials and Supplies**

Materials and supplies include safety materials and equipment to perform each required task; laboratory supplies for sample collection, preservation, and analysis; employee uniforms; equipment manuals and reference materials; repair and maintenance materials; and materials for record keeping. These costs were estimated based on requirements for the O&M of equivalent-sized facilities.

**Insurance**

HCWD1 asked an independent insurance broker to provide an estimate for HCWD1 acquiring a second water utility, similar in size to its existing system and to provide an estimate of the cost of insurance required by the RFP. Insurance cost estimates were provided for the following types of coverage with the minimums specified in the RFP:

- **Commercial/General Liability**—$1,000,000 per occurrence and $2,000,000 aggregate for all premises and operations.
- **Automobile Liability**—$1,000,000 combined single limit per occurrence. This includes owned and leased vehicles.
- **Workers’ Compensation and Employers’ Liability**—$500,000
- **Property**—$28,000,000
- **Umbrella/Excess Liability Coverage**—$1,000,000 per occurrence and $1,000,000 in aggregate.
This is in excess of general, automobile, and employers’ liability coverage types shown above.

Other Direct Costs
Operational supplies, training, and support activities were based on standard costs for the number of personnel required for equivalent-sized facilities.

R&R and ISDC Costs
All estimates used to develop the ISDC and R&R project costs are based on various estimating methods. In preparing the cost estimates, HCWD1 reviewed actual, recent local bids for various types of construction. These included review of actual bids received by HCWD1, LWC and other local engineers. These actual bids were then applied as parametric units by size for estimating various future ISDC and R&R projects. Given the change in construction costs since 2008, we have lowered the original estimates significantly from our original price proposal.

All capital costs were estimated in 2010 dollars. Pricing includes fully loaded contractor costs for labor, materials and systems to be in place and ready for use and reflects local area conditions. Construction cost estimates were prepared using the following resources and general methods:

- Data available on the system inventory identified in the RFP (Attachment J1)
- Comparison with bid tabulations from recent similar projects in the Kentucky area available in HCWD1, LWC, and CH2M HILL databases

The estimating process was simplified to an approach that assumed all facilities have much in common, and the approach took into account only limited site-specific features. These estimates are generally Class 5 estimates with a level of accuracy in accordance with the Association for the Advancement of Cost Engineering (AACE) guidelines. Following contract award and increasing levels of project definition, the cost estimates can be further refined.

Unit costs were developed for system inventory in which replacement-in-kind upgrades are anticipated. In cases where existing materials are no longer available or are not permitted to be installed, the unit costs were developed based on materials that would be used to replace the existing materials when necessary. For example, transite pipe upgrades are programmed to be replaced with PVC pipe. Unit costs were then multiplied by the number of units. Depending on the basis for the estimate for specific inventory items, allowances for costs associated with the installment were added. In those cases, the allowances were consistent with typically those used in standard cost estimating procedures.

Our estimates include typical allowance costs for planning, engineering, permitting, construction management, and state sales tax.

A frequent detailed analysis of local market conditions will be made throughout the contract period to confirm cost estimates are aligned with actual conditions. This will include consideration of the following:

- Number of qualified contractors
- Current workload of contractors
- Contractors selectively bidding projects
- Premium wage requirements to retain skilled workers and management staff
- Availability of crafts/trades
- Abnormal fuel impacts and uncertainty (Oil > $100 barrel, Diesel > $4.00/gal)
- Abnormal material impacts of the last 2 years
- Impact of recent natural disasters

The summary approach for key components is described below. More detail on the estimating approach is provided in Attachment IV-4.

Water Facilities
Water facility construction capital costs were developed for raw water supplies, treatment facilities, and pumping stations by use of the following general approaches. New facility cost
estimates represent the construction cost to construct on a near-virgin site, which is free from utility obstruction and interferences. The new facilities would be located in close proximity to the existing facilities to minimize additional site/civil improvements and to maintain continued operation of existing facilities during construction. Only necessary selective demolition is included. Building costs are based on square footage of the floor area. Materials of construction would be equal to or better than existing.

**Pipelines**

Pipeline construction capital costs were developed based on typical unit prices for pipe installation in Kentucky. Pipeline lengths and diameters were based on the asset inventory provided by the Government in the J1 Attachment. Materials of construction for pipeline replacement are based on current HCWD1’s design standard in which PVC pipe is used for pipes that are 10 inches or smaller in diameter, and ductile iron pipe is used for pipes that are 12 inches or larger in diameter. The estimate also assumes that the number of existing hydrants and mainline valves are appropriate for fire protection and line isolation, and that pipe installation will predominantly occur in soil adjacent to roadways.
Section 4—Price Risk Assessment

The RFP requests that Offerors submit a risk analysis that identifies “price risk areas” and management approaches HCWD1 will take to mitigate and control the impact of those risks. The risk analysis is submitted in Table IV-9, which is consistent with the format requested in the RFP.
Volume IV
Attachment IV-1—Legal Opinion Letter
Ms. Margaret Gray  
Division Chief/Contracting Officer  
UP Contracting Division IV  
DESC-EF- Entergy Enterprise BU  
8725 John J. Kingman Rd.  
Ft. Belvoir, VA 22060-6222  

Re: 0600-08-R-0803-Ft. Knox, Kentucky

Dear Ms. Gray:

The undersigned and this office act as legal counsel for Hardin County Water District No. 1. Set forth below are the opinions of this office pertaining to certain legal issues applicable to Water District’s in general and the above referenced Request For Proposal (RFP) in particular.

1. Is Hardin County Water District No. 1 (District) authorized to impose a surcharge in order to finance the necessary capital improvements?

   Answer: The legal authority for the imposition of surcharges is set forth in KRS 74.395 a copy of which is attached. Furthermore, I recently had a conversation with Gerald Wuetcher, Senior Counsel at the Kentucky Public Service Commission, wherein the willingness of the Kentucky Public Service Commission to approve surcharges in appropriate circumstances was reaffirmed;

2. Is the District entitled to capture depreciation expense applicable to assets which were provided to the District for less than original cost or below fair market value and for which there was no cash expended on behalf of the District?

   Answer: This topic was addressed by the Kentucky Supreme Court in the 1986 decision of Public Service Commission of Kentucky v. Dewitt Water District, 720 S.W. 2d 725 (Ky 1986). A copy of said opinion is attached. It is the opinion of the undersigned that with near certainty the Dewitt opinion authorizes recapture of depreciation regardless of the nature of the initial contribution of capital to the District.

3. Is it reasonable to expect the Kentucky Public Service Commission to approve a contract wherein the customer (DOD) is charged a fixed monthly rate sufficient to cover the cost of capital improvements required by the RFP?
**Answer:** I also discussed this topic with Gerald Wuetcher, Senior Counsel with the Kentucky Public Service Commission, in preparation for addressing this topic. First, it should be noted that the Kentucky Public Service Commission has recently approved a similar arrangement relative to the District agreeing to acquire and operate the sanitary and storm sewer systems at Fort Knox Military Installation. In discussing this topic with Mr. Wuetcher, he pointed out that 807 KAR 5:011 § 13 pertain to special contracts. This regulation obligates parties to special contracts to file copies of same with the Public Service Commission. Moreover, the applicable regulation authorizes the Kentucky Public Service Commission to approve the special contracts as well as the rates and schedules set forth therein.

4. **Is the District exempt from state and federal income tax obligations?**

**Answer:** The District is a “type of special district which constitutes a political subdivision of the Commonwealth”. *Davis v. Powell’s Valley Water District*, 920 S.W. 2d 75 (App.1995). Special District in Kentucky is defined to mean “any agency, authority, or political subdivision of the State which exercises less than state-wide jurisdiction and which is organized for the purpose of performing governmental or other prescribed functions within limited boundaries.” KRS 65.005. Accordingly, as a political subdivision of the state, it is uniformly accepted that the District is exempt from state and federal income tax obligations. Also attached is a letter from the District’s Certified Public Accounting firm confirming this exemption.

I hope this information proves to be useful. If you need additional documentation or other information, please do not hesitate to contact me.

Sincerely,

SKEETERS, BENNETT, WILSON & PIKE

David T. Wilson II

DTW:dnf

cc: James Bruce, General Manager
74.395 Financing of an expansion of water district system -- Plan for expansion project -- Applicability.

(1) A water district organized under this chapter may elect to finance all or part of an expansion of its system by adding a temporary surcharge to the rates charged for service. All funds so collected shall be set apart in a reserve trust account, shall be invested in securities issued or guaranteed by the United States government until they are needed, and shall be expended, together with any interest or other earnings, solely for the expansions or extensions specified in the plan described under subsection (2) of this section. If construction has not begun five (5) years after the surcharge is implemented, all funds so collected shall be returned to the water district customers, together with interest and earnings. This section shall constitute an additional or alternate method of financing expanded facilities, and shall not repeal or reduce any existing rights or duties of a water district.

(2) A water district which elects to establish a reserve trust account under this section shall develop a plan for the expansion project or projects to be financed from the reserve, which shall include the design and estimated cost of each element of the expansion, a time schedule for each step in the project, the proposed financing, and the amount of surcharge to water district rates needed to collect the amounts to be financed out of district reserves. After approval by the board of commissioners, the plan and proposed rates shall be submitted to the Public Service Commission. The commission, after a public hearing, shall issue an order approving, modifying or rejecting the plan. If a plan is approved, the commission shall establish a reasonable surcharge to implement the plan to be collected for a period no longer than five (5) years. The commission shall require the district to maintain its records in such a manner as will enable it, or the commission or its customers, to determine the amounts to be refunded and to whom they are due in the event that surcharge amounts shall be refunded.

(3) The water district may, with the approval of the commission, amend its plan to reflect subsequent developments or new information, but the changes shall not violate the intent of the initial plan.

(4) The provisions of this section also shall apply to water associations organized under KRS Chapter 273.

Effective: July 15, 1988

PUBLIC SERVICE COMMISSION OF KENTUCKY, Appellant,
v. DEWITT WATER DISTRICT, Appellee.

EAST CLARK WATER DISTRICT and Warren County Water District, Appellant,
v.
PUBLIC SERVICE COMMISSION and David L. Armstrong, Attorney General, Division of Consumer Protection, Appellee.

Supreme Court of Kentucky.

Nov. 26, 1986.

In one case, the Franklin Circuit Court held that depreciation expense on contribut-
ed property should be allowed to water district the same as for other property. In other cases, the Franklin Circuit Court determined that the Public Service Commission properly disallowed rate recovery for depreciation expense on contribut-
ed property and with respect to water districts that were nonprofit utilities that were political subdivisions of county government with no pri-
vate capital and no corporate investors was unlawful act in contravention of statutory and regulatory requirements; disallowance of depreciation with respect to the water districts was unreasonable and amounted to confiscatory governmental policy; and (2) the decision affirmed; the other decision reversed.

Vance, J., concurred in result only.

1. Public Utilities & 194

It is responsibility of reviewing court to protect parties subject to regulatory au-
thority of Public Service Commission from arbitrary and capricious action.

2. Waters and Water Courses & 203(6)

Public Service Commission's denial of rate recovery for depreciation expense on contribut-
ed property to water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors was unlawful act in contravention of statutory and regulatory requirements; statute requires regulated utilities to keep accounts in uniform system in accordance with specific standards, statute requires Commission to consider costs of reproduction, among other factors, in valuing plant property for rate-making purposes, and statute requires that water districts be permitted to charge rates which will provide for adequate depreciation reserves. KRS
74.480, 278.220, 278.230.

3. Waters and Water Courses & 203(6)

Fact that Kentucky was original value state did not preclude water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors from taking depreciation expense on contribut-
ed property, where original cost was only one factor to be considered in valuing utility’s property, under statutes, with Public Service Commission being required to consider various factors, including cost of reproduction as going concern. KRS 278-
230.

4. Waters and Water Courses & 203(6)

Public Service Commission's denial of rate recovery for depreciation expense on contribut-
ed property with respect to water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors was unreasonable and amounted to confiscatory governmental policy; disallowance of depreciation expense as rate recovery permitted substan-
tial portion of property of district to be consumed by current customers without requiring customers to pay for a replacement, and total plants, not just portion financed by noncontributed funds, were wearing out.

5. Waters and Water Courses = 203(6)

When considering issue of confiscation and determining whether Public Service Commission's denial of rate recovery for depreciation expense on contributed property was confiscatory with respect to water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors, future as well as present must be considered, with determination being made as to whether rates complained of were yielding and would yield sum sufficient to meet operating expenses.

6. Waters and Water Courses = 203(6)

Public Service Commission's disallowance of depreciation expense by denying rate recovery for depreciation expense on contributed property to water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors was not sound utility management practice; if districts did not have sufficient revenues to cover replacement costs, due to refusal to recognize total depreciation expense, districts would be forced to short-term credit market for funding, which would raise overall cost to district and higher rates were conceded inevitable in event districts were forced into short-term credit market.

7. Waters and Water Courses = 203(6)

Purpose of depreciation expense as applied to nonprofit water districts does not relate to recoupment of investment, but rather, relates to renewal and replacement. KRS 74.480, 278.220, 278.230.

8. Waters and Water Courses = 203(6)

Proper rate-making treatment for depreciation expense of contributed property with respect to water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors was to allow depreciation on contributed plant as operating expense, with fact that utility did not make investment in plant being of no consequence in context of publicly owned facilities.

9. Waters and Water Courses = 203(6)

Depreciation expense on publicly owned water district plant that has been purchased by federal grants and contributions and/or customer tap-on fees should be allowed in revenue requirement; publicly owned water district had no private investor capital and its rates did not generate return on rate base, and public water districts relied on internally generated cash flow.

John N. Hughes, Thomas A. Marshall, Frankfort, for Public Service Commission.

James M. Honaker, Frankfort, for DeWitt Water District.

Charles E. English, Murry A. Raines, English Lucas Pelet & Owley, Bowling Green, James W. Clay, Winchester, for East Clark Water District and Warren County Water District.


WINTERSHEIMER, Justice.

These two cases represent a conflict between panels of the Court of Appeals as well as a conflict in the same division of the Franklin Circuit Court. Both Court of Appeals opinions were rendered the same day and recognize that their conflict should be resolved by this Court.

The question is whether the Public Service Commission may disallow a depreciation expense on contributed property when determining the rates of publicly-owned water districts.

The resolution of this question is important and it appears that both sides have some merit. Depreciation of an it could be on contributed owed because would not pay again already paid failure to the purpose would need utilized until become un Contributed by the governmental constructor for water districts investment interest rate-making desire to list the contribution consideration purposes but in the De that depreciation property of other properties of this limited to the allocation expense East Clark held that the thing is to recoup the water district these facilities paid property. court determined properly disapproved the conclusion.

There are districts in the which are not county governors or private operators by the 1 not generate water district revenues bases.
some merit to their respective positions. If depreciation is considered to be the allocation of an investment over a period of time, it could be said that depreciation expenses on contributed property should not be allowed because to allow such an expense would require the customers to, in part, pay again for facilities for which they had already paid in full. On the other hand, failure to allow depreciation for rate-making purposes on contributed property would necessarily cause this property to be utilized only by the present generation and become unavailable as an ongoing asset.

Contributed property is property obtained by the water district either through government grants or directly from customer contributions. Consequently, the water district has title to but no specific investment in the property. No imputed interest expense is claimed. However, for rate-making purposes, the water districts desire to list as an expense depreciation on the contributed properties. The Commission considers depreciation for accounting purposes but not for rate-making.

In the Dewitt case, the circuit court held that depreciation expense on contributed property should be allowed the same as for other property. The court noted that recipients of this contributed property would be limited to the present generation if depreciation expense were not allowed. In the East Clark Water case the circuit court held that the appropriate role of depreciation is to recapture invested capital. Here, the water districts have no investments in these facilities because they are contributed property. Consequently, the circuit court determined that the Commission properly disallowed rate recovery for depreciation expense on contributed property.

There are approximately 116 water districts in the Commonwealth of Kentucky which are nonprofit political subdivisions of county government. They have no investor or private capital. Their rates, as regulated by the Public Service Commission do not generate a return on rate base. The water districts are permitted to earn net revenues based either on a debt services cost formula or on a percentage of operating expenses known as an operating ratio. Lower operating expenses mean lower rate recovery.

The Dewitt Water District has 83 customers and is a publicly owned utility which has furnished water service in a rural section of Knox County since 1971.

The Warren County Water District has been in existence for 16 years. It has two divisions, a water division and a sewer division. It owns a water treatment plant but also purchases treated water from the city of Bowling Green.

The East Clark Water District provides water services to residential customers living in rural Clark County. It began its operation in March, 1979, and has approximately 300 customers.

The districts argue that the Commission's rate-making determination in regard to a disallowance for depreciation is an unlawful and unreasonable exercise of its regulatory authority and that the regulatory agency has acted in an arbitrary and capricious manner. They also maintain that the customers and the company are virtually one and the same and that they desire to pay rates which are sufficient to provide for the orderly replacement of existing water plant facilities. They contend that there is no question relating to private capital and no outside investors involved in this situation.

The Public Service Commission argues that the depreciation expense should not be allowed and that the order of the Commission be upheld as being in conformity with the law, both statutory and case law. They maintain that the water districts failed to accept the distinction between accounting and rate making and that the criteria for appellate review has been properly met in the East Clark and Warren County cases.

The Attorney General's Consumer Protection Division argues that the Commission properly disallowed depreciation because nonprofit water districts that attempt to charge customers for facilities purchased with grant money and customer
contributions are violating the spirit of the grants and frustrating the governmental intent. In addition the Attorney General contends that the districts are attempting to assess a double charge on tap-on fees and other customer contributions and the result is a confiscation of rate-payer funds in violation of the law.

This Court affirms the decision of the Court of Appeals in the Dewitt water case and reverses the decision in the East Clark and Warren County cases. Depreciation expense on contributed plant property may be considered as an operating expense for rate-making purposes in matters involving publicly held water districts as distinguished from investor-owned companies.

The Public Service Commission's disallowance of rate of recovery for depreciation expense on contributed property was arbitrary, capricious and confiscatory.

The standard of review of commission action is found in KRS 278.410 which provides for judicial review on a showing by clear and convincing evidence that the Commission's order is unlawful or unreasonable. The decision to disregard depreciation expenses on contributed property effectively reduced recoverable revenues for each of the districts involved.

[11] It is the responsibility of the reviewing court to protect the parties subject to the regulatory authority of the Commission from arbitrary and capricious action. Kentucky Power Company v. Energy Regulatory Commission of Kentucky, Ky., 628 S.W.2d 904 (1981) holds that judicial intervention is permissible only when the reviewing court determines that the Commission has not dealt fairly with the utility. The failure of the Commission to allow a rate recovery for depreciation expense on contributed property could have a substantial impact on the financial stability of the publicly-owned systems and their ability to continue to provide needed water utility services to the rural areas of this state.

The disallowance of depreciation expense on contributed property by the Commission is opposed to its statutory mandate, constitutritional prohibitions against confiscation and sound utility management practices.

[12] The Commission's denial of rate-recovery for depreciation expense on contributed property is an unlawful act in contravention of statutory and regulatory requirements. KRS 278.220 and the Uniform System of Accounts require the water district to account for depreciation on all classes of depreciable property as an operating expense.

Water districts subject to the regulatory jurisdiction of the commission are required to maintain a uniform system of accounts. KRS 278.220. The applicable system promulgated by the Public Service Commission for water and sewer districts is codified in a regulation manual entitled, "Uniform System of Accounts for Class C and D Sewer Utilities," which became effective October 1, 1979. This manual specifically requires that depreciation of contributed property be accounted for in language identical to the National Association of Railroad and Utility Commissioners (NARUC) regulation pertaining to donated property which is in accord with generally accepted accounting principles set forth by the American Institute of Public Accountants.

The uniform system required by the Commission provides that depreciation expense be treated as a utility-operating expense account. Section 408 of the uniform system, entitled Depreciation Expense, provides that the account shall include the amount of depreciation expense for all classes of depreciable utility plant in service. The clear language of the Commission's own regulations draws no distinction between depreciation of contributed and noncontributed plant property. The source of the funds does not affect the properties' status as depreciable or nondepreciable. Consequently, the stated rate-making treatment of depreciation expense on property financed by federal grants and customer contributions is to view the expense the same as for that of noncontributed property.

KRS 278.290 requires the Commission to consider cost of reproduction, among other factors, in for rate-mission must set out in a check or liabilities on a decision.

KRS 278 valuation is making public use plant to the the in service in the plant.

There are evaluating the cost in plant to the public use in service and in service. The reproducible plant.

[13] The districts are also not the cause of the problem. It cites Proctor v. Cos. S.E.2d 714 (1956) that valuation is depreciation. 278.290 is the exclusive consideration of the Commission factors included going concern.

We have property utilized in the plant rate base facility of its services. Service Cost (1956) held excluding a water plant not not attempted to "supra," on the to "rate
The Commission must follow the valuation standards set out in KRS 278.290 so that there will be a check on its assessment of assets and liabilities of utilities subject to its regulation.

KRS 278.290(1) provides the method for valuation of a utility's property for rate-making purposes. The plant to be valued is the plant used to give the service.

There are essentially three methods for evaluating a utility's property. The original cost method uses the cost of utility plant to the person first devoting it to public use. The fair value method examines the fair value of the utility's property in service at the time of the rate inquiry. The reproduction cost method applies the reproduction cost to the utility's existing plant.

The Commission argues that water districts are not entitled to take depreciation expense on contributed property because Kentucky is an original value state. It cites Princess Anne Utilities Corporation v. Commonwealth, 211 Va. 630, 179 S.E.2d 714 (1971) as authority that an original value jurisdiction should not allow depreciation on contributed property. KRS 278.290 provides that Kentucky is not exclusively an original cost jurisdiction. Original cost is only one factor to be considered in valuing the utility's property. The Commission must consider various factors including cost of reproduction as a going concern.

We have previously held that contributed property must be included in valuing the utility plant for purposes of assessing a rate base. Rate base is the value of the facility of a utility employed in providing its services. City of Covington v. Public Service Commission, Ky., 318 S.W.2d 591 (1959) held that the Commission's order excluding a federal grant from the city's water plant's rate base was unlawful. We are not convinced by the Commission's attempts to distinguish City of Covington, supra, on the basis that its holding is limited to "rate base" cases. The concern in
the Commission define depreciation as "less in service value not restored by current maintenance" and require that depreciation be treated as an operating expense. KRS 74.830 requires that districts be permitted to charge rates which will provide for adequate depreciation reserves. Consequently, depreciation should be allowed as an expense. The Commission's disallowance of depreciation in this situation is unreasonable and amounts to a confiscatory governmental policy.

A determination by the Commission will not withstand judicial review if it is unreasonable pursuant to KRS 278.410. Unreasonable has been construed in a rate-making sense to be the equivalent of confiscatory. This Court has equated an unjust and unreasonable rate to confiscation of utility property. We have declared that rates established by a regulatory agency must enable the utility to operate successfully and maintain its financial integrity in order to meet the just and reasonable non-confinatory tests. See Commonwealth ex rel Stephens v. South Central Bell Telephone Company, Ky., 545 S.W.2d 927 (1976).

The rates established by the Commission will not generate sufficient revenues to enable the districts to provide for an adequate depreciation account and replacement fund. Disallowance of depreciation expense as a rate recovery permits a substantial portion of the property of the district to be consumed by present customers without requiring the customers to pay for replacement. Approximately 50 percent of Warren County's total utility plant is attributable to federal grants. Sixty-four percent of the East Clark District's plant is attributable to federal grants and customer contributions.


When considering the concept of confiscation, the future as well as the present must be considered. It must be determined whether the rates complained of are yielding and will yield a sum sufficient to meet operating expenses. See McCordle v. Indianapolis Water Company, 272 U.S. 409, 47 S.Ct. 144, 71 L.Ed. 318 (1927). Depreciation is uniformly recognized as an operating expense and it is important that the amounts set aside to cover depreciation of public utility property be large enough to replace the property when it is worn out. 84 Am.Jur.2d Public Utilities § 193 (1973).

The districts' total plants are wearing out, not just that portion financed by non-contributed funds. The Commission's disallowance of rate recovery of depreciation expense is unreasonable and constitutes a taking of the property of the districts without just compensation.

The Commission's disallowance of depreciation expense is not sound utility management practice. The Commission has ignored one of its most important roles which is to provide the lowest possible cost to the rate payer. In refusing to recognize the total depreciation expense, it does not consider the obvious. If the districts do not have sufficient revenues to cover replacement costs, they will be forced to the short-term credit market for funding which will raise the overall cost to the district. The Commission conceded that higher rates were inevitable in the event the districts were forced into the short-term credit market. In the Dewitt case, the Commission expressed its concern over rate case expense. Invocation of the bonding authority provided by KRS 74.800 would undoubtedly escalate the expenses of all the districts involved far beyond the present cost.

Other jurisdictions have recognized the necessity of setting rates sufficient to provide for replacement costs. Westwood Lake v. Dade County, Fla., 264 So.2d 7 (1972) held that to arbitrarily disregard that part of a utility's equipment because it was contributed ignores reality and would result in rate increases later when it was necessary to replace the equipment. Duv.
PUBLIC SERVICE COM'TN v. DEWITT WATER DIST.

It must be emphasized that the public utility commission's disaffirmance of depreciation constitutes a district's inability to provide a reasonable return on its investments. The元素 causing depreciation indiscriminately takes over time on the service life of all plant facilities. The districts are responsible for making replacements and are held by statute to make provisions for future replacements. The purpose of depreciation expense as applied to nonprofit districts does not relate to a recoupment of investment. The overriding statutory concept is renewal and replacement. The Commission's argument relative to recoupment of investment is without merit and unconvincing.

The Commission is required by statute to treat depreciation as an operating expense to provide an adequate fund for renewals, replacement and reserves. The proper rate-making treatment for depreciation expense of contributed property is to allow depreciation on contributed plant as an operating expense. The fact that the utility did not make an investment in the plant is of no consequence in the context of publicly-owned facilities. The water district must eventually replace the plant which customers are using and the ratepayers are therefore obligated to provide funds for this replacement. The proper rate-making treatment of depreciation expense on property financed by federal grants and customer contributions is to treat the expense the same as that for noncontributed property. See City of Covington.

The Commission misinterprets and misapplies Public Service Commission v. Continental Telephone Co., Ky., 692 S.W.2d 794 (1986), which related to job development tax credit, intrastate toll revenues and return on rate base. There was no issue of depreciation expense involved in that case which can be applied here.

Chapter 74, by definition, does not apply to privately owned utilities which have investors to provide needed funds on their behalf in expectation of legitimate monetary dividends. The water districts' sole concern is continuous water service to its members and consumers who are one and the same.

Board of Public Utilities Commissioners v. New York Telephone Co., supra, held that constitutional protections against confiscation does not depend on the source of funds used to purchase the property. It is enough that it is used to render the service.

The propriety of permitting a reasonable depreciation deduction on property of a utility is not dependent on the source of funds for the original construction of the plant. See DuPage, supra, and Langan v. West Keansburg Water Co., 51 N.J.Super. 41, 143 A.2d 185 (1968).

Any water district will be required to replace property and plant which have been.
July 27, 2010

Gentlemen:

Hardin County Water District No. 1 is exempt from federal and state taxes because it is a special district as defined by Kentucky Revised Statute (KRS) 65.005 and was formed accordance with the procedures of KRS 65.810. All special districts are political subdivisions of the State of Kentucky, and therefore are exempt.

Sincerely,

Bradley J. Hayes, CPA

Volume IV
Attachment IV-2—Summary Labor Costs and Other Direct Expenses
# LABOR & EXPENSES - TRANSITION

## LABOR

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<td>General Manager</td>
<td>Jim Bruce</td>
<td>1</td>
<td>Hr</td>
<td>$ 66.95</td>
<td>96</td>
<td>$ 6,330.96</td>
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<td>Operations Manager</td>
<td>Brett Pyles</td>
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<td>$ 40.92</td>
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<tr>
<td>Water Treatment Manager</td>
<td>Jim Smith</td>
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<td>Kent Horrel</td>
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<tr>
<td>Water Distribution Supervisor</td>
<td>Richard Stranahan</td>
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<td>$ 38.55</td>
<td>46</td>
<td>$ 1,773.39</td>
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<tr>
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<td>John Azzura</td>
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<td>$ 69.25</td>
<td>110</td>
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<td>108</td>
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<td>Safety and Security</td>
<td>David Simmons</td>
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<td>$ 63.90</td>
<td>120</td>
<td>$ 7,667.76</td>
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**Total Raw Labor and Fringe Benefits Rate for 2008:**

<table>
<thead>
<tr>
<th>Staff</th>
<th>QTY</th>
<th>Rate</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>714</td>
<td>$ 714</td>
<td>$ 45,725.22</td>
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</tbody>
</table>

## EXPENSES

### OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Expense</th>
<th>Unit Rate</th>
<th>QTY</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computers</td>
<td>$ 31,400.00</td>
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<td>$ 31,400.00</td>
</tr>
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<td>Office Furnishings</td>
<td>$ 15,300.00</td>
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<td>$ 15,300.00</td>
</tr>
<tr>
<td>Equipment</td>
<td>$ 68,750.00</td>
<td>1</td>
<td>$ 68,750.00</td>
</tr>
<tr>
<td>Vehicles</td>
<td>$ 150,000.00</td>
<td>1</td>
<td>$ 150,000.00</td>
</tr>
<tr>
<td>Backhoe</td>
<td>$ 65,000.00</td>
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<td>$ 65,000.00</td>
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<tr>
<td>Water Labs</td>
<td>$ 54,000.00</td>
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<td>$ 54,000.00</td>
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<td>Purchase/License CMMS</td>
<td>$ 25,000.00</td>
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<td>$ 25,000.00</td>
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<tr>
<td>Other Equipment</td>
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**Subtotal:** $ 429,450.00

### OUTSIDE SERVICES / SUBCONTRACTS / PURCHASES

<table>
<thead>
<tr>
<th>Expense</th>
<th>Unit Rate</th>
<th>QTY</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transition Support - CH2M HILL</td>
<td>$ 25,000.00</td>
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<td>$ 25,000.00</td>
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</table>

**Subtotal:** $ 25,000.00

**Total Expenses:** $ 454,450.00

## TOTAL LABOR AND EXPENSES

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Cost</th>
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<tr>
<td><strong>Total Labor</strong></td>
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<tr>
<td><strong>Total Expenses</strong></td>
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<tr>
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<tr>
<td><strong>Overhead and Service Center</strong></td>
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</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>$ 519,181.88</td>
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Use or disclosure of data contained in this sheet is subject to the restriction on the title page of this proposal.
### LABOR

<table>
<thead>
<tr>
<th>Labor Category</th>
<th># of Emps</th>
<th>U/M</th>
<th>Toolkit Avg Raw</th>
<th>Raw</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Treatment Operator</td>
<td>3</td>
<td>Hr</td>
<td>$40.98</td>
<td>6,552</td>
</tr>
<tr>
<td>Electrician/I&amp;C</td>
<td>0.5</td>
<td>Hr</td>
<td>$43.86</td>
<td>1,092</td>
</tr>
<tr>
<td>Plant Mechanic</td>
<td>1</td>
<td>Hr</td>
<td>$43.86</td>
<td>2,184</td>
</tr>
<tr>
<td>Water Distribution Supervisor</td>
<td>1</td>
<td>Hr</td>
<td>$38.55</td>
<td>2,184</td>
</tr>
<tr>
<td>Distribution Operator IV</td>
<td>1</td>
<td>Hr</td>
<td>$38.35</td>
<td>2,184</td>
</tr>
<tr>
<td>Equipment Operator</td>
<td>1</td>
<td>Hr</td>
<td>$29.15</td>
<td>2,184</td>
</tr>
<tr>
<td>Distribution Operator I</td>
<td>2</td>
<td>Hr</td>
<td>$25.36</td>
<td>4,368</td>
</tr>
<tr>
<td>GIS Technician/Dist Op IV</td>
<td>1</td>
<td>Hr</td>
<td>$25.36</td>
<td>2,184</td>
</tr>
<tr>
<td>Administrative Assistant</td>
<td>1</td>
<td>Hr</td>
<td>$22.06</td>
<td>2,080</td>
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<tr>
<td>LWC Overhead/Service Center</td>
<td>NA</td>
<td>Annual</td>
<td>$80.841.00</td>
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**RAW LABOR**

- 11.5 X 25,013 = 250,130
- 896,272.84

**TOTAL LABOR**

- 25,013 X 896,272.84 = 25,013,000
- 896,272.84

### EXPENSES

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>U/M</th>
<th>Unit Rate</th>
<th>QTY</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulk Lime</td>
<td>Ton</td>
<td>$124.00</td>
<td>89</td>
<td>10,994.52</td>
</tr>
<tr>
<td>Carbon Dioxide</td>
<td>lb</td>
<td>$0.07</td>
<td>7,574</td>
<td>530.18</td>
</tr>
<tr>
<td>Alum</td>
<td>lb</td>
<td>$0.15</td>
<td>94,846</td>
<td>14,226.90</td>
</tr>
<tr>
<td>Fluoride</td>
<td>lb</td>
<td>$0.42</td>
<td>3,679</td>
<td>1,545.35</td>
</tr>
<tr>
<td>Chlorine</td>
<td>lb</td>
<td>$0.50</td>
<td>9,561</td>
<td>4,780.32</td>
</tr>
<tr>
<td>Telephone</td>
<td>Month</td>
<td>$408.33</td>
<td>12</td>
<td>4,899.96</td>
</tr>
<tr>
<td>Tools</td>
<td>Lot</td>
<td>$229.17</td>
<td>12</td>
<td>2,750.04</td>
</tr>
<tr>
<td>Lab Supplies</td>
<td>Month</td>
<td>$425.00</td>
<td>12</td>
<td>7,500.00</td>
</tr>
<tr>
<td>Fuel</td>
<td>Monthly</td>
<td>$2,136.26</td>
<td>12</td>
<td>25,635.10</td>
</tr>
<tr>
<td>Training and Tuition</td>
<td>Monthly</td>
<td>$410.71</td>
<td>12</td>
<td>4,928.54</td>
</tr>
<tr>
<td>Safety Supplies</td>
<td>Monthly</td>
<td>$239.59</td>
<td>12</td>
<td>2,875.08</td>
</tr>
<tr>
<td>Vehicle Repair and Maintenance</td>
<td>Monthly</td>
<td>$329.33</td>
<td>12</td>
<td>3,951.96</td>
</tr>
<tr>
<td>Repair Parts</td>
<td>Monthly</td>
<td>$6,079.16</td>
<td>12</td>
<td>96,949.96</td>
</tr>
<tr>
<td>Postage and Freight</td>
<td>Month</td>
<td>$83.33</td>
<td>12</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Operating Supplies</td>
<td>Month</td>
<td>$2,500.00</td>
<td>12</td>
<td>30,000.00</td>
</tr>
<tr>
<td>CO2 Lease</td>
<td>Month</td>
<td>$37.50</td>
<td>12</td>
<td>450.00</td>
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</tbody>
</table>

**Subtotal**

- 213,017.91

<table>
<thead>
<tr>
<th>Outside Services / Subcontracts / Purchases</th>
<th>per $K</th>
<th>QTY</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSC Regulatory Fees</td>
<td>$1.60</td>
<td>2,199</td>
<td>3,525.48</td>
</tr>
<tr>
<td>Uniforms</td>
<td>$4,166.67</td>
<td>12</td>
<td>50,000.00</td>
</tr>
<tr>
<td>Contract Lab Services</td>
<td>$4,737.75</td>
<td>12</td>
<td>56,853.00</td>
</tr>
<tr>
<td>Cell Phones/Pagers</td>
<td>$200.00</td>
<td>12</td>
<td>2,400.00</td>
</tr>
<tr>
<td>Outside rentals</td>
<td>$100.00</td>
<td>12</td>
<td>1,200.00</td>
</tr>
<tr>
<td>Sludge Hauling Disposal</td>
<td>$35.00</td>
<td>820</td>
<td>28,716.10</td>
</tr>
</tbody>
</table>

**Subtotal**

- 149,414.58

**TOTAL EXPENSES**

- 362,432.48

**TOTAL LABOR AND EXPENSES**

- 1,258,705.33

**Overhead and Service Center**

- 3.8% of 1,258,705.33 = 47,830.80

**TOTAL EXCLUDING G&A**

- $1,306,536.13

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This page contains unprotected data and proprietary analytical methods that shall not be disclosed outside the Government and shall not be duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data and analytical methods to the extent provided in the resulting contract. This restriction does not limit the Government’s right to use information contained in this data if it is obtained from another source without restriction.
**Base - LABOR & EXPENSES - Water Treatment**  
**(Central Only) and Distribution- Years 6 - 50**

<table>
<thead>
<tr>
<th>Labor Category</th>
<th># of Emps</th>
<th>U/M</th>
<th>Toolkit Avg Raw</th>
<th>Raw</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Treatment Operator</td>
<td>3</td>
<td>Hr</td>
<td>$ 40.98</td>
<td>6.552</td>
</tr>
<tr>
<td>Electrician/I&amp;C</td>
<td>0.5</td>
<td>Hr</td>
<td>$ 43.86</td>
<td>1.092</td>
</tr>
<tr>
<td>Plant Mechanic</td>
<td>1</td>
<td>Hr</td>
<td>$ 43.86</td>
<td>2.184</td>
</tr>
<tr>
<td>Water Distribution Supervisor</td>
<td>1</td>
<td>Hr</td>
<td>$ 38.55</td>
<td>2.184</td>
</tr>
<tr>
<td>Distribution Operator IV</td>
<td>1</td>
<td>Hr</td>
<td>$ 38.35</td>
<td>2.184</td>
</tr>
<tr>
<td>Equipment Operator</td>
<td>1</td>
<td>Hr</td>
<td>$ 29.15</td>
<td>2.184</td>
</tr>
<tr>
<td>Distribution Operator I</td>
<td>2</td>
<td>Hr</td>
<td>$ 25.36</td>
<td>4.368</td>
</tr>
<tr>
<td>GIS Technician/Dist Op IV</td>
<td>1</td>
<td>Hr</td>
<td>$ 25.36</td>
<td>2.184</td>
</tr>
<tr>
<td>Administrative Assistant</td>
<td>1</td>
<td>Hr</td>
<td>$ 22.06</td>
<td>2.080</td>
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**RAW LABOR**

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<td></td>
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<td>25,012 855,852.34</td>
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<tr>
<td>Fringe Benifits Rate for 2008</td>
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</table>

**TOTAL LABOR (Raw + Fringe)** 855,852.34

**EXPENSES**

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>U/M</th>
<th>Unit Rate</th>
<th>QTY</th>
<th>$</th>
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</thead>
<tbody>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulk Lime</td>
<td>Ton</td>
<td>$124.00</td>
<td>89</td>
<td>10,994.52</td>
</tr>
<tr>
<td>Carbon Dioxide</td>
<td>lb</td>
<td>$0.07</td>
<td>7,574</td>
<td>530.18</td>
</tr>
<tr>
<td>Alum</td>
<td>lb</td>
<td>$0.15</td>
<td>94,846</td>
<td>14,226.90</td>
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<tr>
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<td>1,545.35</td>
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<tr>
<td>Chlorine</td>
<td>lb</td>
<td>$0.50</td>
<td>9,561</td>
<td>4,780.32</td>
</tr>
<tr>
<td>Telephone</td>
<td>Month</td>
<td>$408.33</td>
<td>12</td>
<td>4,899.96</td>
</tr>
<tr>
<td>Tools</td>
<td>Lot</td>
<td>$229.17</td>
<td>12</td>
<td>2,750.04</td>
</tr>
<tr>
<td>Lab Supplies</td>
<td>Month</td>
<td>$625.00</td>
<td>12</td>
<td>7,500.00</td>
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<tr>
<td>Fuel</td>
<td>Monthly</td>
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<td>12</td>
<td>25,635.10</td>
</tr>
<tr>
<td>Training and Tuition</td>
<td>Monthly</td>
<td>$410.71</td>
<td>12</td>
<td>4,928.54</td>
</tr>
<tr>
<td>Safety Supplies</td>
<td>Monthly</td>
<td>$239.59</td>
<td>12</td>
<td>2,875.08</td>
</tr>
<tr>
<td>Vehicle Repair and Maintenance</td>
<td>Monthly</td>
<td>$329.33</td>
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<td>3,951.96</td>
</tr>
<tr>
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<td>Monthly</td>
<td>$8,079.16</td>
<td>12</td>
<td>96,949.96</td>
</tr>
<tr>
<td>Postage and Freight</td>
<td>Month</td>
<td>$83.33</td>
<td>12</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Operating Supplies</td>
<td>Month</td>
<td>$2,500.00</td>
<td>12</td>
<td>30,000.00</td>
</tr>
<tr>
<td>CO2 Lease</td>
<td>Month</td>
<td>$37.50</td>
<td>12</td>
<td>450.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td>213,017.91</td>
</tr>
<tr>
<td><strong>OUTSIDE SERVICES / SUBCONTRACTS / PURCHASES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PSC Regulatory Fees</td>
<td>per $K</td>
<td>$1.60</td>
<td>2,199</td>
<td>3,525.48</td>
</tr>
<tr>
<td>Insurance</td>
<td>Month</td>
<td>$4,166.67</td>
<td>12</td>
<td>50,000.00</td>
</tr>
<tr>
<td>Uniforms</td>
<td>10.5 Month</td>
<td>$420.00</td>
<td>12</td>
<td>5,040.00</td>
</tr>
<tr>
<td>Contract Lab Services</td>
<td>Month</td>
<td>$4,737.75</td>
<td>12</td>
<td>56,853.00</td>
</tr>
<tr>
<td>Cell Phones/Pagers</td>
<td>4 Month</td>
<td>$200.00</td>
<td>12</td>
<td>2,400.00</td>
</tr>
<tr>
<td>Outside rentals</td>
<td>Month</td>
<td>$100.00</td>
<td>12</td>
<td>1,200.00</td>
</tr>
<tr>
<td>Sludge Hauling Disposal</td>
<td>Tons</td>
<td>$35.00</td>
<td>820</td>
<td>28,716.10</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
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<td></td>
<td></td>
<td>147,734.58</td>
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**TOTAL EXPENSES** 360,752.48

**TOTAL LABOR AND EXPENSES** 1,216,604.83

**Overhead and Service Center** 3.8%

**TOTAL EXCLUDING G&A** 1,262,835.81

---

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Volume IV
Attachment IV-3—Recapitulation of G&A, R&R, and ISDC
Costs Shown in Table IV-8
### Recapitulation of G&A, R&R, and ISDC Costs Shown in Table IV-8

<table>
<thead>
<tr>
<th>Year</th>
<th>G&amp;A Included in O&amp;M + Trans</th>
<th>G&amp;A</th>
<th>R&amp;R</th>
<th>ISDCs</th>
<th>Total G&amp;A</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td>$5,325,226</td>
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<tr>
<td>2</td>
<td>48,604</td>
<td>$5,158,529</td>
<td>$5,807,363</td>
<td>205,642</td>
<td>5,411,640</td>
</tr>
<tr>
<td>3</td>
<td>48,604</td>
<td>$5,158,529</td>
<td>$5,807,363</td>
<td>205,642</td>
<td>5,411,640</td>
</tr>
<tr>
<td>4</td>
<td>48,604</td>
<td>$5,158,529</td>
<td>$5,807,363</td>
<td>205,642</td>
<td>5,411,640</td>
</tr>
<tr>
<td>5</td>
<td>48,604</td>
<td>$5,158,529</td>
<td>$5,807,363</td>
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<td>5,411,640</td>
</tr>
<tr>
<td>6</td>
<td>47,041</td>
<td>$5,158,529</td>
<td>1,304,363</td>
<td>-</td>
<td>96,607</td>
</tr>
<tr>
<td>7</td>
<td>47,041</td>
<td>$5,158,529</td>
<td>1,304,363</td>
<td>-</td>
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Volume IV
Attachment IV-4—Basis of Estimate
Fort Knox Potable Water Utility System
Hardin County Water District No. 1
Fort Knox, Kentucky

BASIS OF ESTIMATE

Project Number: 398340
Project Name: Fort Knox Potable Water Utility System
Class Estimate: Class 5
Requested By: Dave Hackworth/LOU
Estimated By: Jay Bilmon/WPB
Estimator Phone: 561-940-7586
Estimate Date: July 31, 2010
CCI Index: 8864.72 (July 2010)
Material Index: 2719.55 (July 2010)

Jay Bilmon/WPB
ESTIMATOR
Purpose of Estimate

The purpose of this Engineer’s Estimate is for valuation of existing potable water facilities as listed in Request for Proposal (RFP) SP0600-08-R-0803 solicitation (Attachment J1).

General Project Description

Hardin County Water District No.1 (HCWD1) offers to purchase the Fort Knox potable water systems based on a development of Replacement Cost New Less Depreciation (RCNLD). This is consistent with utility rate making practice in North America where utility “rate base” is based on book value of utility assets that are “used and useful”. RCNLD is a surrogate for book value and is proposed because Fort Knox does not maintain an accounting record of the book value of its utility systems. The RCNLD valuation is based on:

- The system inventory data provided in the solicitation (J1).
- Data available on the installation date of system components identified solicitation (Attachment J1).
- Our estimate of the cost to replace each component in current year dollars.
- An estimate of the percentage depreciation of each system component based on its age and average useful life.
- Cost recovery of the purchase price payment will occur as a component of the general monthly service fee for O&M. As the Fort Knox potable water systems serve only Fort Knox, the facilities have no inherent value other than to provide service to the Government.

Estimate Classification

This cost estimate prepared is considered a conceptual level or class 5 estimate as defined by the American Association of Cost Engineering (AACE). It is considered accurate to +50% to –30%, based upon available system data.

The cost estimates shown have been prepared for guidance in project evaluation and implementation from the information available at the time of the estimate. The final cost of the project will depend upon the actual labor and material costs, competitive market conditions, final project costs, implementation schedule and other variable factors. As a result, the final project costs will vary from the estimates presented herein. Because of this, project feasibility and funding needs must be carefully reviewed prior to making specific financial decisions to help ensure proper project evaluation and adequate funding. Our estimate is based on material, equipment, and labor pricing as of July 2010.

Cost Resources

The following is a list of the various cost resources used in the development of the cost estimate.

- Louisville Water Company Historical Data
Labor unit prices reflect a burdened rate, including: workers compensation, unemployment taxes, Fringe Benefits, and medical insurance.

**Estimate Methodology**

The purchase price estimate for the Fort Knox potable water systems is based on a development of the Replacement Cost New Less Depreciation (RCNLD). This is consistent with utility rate making practice in North America where utility “rate base” is based on book value of utility assets that are “used and useful.” The development of the estimate for existing potable water facilities is based on the following:

- Costs for replacement of each component are in current dollars and update to current materials as necessary.
- An estimate of the percentage depreciation of each system component is based on its age and average useful life.
- The RCNLD valuation is based on the inventory data provided in the solicitation (Attachment J1). The valuations are as accurate and complete as the information provided.
- The estimate includes allowance costs and dollars per unit cost for certain components of the estimate. Pricing is fully loaded contractor rates for labor, materials, and systems in place and ready for use to reflect local area conditions. The fully loaded rate includes contractor overhead and profit and sales tax for contractor purchased materials and supplies.

**Replacement Cost New (RCN)**

The RCN value of the system was estimated by multiplying the current installed unit costs for a given inventory component times the number of those units included in the inventory. These RCN unit costs were estimated primarily from the following sources:

- Louisville Water Company engineering databases. This data was developed from actual bid prices on pipeline construction projects in an urban water system dating January 2009 to the present.
- Hardin County Water District No. 1 engineering databases, including data developed from the 2008 reconstruction of the Pirtle Spring Water Treatment Plant.
- CH2M HILL engineering databases. This data was developed from experience on similar projects in similar conditions.
- Unit costs in cases where existing materials are no longer permitted to be installed, the corresponding permitted material option was assigned to replace the existing. For instance, cast iron pipe would be replaced with ductile iron and PVC pipe would be replaced with PVC DR-18.
• Unit costs were then multiplied by percentages to account for associated engineering and construction management costs associated with the installment of the inventory components. These percentages are current industry standards.
• Limited application of adjustment factors reflecting site-specific conditions. For ease, speed, and consistency, the estimating process was reduced to an approach that assumed all facilities have much in common, and took into account only limited site-specific features. The estimates are therefore generic and subject to refinement at a later date. Unit prices account for materials sales tax, security badge issuance and security related access delays.

Raw water sources
McCracken Spring Intake based on approximately 6’ x 6’ concrete and galvanized steel intake structure performed when area is drained to permit work in relatively dry strata conditions.

Central Water Treatment Plant
The elements to the Central WTP unit prices were estimated parametrically based on the number of gallons. The pumps and controls similarly were estimated parametrically based on the horsepower of the pump. Generators were priced on historical costs of generator installations of similar capacity.

Water distribution
The pipeline unit price was estimated as a weighted average price with 75% of the trenching in an area requiring sod restoration and 25% in an area requiring roadway asphalt restoration. Unit prices presumed that pipelines 4” diameter and above would be performed with open trench excavation. Minimum 3’ cover. Medium hard excavation, partial layback, backfill compacted to 95%. Trench excavated minimum 3’ width, allowing minimum 1’ each side of pipe. Pipe laid atop 6”thick select fill bedding. Ductile Iron pipe (DIP) is based on pressure class 350 with mechanical joints. Restrainer glands will be on all MJ fittings. Fittings will be double wrapped prior thrust block placement. Valves and fittings are included in the distribution piping and raw water line unit prices. Excavation in asphalt includes saw cutting, loading hauling and disposal of debris. Asphalt paving restoration to match existing, including wearing course and binder course on compacted sub-grade and stone base, includes stripping.

Elevated Storage Tanks
Elevated storage tanks unit prices were estimated parametrically based on a steel structure and the capacity in gallons. Price includes foundation, piping, valves, floor drain, cathodic protection, climbing equipment and railings, painting, flushing/disinfection and connection to existing system. Tank rehabilitation noted in the ISDC is based upon contractor supplied quote issued in 2008 and escalated to today’s dollar.

Fire Hydrants
Fire hydrants are based on actual costs and include hydrant and concrete pad, 6” diameter riser line, 90deg. elbow fitting, 6”lateral line, 6” gate valve and valve box and T- fitting at water main.
Cost Methodology
All initial capital upgrade and R&R projects include feasibility studies, engineering, design, permitting and construction. The estimates for construction costs for these improvements were prepared by use of the following general methods:

- Comparison with bid tabulations from recent similar projects in the Kentucky area available in Louisville Water Company, Hardin County Water District No. 1 and CH2M HILL databases.
- Review of the solicitation (Attachment J1) for the RFP.

Labor Costs and Unit Costs
The estimates are based on actual labor rates and bid prices from local, similar projects.

Escalation Rate
Escalation was not factored in the estimate.

Allowance Costs
Engineering, design and SDC estimated at 15% of total construction cost.

Major Assumptions
Hardin County Water District No. 1 price proposal uses information earned through years of work in the Kentucky area, performing services specifically applicable to those contained in the Government’s solicitation. As such, we have been able to minimize the assumptions used in our pricing, and have ensured that the assumptions we did use are the most reasonable for the environment and conditions expected at the Fort Knox post. The assumptions reflect the unknowns in developing the price and will be investigated during a period of due diligence.

The estimate is based on the assumption the work will be done on a competitive bid or design build basis and the contractor will have a reasonable amount of time to complete the work. All contractors are equal, with a reasonable project schedule, no overtime, constructed as under a single contract, no liquidated damages.

Excluded Costs
The cost estimate excludes the following costs:

- Non-construction or soft costs for land or legal costs.
- Electricity, energy or other utility requirements.
### Table IV-10

**Cost Risk Assessment**

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<th>Cost Risk Area</th>
<th>Mitigation</th>
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<tr>
<td>Increased Cost of Capital. With changes in capital market conditions or the creditworthiness of the water utility service provider, the cost of capital for projects could increase. These increased costs could be passed on to the Army as part of a price rate increase.</td>
<td>Cost of capital risk will be mitigated by several strong indicators in financial position. The investment market reflects strong confidence in HCWD1 as reflected in the strong financial ratings disclosed in the Financial Strength section of Volume I. HCWD1 expects continued good financial ratings based on strong liquidity, significant retained earnings trends, and reasonable rate history.</td>
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<td>Losses from Lack of Emergency Response Readiness. If personnel are not immediately available or responsive to water utility emergency conditions, the Army could suffer losses.</td>
<td>The risk will be substantially mitigated by HCWD1’s and its subcontractor, LWC’s, close proximity to Fort Knox. HCWD1 and LWC have emergency personnel that are on call 24 hours per day, 7 days per week. In addition, HCWD1 and LWC have full and diverse staffs comprised of experienced emergency repair personnel and have warehouse locations to keep all necessary materials on hand to respond immediately. The call center that will be available for Fort Knox is staffed 24/7.</td>
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<td>Increased Cost from Operation in a Location that is Removed from an Offeror’s Other Operations. An operation in a location that is remote from a business’s main operation can be expensive.</td>
<td>The risk of excess cost from remote location will be mitigated by the consolidation of Fort Knox’s water and wastewater operation with HCWD1’s existing operation. HCWD1’s water and wastewater systems are immediately adjacent to Fort Knox and can easily be integrated with HCWD1’s existing water system and its wastewater system on base. Ft. Knox will benefit from economies of scale related to these already existing services. These benefits are a significant advantage over a standalone provider.</td>
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<td>Financial Instability. Financial instability by the utility service provider can lead to reductions in quality of service or failure to perform. Either of these creates the risk of consequential damages to the Army.</td>
<td>The risk of financial instability will be mitigated by HCWD1’s focus on service, rather than profit, for private owners and by its commitment to keeping a strong financial position.</td>
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<td>Costly Operational Errors from Loss of Institutional Knowledge. Existing system operators understand the water utility systems at Fort Knox. Turning the system over to operators who are otherwise unfamiliar with the system could lead to erroneous decisions. The cost of these errors could be passed on to the Army.</td>
<td>This risk will be mitigated from the experience and qualifications of existing HCWD1’s staff, combined with its knowledge of Fort Knox. HCWD1’s operating staff has an in-depth understanding of water issues and appropriate approaches to operating utility systems in the Hardin County/Fort Knox area. With HCWD1’s privatization of the Fort Knox wastewater system in 2005, its knowledge of Fort Knox’s policies, procedures, and preferences was taken to a higher level.</td>
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<td>Focus on Profits, Impudent Investments, or Mismanagement Could Result in Higher Prices for the Government.</td>
<td>With its focus on the Hardin County/Fort Knox community and its position as a regulated utility, this risk is substantially mitigated. With its mission being service to the community, HCWD1 is not motivated to maximize returns. Further, there will always be an impartial third party to evaluate the level and prudence of costs incurred by HCWD1 and the manner in which costs are translated into prices to the Government.</td>
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<td>Replacing Utility Plant and Equipment before It Is Necessary Increases Costs and Therefore Prices.</td>
<td>HCWD1 and its subcontractors, LWC and CH2M HILL, have developed asset management programs that focus on prioritizing replacements based on actual asset condition, rather than simply age or replacement schedules. Careful marshalling of capital funds as part of an asset management program reduces the cost of system investments to be paid by the customer while allowing HCWD1 to maintain quality service. HCWD1’s quality performance is demonstrated by the numerous awards it has won, as described in the Financial Strength section in Volume I.</td>
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I.1 Service Interruption/Contingency Plan

Hardin County Water District No.1 (HCWD1) has prepared this Subfactor in a manner that provides a comprehensive approach to continuity of service. Our approach addresses both the short-term responses to individual service disruptions that may occur and the long-term provision for service continuity.

The service interruption and contingency plan contains the following elements:

- Procedures and Provisions for Reacting to All Service Interruptions
- Resources to be Utilized in the Implementation of the Procedures Described in the Plan
- Detailed Contingency Plan
- Estimated Response Times
- Procedures for Handling Service Calls
- Re-establishment of Temporary Service
- Reestablishment of Permanent Service
- Emergency Restoration Plan
- Installation of Specific Requirements
- Possible Causes for Service Interruptions and Response Plans
- Catastrophic Loss Plan

I.1.1 Procedures and Provisions for Reacting to All Service Interruptions

It is our objective and commitment to provide dependable, continuous, and reliable water service to Fort Knox 24/7. HCWD1 will be ready to respond to emergency situations upon notification through our call center. The initial contact person to be notified is the Distribution Supervisor who will be responsible for contacting and dispatching appropriate maintenance personnel.

HCWD1 will operate the facilities to accepted Federal, State, and industry standards, including those published by the American Water Works Association (AWWA), the National Electric Code (NEC), National Electric Safety Code (NESC), American Society of Civil Engineers (ASCE), and the National Fire Protection Association (NFPA). These referenced documents will be maintained in our on-Post office and will be available to appropriate staff. Selected standards and codes we use and consider in developing upgrades are listed in Exhibit I.1-1.

Standard Operating Procedures (SOPs) will be tailored to Fort Knox and address all aspects of service interruption. These SOPs outline specific procedures for each type of interruption, as well as contingency plans for restoration of services. These SOPs will be maintained on-Post and readily available to all personnel and will be reviewed and updated on a regular basis. All staff will be trained regularly in the procedures outlined in the SOPs so that in the event of a service interruption, restoration of services will be completed in a minimal amount of time. SOPs developed for the facility will also incorporate emergency operating considerations (See Sections 1.3 and 1.4 for additional discussion).

**EXHIBIT I.1-1**

Typical Codes and Standards for Operating Utilities

- DIPRA Handbook
- Water Distribution Operator’s Handbook
- Water Supply Operations—Volume 3
- OSHA
- Kentucky OSH
- Kentucky Plumbing Code
- Kentucky Electric Code/Life Safety Code
- Americans with Disabilities Act (ADA)
- Federal Codes and Regulations including CFR 141 and 143
- EM 385-1.1 USACE Safety and Health Requirements Manual
- Industry Standards for Water Facilities
- AWWA Recommended Practices
  - AWWA C502-94
  - AWWA C500-983
  - AWWA C700-95
- NESC Codes
- KDOW Title 401 KAR Chapter 8 Water Regulations
- U.S. Public Health Service Standards
- Army and Fort Knox Regulations
- National Fire Protection Association Codes and Standards
- Military Handbooks including Mil-HDBK-1008C

Examples of the SOPs to be tailored for Fort Knox and incorporated into our operations and
maintenance (O&M) Plan/Quality Management Plan include:

- **General Procedures.** These procedures typically include: service conditions tracking procedures; facility notification for scheduled or emergency outages; service interruption procedures; customer concern/complaint handling; and various inspection procedures.

- **Water Treatment and Distribution.** These procedures typically include: managing water failures; operation of electrical systems; alarm testing; state sampling requirements and procedures; operation of pumps, chemical feeders, etc.; procedures for line breaks; disinfection procedures; tank isolation procedures; managing failures of various systems; monitoring procedures; etc.

For this contract, HCWD1 will have a designated telephone number that will be used for incoming service requests. The appropriate project personnel will be notified of the service request and an estimated arrival time of the crew will be provided to the Government based upon the type of service call assignment.

The following procedures are in place to support any type of services provided at Fort Knox.

- **Provisions.** For all system upgrades and major construction projects, HCWD1 staff and subcontractors will provide temporary services of out-of-service components to maintain service to Fort Knox customers during these construction projects.

- **Standby Power.** Standby generation will be provided for all pump stations by either mobile or installed units in order to provide power when needed during extended service disruptions.

- **Scheduled Service Outages.** HCWD1 will coordinate with the Government and other contractors to facilitate service outages and underground utility locates when needed. HCWD1 will coordinate scheduled outages with Fort Knox’s Department of Public Works (DPW). We will provide the date and time of outage, a list of buildings affected, and the estimated duration. Additionally, we will be responsible for notifying all affected building managers of the outage. No scheduled outages will be performed without notification to affected building managers. Likewise, we will work with the Post to reschedule routine outages if they adversely impact mission operations. We will track outages until work is complete and provide the appropriate notifications that services have been restored.

- **Excavations.** HCWD1 will comply with the Fort Knox excavation permit process. In emergency situations where excavations are required for repairs, HCWD1 will immediately notify the Contracting Officer’s Technical Representative (COTR) and follow Post protocol.

Long-term plans for service continuity are addressed in the following ways:

- **Capital Upgrade and Renewal and Replacement Plans.** Subfactor 3 addresses our approach to initial system upgrade and replacement, in addition to our overall approach to long-term renewal and replacements for the water treatment and distribution systems. These plans provide for addressing the current deterioration of the systems that make the utilities susceptible to service disruptions. Our plan targets the most critical components in the systems where breakdowns typically occur first, and ensures these items are in optimal condition to reduce the potential for service disruptions. Our plan also includes the tracking of system failures and performance against our service standards. Whenever system modifications are planned, all practical efforts will be made to minimize downtime and restore service as soon as possible. Temporary services can also be installed to continue service during major modifications.

- **Maintenance Management.** Diligently performing preventive and predictive maintenance on system components significantly decreases the number of unplanned emergency failures. All preventive maintenance (PM) activities will be tracked through HCWD1’s Computerized Maintenance Management System (CMMS), as described in Subfactor 2 of this proposal. Our CMMS program includes the following policies:
− Valves and hydrants will be exercised every 2 years.
− To avoid failures, diesel generators will be tested monthly and maintained in accordance with manufacturer recommendations.
− Selected critical equipment will receive vibration monitoring.
− Periodic current checks will be performed to track and trend equipment condition and wear.

I.1.2 Resources to be Utilized in the Implementation of the Procedures Described in the Plan

I.1.2.1 Management Organization

HCWD1’s General Manager, Mr. Jim Bruce, will be the Project Manager and primary contact for business and ownership issues. Mr. Brett Pyles, Operations Manager, will serve as the Deputy (Alternate) Project Manager and will be the primary contact for and will be responsible for daily operational issues provide support to the General Manager and the Project Manager and attend planning meetings and other as needed. The Project Manager will be Mr. Richard Stranahan, he will be responsible for the day to day operations. HCWD1 proposes to employ a team of HCWD1, the Louisville Water Company (LWC), and CH2M HILL for the operations, maintenance, and engineering support for O&M of the water treatment and distribution facilities. Our mission is to provide honorable stewardship over Fort Knox’s facilities. Exhibit I.1-2 describes the specialized roles of HCWD1’s team.

Exhibit I.1-2
Summary of the Specialized Team Members

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Relationship</th>
<th>Role</th>
<th>Key Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCWD1</td>
<td>Owner</td>
<td>Own, finance, and manage the utility systems</td>
<td>Jim Bruce, General Manager</td>
</tr>
<tr>
<td>HCWD1</td>
<td>Department of Owner</td>
<td>Operate and manage the utility systems (potable water distribution)</td>
<td>Brett Pyles, Operations Manager</td>
</tr>
<tr>
<td>LWC</td>
<td>Subcontract to HCWD1</td>
<td>Operate and maintain the Water Treatment Plants</td>
<td>Jim Smith, Water Treatment Project Manager</td>
</tr>
<tr>
<td>CH2M HILL</td>
<td>Subcontract to HCWD1</td>
<td>Capital Improvement Plan Program</td>
<td>Robert Neath, Engineering Manager</td>
</tr>
</tbody>
</table>
HCWD1 has assembled a leadership team of industry leaders to ensure that this key aspect of our partnership with Fort Knox is executed at the highest level. Each of these key personnel is dedicated to the delivery of our Service Interruption/Contingency and Catastrophic Loss Plan, outlined above. Our plan ensures service availability 24/7, and in the event of service interruption service restoration activities are carried out safely, promptly and efficiently.

### I.1.3 Detailed Contingency Plan

A general flowchart of our response plan to service calls is presented in Exhibit I.1-4. All incoming calls from installation personnel will be made to the 24-Hour Call Center/Dispatcher. The caller should identify themselves as a Fort Knox tenant, which facility requires the service, and the nature of the call. The Work Order is initiated and entered into the CMMS (Exhibit I.1-5).

The Distribution Supervisor, Project Manager is notified that a Fort Knox Work Order Request has come in, and an on-site representative, a distribution operator will be notified immediately after the call is received to further assess the nature of the call. Normal, routine calls will be directly dispatched to the appropriate maintenance crew. Emergency calls and after hours calls are forwarded to the on-call supervisor, distribution operator for prioritization, assignment, and response.

All service requests will be documented, and the time of the call, time of the service response, cause of the request, and action taken (including the time and date completed) will be recorded by HCWD1. These records are maintained in the CMMS and will be made available to the Contracting Officer upon request.

### I.1.3.1 Procedures for Submitting Services Requests

We understand that the Government will designate the requests as ‘emergency,’ ‘urgent,’ or ‘routine’ during the service request.
Exhibit 1.1-4
Service Call and Emergency Call Response Plan

Service Call and Emergency Call Response Plan

Customer Call

Call Received by Staff

Call Received by Dispatch 24/7

Respond to Call

Assess Situation and Make Recommendation

Is Service Disrupted?

Does This Situation Pose Immediate Health Risk?

Yes

Notify Response Team

Verify Site Safety/Security

Perform Repair Actions

Yes

No

O&M Review and Approve

Corrective Work Order Generated

Plan
✓ Prioritize
✓ Schedule
✓ Assign
✓ Issue
✓ Followup

Crew Completes Work

Work Order Reviewed and Closed

Resume Normal Operations

FTK_110_1
Exhibit I.1-5
Example of Computerized Maintenance Management System

Computerized maintenance management system (CMMS)

Incoming calls are entered into the CMMS for prioritization and dispatch. These records are maintained in the CMMS and be available to the Contracting Officer upon request.

The preferred method of submitting a service request would be through the 24-hour telephone number. In the event the telephone lines are down, service requests can be made via cell phone to the Distribution Supervisor. The appropriate project personnel will be notified of the service request and an estimated arrival time of the crew will be provided to the Government. Response time is based upon the type of service call assignment.

I.1.3.2 Coordination of Activities

After contract award, HCWD1 will review existing plans at Fort Knox and develop final operating procedures for water service coordination at the Post. We recommend that these procedures be developed jointly with the departments and activities involved. For example, routine meetings with the master planners and engineers will ensure timely provision of water services to new facilities and coordination of pending and active construction/rehabilitation projects.

Person-to-person interactions between DPW and HCWD1 will be on appropriate levels. For example, the Project Manager will maintain close working relationships with COTR and DPW management to coordinate larger projects. He will be available to resolve any concern. We will maintain and encourage open communications with the DPW staff and civilian workforce.

The general customer base at Fort Knox will be informed about relevant issues, such as outages and road closures and news with special newsletters and notifications, posters in public areas, and through signs on Post. In addition, HCWD1 will coordinate with the DPW, the Command Group, and COTR as follows:
• **Administrative Issues**: HCWD1 will coordinate with the administrative section of DPW through the COTR on issues related to master planning and military construction that would impact utility expansion requirements. The installation master planning section initiates military construction projects several years in advance, and the planning for these projects must of necessity be included in utility planning efforts. The focal point for such construction is the administrative offices of the DPWs and through periodic meetings, planning will be proactive rather than reactive. These meetings will also serve as the forum for discussions of O&M, Capital Improvements Program, and customer satisfaction reviews.

• **Repair and replacement projects** that are recommended by HCWD1 will be discussed with the Contracting Officer (CO) or COTR. We will coordinate the upgrades and renewal and replacement plan during these meetings, as well as changes in staffing and other requirements. HCWD1 staff will ensure that major projects for repair, replacement and installation of facilities, equipment, and infrastructure are on the agenda. Meetings will cover planned engineering projects, projects under design and construction, and specific long-range water requirements. The intent of such meetings will be to resolve any potentially overlapping or interfering conditions or conflicts.

• **Operations and Maintenance Projects**: Communications with the DPW will be both formal and informal. HCWD1 will meet with the DPW staff to discuss schedules and upcoming major and minor work prior to initiation of the work. We will also provide notice to the DPW on any planned work scheduled so it can be coordinated with residents or occupants of the areas affected. The General Manager will conduct regular visits to Fort Knox to ensure that the Army is satisfied with the work being performed and that the project has all of the resources needed to meet Army expectations. It is the intent of HCWD1 to ensure all work is fully communicated and coordinated with the DPW staff at Fort Knox.

Communications will occur on a daily basis. Our project personnel will become familiar with their counterparts in the DPW to maximize coordination and expedite response situations. We will support DPW for any required exterior utility services, and coordinate whole or partial system outages with DPW, the Fire Department, and potentially affected facilities. We will also coordinate digging permits, disaster recovery efforts, meetings, and work schedules during our meetings with DPW. HCWD1 also recommends regular meetings with DPW and other utility owners to ensure thorough coordination with key players on Fort Knox involved in potentially conflicting work.

### I.1.4 Estimated Response Times

As stated in RFP Section C.8 *Repair Response Notification Procedures*, we understand the Government will assign ‘emergency,’ ‘urgent,’ or ‘routine’ designations when contacting HCWD1 with a service call. Once a service call is received, on-site personnel will be notified via a work order and will be categorized as Emergency, Urgent, or Routine as identified by the Government during response notification. These personnel will be authorized to acquire the necessary equipment, material, and personnel to respond to the situation. Our response will include personnel and equipment to assess and begin repairs within the specified time. Response times for various types of service calls (whether during or after normal duty hours) are highlighted in Exhibit I.1-6.
**Exhibit I.1-6**

*Response Times for Each Type of Service Call Meets Requirements Specified in the RFP*

<table>
<thead>
<tr>
<th>Type of Service Call</th>
<th>Response Time</th>
<th>Completion Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Service</td>
<td>Respond within 30 minutes during normal duty hours Repair crews on scene within 1 hour during duty hours Respond within 1 hour during non-duty hours Repair crews on scene within 2 hours during non-duty hours Zussman Range, Yano Range and Basham’s Corner within 1.5 hours during normal duty hours, and 2 hours during non-duty hours</td>
<td>Remedied or downgraded within 24 hours of receiving request*</td>
</tr>
<tr>
<td>Urgent Service</td>
<td>Within 3-working days of request</td>
<td>Within 7 business days of receiving request*</td>
</tr>
<tr>
<td>Routine Service</td>
<td>Within 5 working days of request</td>
<td>Within 10 working days of receiving request*</td>
</tr>
</tbody>
</table>

*Unless there is a delay from the Government or HCWD1 cannot procure necessary materials.

**Routine service** interruptions or service requests are scheduled to perform routine maintenance of the distribution system or to add or delete connections, either at the request of the customer or at the initiation of the utility. The following situations would typically be declared routine and would be responded to on a timely basis:

- Requests by the customer for installation of new or redundant services
- Requests by the customer for utility service interruptions to a building so that work could be performed in the building
- Requests by the utility to shut off utility service to a building or facility so that an operation or maintenance task could be performed such as replacing system components or performing repair and replacement activities
- Utility locates within 48 hours

Routine work, such as the scheduled repair, replacement, or removal of system components that require service interruption, will be coordinated with the COTR to ensure minimal impact to the mission and operations. Notification will include date, time of outage, a list of buildings that will be affected, and the estimated time until the service will be restored. We understand that Fort Knox reserves the right to require HCWD1 to postpone work requiring service interruption if such interruption might adversely affect the Posts’ missions and operations. If an interruption is postponed, the parties will coordinate a mutually acceptable alternate time for the scheduled service interruption. Scheduled utility outages may be required after normal working hours to lessen the inconvenience to Post mission critical functions. We will be able to provide an initial response to these routine service requests within 5 calendar days of request and non-emergency work will be accomplished within 10 days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

**Urgent service** requests are made in situations that are not an emergency, but when the situation significantly hinders performance of Fort Knox activities and requires elimination of hazards that may present health and safety concerns. These services can include but are not limited to, downgraded emergency responses, special events schedule, and reduced service at mission critical facilities or housing. We will have the on-site resources and employees to respond to urgent outages within 3 working days, and the work will be completed within 7 days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials). If circumstances beyond HCWD1’s control limit the completion of work, temporary services or other temporary measures will be constructed to maintain service to the customers. The following are examples of situations that would typically be declared urgent situations:
• A water main or water service line leak that does not threaten to flood buildings or does not pose a safety risk
• Accidents caused by equipment striking buildings that house valve pit equipment or striking fire hydrants
• Code violation that poses a safety hazard

**Emergency service** is a situation that is detrimental to the mission of the Post, significantly impacts operational effectiveness, or presents an immediate threat to the life, health, and safety of Post personnel. Examples include a major water main break, or loss of operation of key plant equipment that causes an interruption of water treatment or pumping facility operations. These situations can be caused by:

• Acts of God, which might include things like high wind- or ice-induced power outages
• Natural disasters include events, such as earthquakes, fires, or high wind storms
• Human error, including accidental damage to distribution or pumping equipment including control panels, valves, or other system components
• Equipment failure, including failure of key distribution or equipment or components
• Employee strikes or work slowdowns, sabotage of key components of the water system, or failure to respond to requested service of customers
• Water main or service line leaks that would threaten to flood buildings or pose a safety risk
• Terrorist activity, which might include destruction of water system facilities, contamination of the water supply or denying utility worker access to critical facilities

HCWD1 will notify Fort Knox’s COTR and DPW personnel of each situation/priority as soon as possible. HCWD1 will provide an Emergency Restoration Plan, maintain it on-Post, and update it on a regular basis.

When an emergency service situation occurs, the first responder and/or standby personnel will be contacted immediately by radio and/or cell phone or pager for after hours responses. If necessary, that worker will be augmented by additional “call-ins” of the other HCWD1 team utility workers. The first on-site utility employee will secure the emergency site, assess the situation, and make an immediate call to the Operations Manager for additional resources as required. At Fort Knox, the initial contact person contacted by the dispatcher will be the Distribution Supervisor who will be responsible for assembling the appropriate maintenance personnel. Constant communication between the Distribution Supervisor and the Operations Manager will assure resources are available when and where needed. Response to emergencies will be within 30 minutes during duty hours (0730 – 1630, Monday – Friday) and within 1 hour during non-duty hours. Emergency response to the Zussman Range, Yano Range and the Basham’s Corner areas will be within 1.5 hours during duty hours and within 2 hours during non-duty hours.

Emergency service orders will be completed by HCWD1 within 24 hours (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

### I.1.5 Procedures for Handling Service Calls

An overview of our procedures for handling the various types of service calls is provided in Exhibit 1.1-4. A detailed list of contact names and numbers for Fort Knox, regulatory agencies, HCWD1 support, and local vendors and subcontractors will be developed and maintained for use, if needed, during an emergency service situation. Further discussions of emergency operations are provided in Section 1.8.

All HCWD1 requests for scheduled outages will be coordinated with Fort Knox’s DPW and the facility manager/user at least 10 working days prior to the scheduled outages. HCWD1 will make every reasonable effort to minimize the number of facilities affected and the duration of the outage.

All service request calls will be documented, and the individual who called (to ensure they are authorized), location of the problem, time of the call, time of the service response, cause of the request, and action taken (including the time and date completed) will be recorded by HCWD1. These records are maintained...
in the CMMS for at least 2 years and will be made available to the CO/COTR upon request.

If the request affects building operations, HCWD1 will coordinate the work with the person responsible for the building or facility. All emergency service requests, or emergencies identified by HCWD1, will immediately be reported to the COTR. Upon award, HCWD1 will develop the procedure of Government notification after hours.

Any of the service requests listed above could be characterized as Emergency, Urgent, or Routine (as assigned by the designated Government representative). Exhibit 1.1-6 summarizes the response times for each type of call. If it is an Emergency, we will respond within 30 minutes and be on-site with repair crews within 1 hour during normal duty hours. We will respond within 1 hour and be on site with repair crews within 2 hours during non-duty hours. Urgent requests will be responded to within 3 working days, and Urgent service orders within 7 days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

If it is a Routine call, the response will vary as described in Exhibit 1.1-6, but generally, the initial response will be within 5 business days, and Routine service orders will be completed within 10 business days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

Routine service requests typically include new service connections, disconnection or reconnection of services, scheduled outages, requests for technical information, requests for location of underground lines, control of digging and digging permits, or service valve repairs.

The first responder will initially contact the customer to verify the severity of the situation. First responders will assess the required manpower and equipment required, notify additional personnel, and make the area safe by isolating or containing the outage.

The work order is issued, work will be assigned to appropriate personnel, and upon completion, the customer will be notified and the work order will be closed.

If the first responder and the customer determine that service is disrupted or immediate repairs are required, an assessment of health risks will be made. For example, if an accident occurs, Post emergency response teams will be notified to remedy this situation. Following the correction of the emergency situation, repairs can be initiated to correct the service problem.

First responder personnel will always be trained and certified, as appropriate, and will report to the site in his/her duty truck complete with required tools, maps, and equipment to isolate the situation and begin to conduct repairs. The first responder will also have full access to HCWD1 resources on-site, including emergency generators, spare parts, lighting, and rescue gear. Additional maintenance personnel and subcontractors, as needed, will be called in to assist in the work.

Upon completion of the repairs, the safety of the situation will be determined and any additional requirements identified. Safety deficiencies will be considered emergencies and resolved as such. Barring any safety issues, the customer will be notified of the completion of the work and the corrective work order will be closed.

At the start of the next business day, the Operations Manager will review the daily response log for follow-up and determination of the customer's satisfaction with our response.

All restoration of service issues will be coordinated with DPW. Service calls will be recorded for repairs, outages, and restoration of service in the CMMS. We will record the time of call, time of service restoration, cause of the outage, and service performed, as well as the time expended to address and restore the service item. Monthly information will be provided to DPW.

### I.1.6 Reestablishment of Temporary Service

During an emergency service call, repair crews will be on site within 30 minutes during normal duty hours and within 1 hour during non-duty hours and will work continuously until temporary service is restored.
Depending upon the type of service disruption, HCWD1 will assess the situation and communicate the action plan and estimated time that temporary services will be restored to the affected facility manager. In all cases, temporary services will be restored within 24 hours (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

For all system upgrades and extended-time repairs, HCWD1 staff and subcontractors will provide a temporary service to of out-of-service components to maintain service to Fort Knox customers during these repairs and construction projects. Upon reestablishment of temporary services, the safety of the situation will be determined and any additional requirements identified. Safety issues will be considered emergencies and will be resolved immediately.

Standby generators will be provided by mobile units (if not installed) in order to provide power when needed during service disruptions.

HCWD1 will identify the critical systems required to operate through emergencies. A plan will be developed to address all essential water functions through redundant systems. Our plan, described in this factor, will be modified as needed as the contract progresses and Post information is incorporated into our plans.

I.1.7 Reestablishment of Permanent Service

Once temporary service has been restored, HCWD1 will then begin working to restore permanent services. Permanent services will be restored within 7 business days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials). An assessment of equipment and materials needed for permanent repairs will be completed. This assessment will include those materials to complete restoration as well.

For all work conducted, a pre-job hazard briefing will be held with employees before beginning the work. All safety guidelines and concerns will be discussed at this time.

A work plan will be developed and reviewed with staff as to the most effective manner to facilitate repairs and restore permanent service. If needed, the plan will outline subcontractor services required to complete the task.

If an interruption of service is anticipated, Fort Knox contacts, the facility manager, and any parties that may be affected will be contacted. HCWD1 will make every effort to minimize the number of facilities affected and the duration of the outage.

Upon completion of the reestablishment of permanent services, crews will begin restoration work. Site restoration will include any of the following that apply: cleanup of the area, removal, disposal, and replacement of any cracked pavement or sidewalks, repair of roadways, replacement of loam or topsoil, top dressing by hand, lawn bed preparation, lawn seeding, mulch, fertilizer, and shrub replacement.

I.1.8 Emergency Restoration Plan

HCWD1 has an Emergency Restoration Plan (ERP) in the event of a widespread utility outage. Upon award, HCWD1’s ERP will be supplemented to specifically address the site specific issues of Fort Knox. The plan will include response requirements for both minor and major emergencies, natural disasters, manmade hazards, and other emergencies. HCWD1’s approach will be augmented by LWC and CH2M HILL’s experience in developing and implementing similar plans for water facilities. The plan will integrate design and operational considerations specific to the Department of the Army’s facilities. The ERP will be structured to classify the emergency into a specific category, requiring specific responses, dependent upon the severity of the event, and its potential for affecting critical base operations. The Table of Contents for the ERP is provided in Exhibit I.1-7 to provide an overview of what information is presented.
EXHIBIT I.1-7
HCWD1’s ERP will be a constant living document that will incorporate and compliment federal, state, and local community needs in the event of emergencies and/or disasters

Table of Contents

Introduction
- Promulgation Document
- Organizational Chart
- Record of Revisions

Basic Plan
- Introduction
- Purpose
- Situation Assumptions
- Concept of Operations
- Organization and Assignment of Responsibilities
- Administration and Logistics
- Planning and Operations
- Operational Objectives

Emergency Support Functions (ESF)

Response Action Check List

Annexes

This comprehensive ERP will mitigate and incorporate reliability and communication features to minimize the occurrence of emergencies where possible, and to enhance safety, response, and communications when emergencies occur. Because it is impossible to predict the exact nature of every possible emergency, our program provides a comprehensive communication, training, and resource-based plan that manages the broadest range of possible emergencies. HCWD1 stands ready to support Fort Knox in any emergency, crisis situations, and/or related exercises that require HCWD1’s support. Upon notification, an HCWD1 designated representative will act as liaison and will respond to these events and provide the appropriate staff to the on-scene coordinator until the event is terminated.

I.1.8.1 Critical Systems and Types of Emergencies

During the first 120 days of the contract, HCWD1 will identify the critical systems required to operate through emergencies. A plan will be developed to address all essential water functions through emergency power supply and redundant systems. Based on state and national standards, HCWD1 will refine our ERP annex in preparing for and responding to a wide range of possible experiences, such as:

- Accidents and personnel emergencies
- Raw water quality contamination
- Chemical spills and leaks
- Equipment and process failure
- Power failure
- Fires
- Flooding, hurricanes, and severe weather
- Tornadoes
- Earthquakes
- Strikes
- Terrorist threats and civil unrest

I.1.8.2 Emergency Response Equipment

HCWD1 will keep a complete emergency equipment inventory, with an updated listing that includes all equipment, materials, and chemicals available. Equipment includes: confined space equipment, such as self-contained breathing apparatus, gas detectors, and ventilators; chemical leak response equipment; heavy equipment (backhoes, loaders, dump trucks, etc.); and pumps, tools, hand tools, and personal protective equipment. Using this inventory, emergency equipment and supplies will be purchased and stockpiled within HCWD1 to enable staff to be prepared for emergencies. A copy of this inventory will be kept in an appendix of the ERP.

I.1.8.3 Emergency Response Personnel

The ERP will contain an Emergency Response Organizational Chart showing the number of staff available and their specific disciplines of performance under emergency conditions. This list will include emergency contact numbers, as well as specific duties to be performed in the event of an emergency.

I.1.8.4 Emergency Response Actions

Our ERP will contain general and, where possible, specific actions from discovery to containment to be performed in the event of the various types of emergencies. The plan will contain details on reporting procedures, first responders and their priorities, and response times and actions to protect personnel, property, and to ensure the continuation of service.
I.1.8.5 Emergency Response Training

Members of the HCWD1 team are already trained to address the emergencies in this area and have worked with the local Emergency Management Agency (EMA) in emergency responses. Team safety experts and a designated onsite safety coordinator provide training for the HCWD1 staff including first aid, cardiopulmonary resuscitation, vehicle safety, lifting, electrical lockout/tagout, confined space entry, excavation and trenching (competent person), and responses to emergency conditions. All HCWD1 subcontractors are responsible for meeting or exceeding OSHA compliance standards.

Vendors and public safety personnel will also provide training in areas of their specific expertise. The Safety/Security Officer will monitor safety performance. An Annual Safety Review will be conducted and corrective actions initiated when warranted. SOPs developed for the facility will also incorporate safety considerations.

I.1.8.6 Coordination with Agencies and Adjacent Utilities

A detailed list of agencies and contact names and numbers will be developed and maintained in the ERP. All onsite personnel will be provided a wallet-sized version for their immediate reference, and the onsite safety team will post the listing at key facility locations.

In order to ensure the most effective and prompt response to emergency situations involving the facility staff, it is important to coordinate emergency notification and response activities at the facility, in planning and in implementation, with other agencies and parties involved. Key coordinating agencies include client representatives and Fort Knox's Public Safety (fire, military police, and emergency management services agencies). The Emergency Communications section of the ERP will be developed in concert with these parties.

Operating staff on Post will report any emergency situation, such as fire, accident, criminal act, or threatening act or condition by dialing 911 or reporting directly to the Fire Department or military police. In cases of water service emergencies, we will initiate corrective action and notify the COTR. We will record time and date, person notified, and scope of accident or repair. HCWD1 will provide the government two copies of the notification record and maintain a copy for a minimum of 2 years. We will provide keys to the DPW to allow for emergency access to all secured facilities included under this contract.

I.1.8.7 Disaster Recovery/Service Restoration

As part of HCWD1’s ERP, the Disaster Recovery/Service Restoration Plan will identify the priority of restoration of service on Post following emergency issues. As previously stated, all emergency calls will be addressed immediately, 24 hours per day. In-house personnel will assess and prioritize all service calls. If a call is prioritized as a major emergency that cannot be addressed with HCWD1’s crew, an outside contractor will be used. HCWD1 has an established list of available contractors who respond to emergencies immediately and work hand-in-hand with the HCWD1 crews. Crews and equipment can typically be at the gate within 30 minutes.

In any recovery efforts, HCWD1 can call upon the resources of their subcontractor, LWC. With staff of over 450 employees who are located in the Louisville area, LWC is able to devote the necessary resources to assist in the utility system recovery from emergency conditions. In addition, LWC maintains contingency contracts with local contractors to provide assistance, in the event of a plant or distribution emergency.

The recovery/restoration priorities for the water systems address health and safety priorities, as well as mission-critical facilities during national emergencies, deployments, and alerts and in accordance with the Force Protection Plan. They are as follows:

1. Hospitals/medical facilities
2. Critical Command Facilities
3. Major Command Headquarters
4. Family housing and barracks areas
5. Motor pools and other facilities
I.1.9 Installation-Specific Requirements

No additional installation-specific requirements are included in this proposal. However, HCWD1 will work closely with Fort Knox to ensure that all work is conducted in accordance with installation requirements.

Exhibit I.1-8

HCWD1’s Approach to Potential Service Interruptions

<table>
<thead>
<tr>
<th>Cause of Service Interruption (Examples)</th>
<th>How HCWD1 Will Respond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural disasters (Earthquake, high winds, etc.)</td>
<td>✓ Coordinate restoration priorities with Fort Knox.</td>
</tr>
<tr>
<td>o Acts of God, which might include things like high wind-induced power outages, to the wastewater collection system, heat, or water distribution equipment or a fire.</td>
<td>✓ Mobilize all available local staff per the ERP.</td>
</tr>
<tr>
<td>o Natural disasters include events, such as earthquakes or floods. Both of these scenarios have the potential to cause severe damage to the buried utility service lines, lift stations, buildings and delivery of electricity, etc.</td>
<td>✓ Assess damage to the facilities and associated components.</td>
</tr>
<tr>
<td>o These outages will typically be caused by ice and snow loading, causing mechanical failure of overhead conductors. Wind damage to overhead conductors, or conductor “slap” causing fuses to blow. Lightning strikes, causing fuse, transformer, or conductor damages, can occur to either overhead or underground systems.</td>
<td>✓ Engage additional external staff and resources as deemed necessary (e.g., engineering staff to assess structural damage, potable water tanks, etc.).</td>
</tr>
<tr>
<td>Human Error</td>
<td>✓ Notify relevant state and federal permitting agencies of the status and condition of facilities.</td>
</tr>
<tr>
<td>o Inadvertently close valves that would lead to a water main freezing during winter months because the water was not allowed to circulate in a looped system</td>
<td>✓ Project Health &amp; Safety Manager mobilizes to site to conduct site safety assessment.</td>
</tr>
<tr>
<td>o Failure to properly maintain or service the valves, or improperly connecting bypass pumps to the power supply, or improperly operating the fire hydrant operating nuts causing damage to the valve are all possible events</td>
<td>✓ Communicate situation overview, assessment, and recommendations for restoration of services with Fort Knox.</td>
</tr>
<tr>
<td>o Improper switching or synchronizing generating equipment</td>
<td>✓ Provide temporary services until final assessment and permanent service is restored.</td>
</tr>
<tr>
<td>✓ Once error identified, Project Manager notifies COTR and begins procedures to correct deficiency.</td>
<td>✓ Begin restoration of facilities and all affected components.</td>
</tr>
<tr>
<td>✓ Mitigate the emergency before it causes additional problems or damages throughout the water distribution system.</td>
<td>✓ Provide other (non-utility) emergency response support to Fort Knox as requested and able.</td>
</tr>
<tr>
<td>✓ If error results in permit violation, proper state notification will be provided.</td>
<td>✓ Investigate cause and effect to evaluate employee causing error.</td>
</tr>
<tr>
<td>✓ If processes are affected, immediate action will be taken to bring said process under control within operating specifications.</td>
<td>✓ Define if further training is needed, is employee routinely causing problems, etc.</td>
</tr>
<tr>
<td>✓ Conduct remedial training and lessons learned.</td>
<td>✓ Overcome these events by redundancy in the system and having well trained and certified system operators.</td>
</tr>
<tr>
<td>✓ Provide correspondence to COTR and State (where applicable)</td>
<td></td>
</tr>
</tbody>
</table>

I.1.10 Possible Causes for Service Interruptions and Response Plans

HCWD1’s approach to respond to potential service interruptions is shown in Exhibit I.1-8.
VOLUME I: Technical Approach Subfactor 1, Service Interruption

Exhibit I.1-8
HCWD1’s Approach to Potential Service Interruptions

<table>
<thead>
<tr>
<th>Cause of Service Interruption (Examples)</th>
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<tbody>
<tr>
<td><strong>Equipment Failure (bearings go out, motor burns out, pump failure, etc)</strong>&lt;br&gt;  - No heat at valve pits or meter vaults or other key utility buildings&lt;br&gt;  - Unavailability of fuel (pumping) from fueling stations for vehicles or equipment&lt;br&gt;  - Frozen water lines&lt;br&gt;  - Flooding of water pits where seals have deteriorated and result in surface water flooding the pits.&lt;br&gt;  - Fuel, condensate, or feedwater pumps failure&lt;br&gt;  - Fans or compressor failures</td>
<td>✓ Set up work order and review history of equipment.&lt;br&gt; ✓ Once failure identified, go to inventory of critical spare parts and repair defective equipment.&lt;br&gt; ✓ If failed equipment is not in inventory, procure through national contracts and/or basic ordering agreements.&lt;br&gt; ✓ Repair or replace equipment as soon as possible.&lt;br&gt; ✓ Investigate cause of failure (environment, maintenance deficiency, age, etc.).&lt;br&gt; ✓ Maintain proper lubrication and inspections for all associated equipment.&lt;br&gt; ✓ If failure appears to be recurring, modify frequency of PM to mitigate failure occurrence.&lt;br&gt; ✓ Properly insulate water mains and service lines with sprayed on urethane and designed as circulating loops that use water movement to prevent freezing action.&lt;br&gt; ✓ Constant monitoring of distribution system water temperature, low flow areas can be enhanced by activation of fire hydrants to speed flows when water temperatures drop to unacceptably low temperatures.&lt;br&gt; ✓ Controlled fire hydrant flushing can markedly improve service even during the winter months and it improves water quality to the customer because it refreshes water that may have gone “stale” from not moving or circulating.&lt;br&gt; ✓ Have thawing equipment available to thaw mains and services.&lt;br&gt; ✓ Implement predictive maintenance on critical equipment.</td>
</tr>
<tr>
<td><strong>Fire</strong>&lt;br&gt; &lt;br&gt; ✓ Mobilize all available local staff per the ERP.&lt;br&gt; ✓ Assess damage to the facilities and associated components.&lt;br&gt; ✓ Engage additional external staff and resources as deemed necessary (e.g., engineering staff to assess structural damage, potable water tanks, etc.)&lt;br&gt; ✓ Project Health &amp; Safety Manager mobilizes to site to conduct site safety assessment.&lt;br&gt; ✓ Communicate situation overview, assessment, and recommendations for restoration of services with Fort Knox.&lt;br&gt; ✓ Provide temporary services until final assessment and permanent service is restored.&lt;br&gt; ✓ Begin restoration of facilities and all affected components.</td>
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<td><strong>Employee Strikes</strong>&lt;br&gt;  - Operators fail to report for work based upon a bargaining agreement dispute&lt;br&gt;  - Intentional sabotage of key utility components by striking employees</td>
<td>✓ During transition, additional security and supervision will ensure that no processes or equipment can be sabotaged or tampered with.&lt;br&gt; ✓ Project Manager will notify COTR and immediately call internal labor relations representative to begin discussions.&lt;br&gt; ✓ Support personnel from nearby HCWD1-affiliated companies will bring in key positions to sustain service to Fort Knox.&lt;br&gt; ✓ Proceed with discussions to resolve issues.</td>
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Exhibit I.1-8

HCWD1’s Approach to Potential Service Interruptions

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<th>Cause of Service Interruption (Examples)</th>
<th>How HCWD1 Will Respond</th>
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| Terrorism                              | ✓ Provide site employees with specific training in preparing for and responding to terrorists activities involving public and private utilities.  
|                                        | ✓ Perform periodic utility vulnerability threat assessments.  
|                                        | ✓ Notify Government official and COTR of situation.  
|                                        | ✓ Mobilize all available local staff per the ERP.  
|                                        | ✓ Assess damage to the facilities and associated components.  
|                                        | ✓ Engage additional external staff and resources as deemed necessary (e.g., engineering staff to assess structural damage, potable water tanks, etc.)  
|                                        | ✓ Notify all state and federal permitting agencies of the status and condition of treatment facilities.  
|                                        | ✓ Project Health & Safety Manager mobilizes to site to conduct site safety assessment.  
|                                        | ✓ Communicate situation overview, assessment, and recommendations for restoration of services with Fort Knox.  
|                                        | ✓ Provide temporary services until final assessment and permanent service is restored.  
|                                        | ✓ Begin restoration of facilities and all affected components.  
|                                        | ✓ Provide any assistance as needed by Fort Knox. |

Details follow on how the various types of responses (emergency, urgent, and routine) will be managed to restore water service to Fort Knox in the event of a service interruption.

Step 1: Establish a central organization/location

- Assess the severity of the damage to the water distribution system and tailor the response to include the following steps as necessary.
- Establish an Emergency Response Center where all organization and coordination takes place. This would be an on-site, temporary emergency location at the HCWD1 operations center if the building is structurally sound. Responses to emergencies are expected to be fluid and the operators will, of necessity, be required to react to the situation rather than follow rigid guidelines. The on-site water distribution operators will be expected to request additional resources early in the emergency response timeline and those resources would be secured from area businesses immediately after being requested. The Operations Manager will be in constant communications with HCWD1 operators during emergency activities.

Step 2: Work crews and manning

- As soon as initial damage assessment and control are complete, the Operations Manager will split available personnel into two shifts and send one half home with a recall time. For the duration of the emergency, each shift will work 12 hours on and 12 hours off until the emergency is over. The on-duty crew will be split into as many crews as can be fielded along with temporary workers, and will be dispatched to begin repair work at the direction of the person in charge.
- HCWD1 will supplement labor at the Post with labor from a pre-designated list of HCWD1 and LWC personnel, and subcontractors working under the direction of the Operations Manager.

Step 3: Damage assessment and priority of restoration

- As soon as a workforce is gathered, they will take immediate steps to mitigate the damage. The utility operators will ensure actions are taken to protect key facilities and prevent additional damage to facilities or to the water distribution system, and to ensure that key facilities, such as medical, child
care, fire protection, and mission essential facilities, are being served on a priority basis. Inherent in the initial response is the utility worker’s follow-up requirements outlined below:

- Identify portions of the water distribution system where breaks have occurred. This can be done using visual inspection of water main routes, reports from customers, or from inspection of meter readings at various locations in Fort Knox’s water distribution system.

- Activate emergency power for water pumps needed to establish bypass operations when necessary using on-site standby generators or truck mounted generators. Emergency power will only be activated after the system has been assessed to ensure activation of the generator power will not cause additional damages to the infrastructure or equipment.

- Take action to enclose and heat damaged facilities, as necessary, using stockpiled emergency supplies listed earlier in this proposal. Temporary heating sources are available from local rental businesses in the Fort Knox area. There are few facilities that would require supplemental heat; therefore, it is not practical to maintain large portable heaters on hand.

Step 4: Priority for restoration of water service to Fort Knox
- Restore the water distribution system mains/piping network.
- Restore water distribution meter pits and valve buildings.

Step 5: Restoration of water service to buildings and facilities
- Restoration will be accomplished according to the Fort Knox ERP. Priority will be established by the Post commander and the COTR.
- It will be the responsibility of HCWD1 employees to determine if the utility system is sufficiently stable to restore connections to individual buildings or facilities. If the building is not structurally intact or stable enough for work to be performed, HCWD1 on-site personnel will coordinate with the Post representative and the COTR to develop an acceptable temporary service to serve the customers and the Post. In no case will the utility personnel be required to work in unsafe buildings; however, the utility representative is obligated to find an acceptable solution to providing water service to the residents of Fort Knox.
- Once all components of the water system have been restored to usable condition, the system will be thoroughly cleaned of any silt or other debris and put back into service. Water quality will be tested to ensure safety to consumers.

These steps would be slightly modified, as follows, in a smaller-scale outage.

Step 1: Notification of Emergency Service Request. Authorized Government representative will notify the Call Center of the emergency condition.

Step 2: Duty Operator/or Operations Manager will notify maintenance crews and/or first responder.

Step 3: Crews will respond within the required response times.

Step 4: Government personnel will be notified when the condition has been assessed and estimated restoration, times have been arrived at.

Step 5: After downgrading to Urgent or complete restoration Government personnel will be notified.

Emergencies as the Result of Human Error
Emergencies related to human error are considered differently and the response is more rapid than deliberate acts of sabotage because the employee is immediately aware of their error. In cases where an employee clearly makes a mistake, the response is normally identified very quickly and the operator has the ability to mitigate the emergency before it causes additional problems or damages throughout the water distribution system.

The most likely accidental damage would be caused to mechanical equipment, valves, control panels, or structural equipment of the distribution system. An inexperienced operator could damage equipment or
components and cause water service disruption within the service lines or to segments of the distribution system. It would also be possible for an inexperienced operator to inadvertently close valves that would lead to a water main freezing during winter months because the water was not allowed to circulate in a looped system.

Operators may also damage key components of the water treatment/distribution system through inadvertent and unintentional acts. Most likely equipment to be damaged through a mistake is water distribution valves or control panels. Failure to properly maintain or service the valves, or improperly connecting bypass pumps to the power supply, or improperly operating the fire hydrant operating nuts causing damage to the valve are all possible events. These events can be overcome by redundancy in the water distribution system and having well-trained and state-certified water distribution system operators. It is our intent to employ only state-certificated operators to operate the water distribution system.

The likelihood of damage by an operator to the distribution system piping components is considered extremely remote. These facilities and structures are difficult to damage through inadvertent acts; thus, concern would be more appropriately placed with the more sensitive and easily damaged components.

HCWD1 employees will be trained in the O&M of the water treatment/distribution system, as well as in the health and safety issues in and around the system. The water system will be maintained in a responsible manner so that equipment failures will be kept to a minimum. All HCWD1 employees and the closely affiliated companies are subject to pre-hire and random drug and alcohol testing. We operate in a zero tolerance industry and employees are expected to maintain very high standards of conduct. We take the extraordinary steps of ensuring employees are highly skilled and that they do not participate in personally destructive behavior that would extend to the workplace.

Accidental Destruction
Immediately notify the customer and the COTR of the situation. If the destruction is isolated to one component, then the component will be replaced. If the destruction covers a wider segment of the water utility, the on-site operator will prioritize his/her efforts to complete repairs, and if additional assistance is needed, will he/she immediately contact the Operations Manager for additional resources. Those resources may be from external HCWD1, LWC, or contracted businesses in the local area. The urgency of repairs and the degree of expertise required for repairs will determine the resources that are applied. In many cases, there is adequate inventory of supplies and materials to support immediate needs of HCWD1. One of the many advantages of standardizing equipment and materials within a joint venture is the immediate availability of repair parts. It will be our intent to standardize as many water treatment/distribution system components as possible. Standardization of inventory also favors cost containment for operations. Inventory is expensive, and a reduction of just 10 percent in inventory lines is directly reflected as a cost savings under a regulated proposal.

Specific components include standardization of pipe, control panels, water meters, fire hydrants, and valves.

Emergencies as a Result of Equipment Failure
There are relatively few pieces of equipment in the water distribution system that are prone to failure. The most likely event is a failure of an isolation valve or the failure of a water meter. Proactively addressing valve maintenance to include proper lubrication, exercising valves and isolation equipment, servicing pressure reducing devices, routinely checking water meter readings, and proper maintenance of electronic controls all contribute to enhanced reliability. Our team has a long history of providing aggressive equipment maintenance to prevent equipment failures and that same philosophy will be implemented at Fort Knox.

The most likely event to occur at Fort Knox (based upon information provided in the utilities privatization documentation and the site visit) is the likelihood of failure of treatment or pumping equipment failure.
HCWD1 will implement an aggressive predictive and preventative maintenance program. This program has proven to reduce unplanned equipment failure, reduce operating cost, and extend the lifespan of equipment. During transition, HCWD1 will review all facilities and identify “critical spares.” These are defined as system components that are necessary for safety and environmental compliance, or are required to maintain continuous service. This will serve as the catalyst for maintaining spare equipment on-site or at the HCWD1/LWC offices.

I.1.11 Catastrophic Loss Plan

HCWD1’s Catastrophic Loss Plan (CLP) has the following elements:

- Vulnerability/Threat Assessment
- Planning
- Emergency Restoration Plan
- Lessons Learned/Plan Updates

I.1.11.1 Vulnerability/Threat Assessment

Prevention of catastrophic loss is the key goal of our plan. This begins with the identification of critical operations, products, and services. Then a hazard assessment must be completed for each of the critical areas. The assessment reviews potential hazards (i.e., fire, flood, weather related, and acts of terrorism). Then each of the elements are assessed based on the likelihood of occurrence and the impact to critical service. A ranking system uses both of these review elements to prioritize response during a catastrophic event. Since an effective CLP must be “site-specific,” HCWD1 will complete this site-specific assessment during the first 120 days of the contract.

A key element of protecting a utility from catastrophic loss is the vulnerability assessment. As required under the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (Bioterrorism Act) HCWD1 assumes that the required vulnerability assessment was completed by the 30 June 2004 deadline. This plan will be reviewed and incorporated into the SOPs, as appropriate. HCWD1 will maintain the appropriate levels and types of insurance for critical facilities to ensure that prompt resources are available to mitigate the loss, and replace or renew damaged assets.

I.1.11.2 Planning

The CLP must then be integrated with employees and other Fort Knox agencies. Employees and others play an essential role in the prevention of loss. Employees should ensure facilities are secure at all times, security systems are active and functioning correctly, and report unusual or non-regular activities in and around critical facilities. Communicating the plan to other Fort Knox agencies allows them to assist in surveillance activities.

I.1.11.3 Emergency Restoration Plan

Should a catastrophic event occur, restoring service and mitigating impact are key considerations. HCWD1’s ERP is detailed in Section I.1.8. The ERP covers restoration of service from catastrophic events both man made and naturally occurring. Should a widespread catastrophic event occur, HCWD1 will work with local, state, and federal agencies to integrate our CLP with restoration efforts of these agencies. This participation would include all aspects of disaster recovery, including application for grants and low-interest loans to restore facilities completely, should the damage exceed the insured amount, or not be a covered event.

I.1.11.4 Lessons Learned/Plan Updates

The CLP is a plan, and as such will be reviewed periodically to ensure it accurately reflects the hazards present during the course of the contract. Lessons learned are a key part of preventing reoccurrence of catastrophic failures. If a catastrophic event occurs, immediately after the emergency restoration is complete, a team will be convened to identify, collect, and disseminate lessons learned, both from the event, and the restoration phase. The plan will be updated to reflect the lessons learned.
June 1, 2011

Mr. Brian J. Koessel  
Branch Chief/Contracting Officer  
DLA Energy - EF  
8725 John J. Kingman Road, Suite 3937  
Fort Belvoir, Virginia 22060-6222

Subject: Final Proposal Revision - Solicitation No.: SP0600-08-R-0803  
Privatization of the Potable Water Utility System at Fort Knox Army Installation, Kentucky

Mr. Koessel:

The Hardin County Water District No. 1 (HCWD1) is pleased to submit our revised, Final Proposal Revision (FPR) for assuming the ownership and operation of the Fort Knox potable water system. HCWD1 is the agency designated to provide utility services in the northern part of Hardin County, around Fort Knox and also provides ownership and operations of the privatized Fort Knox sanitary and storm sewer systems on post as well as owning and operating the Radcliff sanitary sewer system. Although many of HCWD1’s staff have water experience, we have formed a team of professionals to handle the ownership transition, immediate system improvements, and operation of the water distribution system which has included the Louisville Water Company (LWC) and CH2M HILL, Inc.

As a regulated utility by the Kentucky Public Service Commission, HCWD1 serves over 10,000 residential and commercial customers and acts as a regional water supplier to two other water systems. The transfer of the utilities at Fort Knox is an unprecedented opportunity for Hardin County and one that would follow the trend of Fort Knox and the local government working together toward well planned and managed water and sewer utilities.

In response to DLA’s May 13, 2011 Negotiation Message #4, our team and carefully reviewed and updated our proposal, with emphasis to address all the Government’s latest issues and concerns. We have also reviewed the Government’s comments and issues we received during the December, 2010 negotiation session, and other interim conference calls. We believe our FPR offers long-term economic benefit and reduction in costs, accomplishing specific goals identified in the Solicitation.

This Proposal remains a valid offer until December 31, 2011, and we are prepared to work with you to extend this period should it be required. As you proceed with your final assessment and review of our FPR, I invite you to contact me should you have any questions or need any additional information.

Thank You

Jim Bruce, General Manager

Encl.
Volume I. Technical Proposal

Prepared by:

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

Hardin County Water District No. 1 agrees with all terms, conditions, and provisions included in the solicitation except as highlighted in Volume III, Contract Documentation and agrees to furnish any or all items upon which prices are offered by Hardin County Water District No. 1 in this proposal at the price set opposite each item.

This proposal includes data that shall not be disclosed outside the Government.

Person(s) Authorized to Negotiate:  Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

Person(s) Authorized to Sign Proposal:  Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government’s right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are clearly marked with the proprietary legend in the side margin of the page.
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<td>ACM</td>
<td>Asbestos-Containing Material</td>
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<td>ADA</td>
<td>Americans with Disabilities Act</td>
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<td>ADF</td>
<td>Average Daily Flow</td>
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<tr>
<td>AL</td>
<td>Action Limit</td>
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<tr>
<td>ASCE</td>
<td>American Society of Civil Engineers</td>
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The privatization of the potable water treatment and distribution system serving the Fort Knox Army Installation in Kentucky is a project that presents many challenges, as well as many opportunities. A project such as this demands the expertise of a utility services provider that understands the local community, environment, and regulations. Risk is reduced with a utility that has an established reputation of quality service. It also demands an understanding of the privatization process, and a team with a proven record of performance in the operation, maintenance, management, and ownership of water utilities. These are the reasons that the Hardin County Water District No. 1 (HCWD1), in partnership with Louisville Water Company (LWC) and CH2M HILL, provides the best choice in terms of forming a long-term partnership of privatization for the water facilities at Fort Knox (Exhibit ES-1).

Together, this team brings approximately 500 resources located within 40 miles of Fort Knox. We will be a highly-responsive and accountable partner for the project duration. Furthermore, our Kentucky-owned and -operated companies currently provide utility-related services to Fort Knox (Exhibit ES-2 on the following page), as well as Fort Campbell, Fort Irwin, and Fort Gordon. Our team members are intimately familiar with nuances of the installation and mission requirements of the military community.
Executive Summary

EXHIBIT ES-2
HCWD1 and LWC Retail Service Area
Our team’s service area includes metro-Louisville and the area surrounding Fort Knox and demonstrates our ability to provide quality drinking water to the local community.

Hardin County Water District No. 1

HCWD1 is recognized for the exceptional quality and value that we have provided during delivery of more than 50 years of operations in Kentucky. HCWD1 was established in 1952 and currently has over 240 miles of main water lines, a 3-million-gallons-per-day (mgd) water treatment plant (WTP) and provides quality drinking water to over 30,000 people daily. Since the Government selected HCWD1 to own and operate its sanitary and storm sewer systems, HCWD1 also now owns the 6-mgd Fort Knox Wastewater Treatment Plant (WWTP) on Post. On the following page, Exhibit ES-4 briefly highlights some of the accomplishments achieved under this contract.

HCWD1 also has wholesale connections with four other surrounding water systems. HCWD 1 also owns a 5.2-mgd water pump station with a 1.25-million-gallon water tank on base, from which it is able to purchase Fort Knox water and pump into their system, and to several other consecutive systems in the region. In 2008, the City of Radcliff also turned over its sanitary sewer system, serving 8,900 homes, to HCWD1.

Positive client feedback is a key indicator of past performance and future success, as attested by the Kentucky Rural Water Association (Exhibit ES-3) about HCWD1’s commitment to customer-focused and cost-effective services.

Louisville Water Company

LWC has provided water service to the Louisville community continuously since 1854. Although originally formed as a private company, LWC has been solely owned by Louisville Metro since 1906. LWC is a nationally recognized utility with demonstrated competence in all areas of water utility operations and management. LWC is an industry leader in customer satisfaction, water quality and treatment research, drinking water regulatory compliance, infrastructure renewal, and geographic information systems.

EXHIBIT ES-3
Kentucky Rural Water Association Client Testimonial
HCWD1’s history of successfully delivering quality services demonstrates their capabilities and commitment to their clients.
Executive Summary

LWC’s water source is the Ohio River, an abundant, reliable supply. LWC serves 810,000 people in the metro-Louisville area and parts of Bullitt and Oldham counties. LWC also serves seven nearby water utilities, including Fort Knox. LWC’s two WTPs have a combined capability of 240 mgd. Currently, LWC water quality exceeds all regulatory standards for drinking water and was recognized by AWWA for the Best Tasting Water in America (Exhibit ES-5). In addition to serving Metro Louisville, LWC has a proven track record in acquiring, owning, and operating water systems in other communities.

AWWA’s “Best Tasting Water in America” Award, 2008

In 2008, Louisville Water Company (LWC) won AWWA’s regional and national title as the Best Tasting Water in America.

“We are dedicated to making safe, affordable, great tasting drinking water every day.”
- Greg Heitzman, LWC President

EXHIBIT ES-5
LWC received the AWWA Award for “Best Tasting Water in America” in 2008.
CH2M HILL

As the nation’s top ranked engineering firm (Engineering News-Record, 2008), CH2M HILL’s experience in utility privatization projects provides unique capabilities to support the HCWD1 team. CH2M HILL’s experience with both the Army and Navy provides approaches to system maintenance and enhancement that the Army has accepted as providing quality service, a high level of systems reliability, and best practice technology for long-term performance.

CH2M HILL has more than 60 years of demonstrated excellence in delivering water projects. From completing its first project in 1946 to delivering award-winning projects today, CH2M HILL has built a reputation as an industry leader and continues to provide top-quality services to its clients.

As stated in our team charter (Exhibit ES-6), we are committed to your program and to applying our skills, expertise, and resources to assist the Government and provide cost-effective, reliable, high-quality water services to the Fort Knox community.

EXHIBIT ES-6
Team Charter
Our team is fully committed to provide cost-effective, reliable, high-quality water to the Fort Knox community.

The comprehensive service capabilities, team roles, and project responsibilities of the HCWD1 team are highlighted below.
Proposal Submission

The Fort Knox water system includes WTPs: the Central WTP and the Muldraugh WTP. The Central WTP's source water supply is from an intake located on Otter Creek. Although the WTP has a treatment capacity of 3.5 mgd, the Kentucky Division of Water permit allows source withdrawals between 2.0 and 3.4 mgd, depending on the month. The maximum average annual withdrawal amount is 2.65 mgd. During drought years when water is needed the most, the KDOW can temporarily alter the conditions of the permit and reduce the amount of flow that can be withdrawn. During the drought of 1999, the flow in Otter Creek decreased to 4.9 mgd, threatening the safe yield from this water source. In order to augment the surface water supply, a connection to the well fields was constructed, which utilized the 14-inch raw water main owned by HCWD1.

The Muldraugh WTP's source water can be supplied from either the three wells owned by HCWD1 or the 12 wells owned by the Department of the Army (DOA). Given the high levels of chlorides in the raw water from several wells in the DOA well field, coupled with the poor condition of the Muldraugh WTP, the Army is planning to replace the potable water capacity at the Muldraugh WTP with purchased water from a local municipality. The Army does not plan to expend any significant amount of funding at the Muldraugh WTP because the alternative potable water source will be provided within the next 5 years.

This proposal assumes that the Army will purchase the equivalent amount of water that is currently produced at the Muldraugh WTP directly from the local municipality, and the cost of such commodity is therefore not included with this proposal. At the time the Muldraugh WTP is decommissioned, the operations and maintenance staff will be transferred to other facilities owned and operated by the Louisville Water Company.

Proposal Organization

HCWD1 is the proposed owner, financier, operator, and manager of all of the Fort Knox utility systems (water treatment and distribution). HCWD1 has prepared this proposal in accordance with Section L of the RFP. Assumptions made during the preparation of this response are provided in Attachment I-1. The following volumes specifically address all RFP requirements:

- Volume I – Technical
- Volume II – Past Performance
- Volume III – Contract Documentation
- Volume IV – Price Proposal

In Volume I, each of the following technical capability subfactors 1-5 are addressed.

1. Service Interruption/Contingency Plan

In Subfactor 1, HCWD1 has developed a comprehensive Service Interruption/Contingency Plan that extends the water distribution services we provide on a daily basis in local community. We bring a team of experienced staff and the resources to respond immediately with a service call center that is staffed 24 hours a day, 7 days a week (24/7). Our objective at Fort Knox is to ensure continuous, dependable, and reliable water to the Fort Knox community. In this Plan, we provide an overview of the proven operating procedures we propose to implement to address any short-term or long-term service disruptions and ensure services are provided 24 hours a day.

2. O&M/Quality Management Plan

The O&M/Quality Management Plan (Subfactor 2) has been developed to ensure no service interruptions occur in the Fort Knox water distribution systems. With a team that includes certificated water operators, there will be no compromise in quality or reliability. Likewise, cross-training will ensure sufficient depth and redundancy of resources. Our proposed plans address how the performance standards and/or specifications outlined in the RFP will be met. The plan is based upon our proven utilities management programs that have resulted in our team members being quality providers of utility services in Kentucky. The HCWD1 team brings technical experts readily available to solve any problems that might be encountered. Collectively, we have been providing utility and construction services in Kentucky for over 150 years.
3. Capital Upgrades and Renewals and Replacements Plan

In Subfactor 3, HCWD1 is proposing a Capital Upgrades and Renewals and Replacements Plan that will enhance the reliability of the Government’s utility systems and reduce O&M needs. We have proven expertise in developing and implementing these plans. We are confident that the initial capital upgrades and renewals and replacements outlined in Subfactor 3 and the application of our proven methodology for future renewals and replacements will serve the Government well through the duration of this contract—providing utility systems that meets or exceeds the Government’s performance standards for quality, reliability, and cost-effectiveness.

4. Operational Transition Plan

In our proposed Operational Transition Plan in Subfactor 4, HCWD1 has provided a deliberate and phased approach to achieve a smooth transition from Fort Knox’s operations to HCWD1’s ownership and operation. Our transition plan will provide for a systematic transfer of assets and operational responsibilities without risk of degrading the quality or reliability of the utility services. In this proposal, we highlight our acquisition experience and how we were able to hire the necessary staffing and transfer all O&M responsibilities within a 365-day period without any reduction in service to the utility customers.

5. Financial Strength

HCWD1 has the financial strength and capability to finance the cost of Initial System Deficiency Connections (ISDCs), renewals and replacements, and operating costs, and to provide the long-term price and service stability the Government desires. HCWD1 is a special state government sub-district, organized under Kentucky Revised Statutes Chapter 74 and is regulated by the Kentucky Public Service Commission (KPSC).

This utility has both positive growth and financial stability. Our financial capacity is proven by the strong growth in operating income and our 2008 projected debt to capital ratio of 0.24. HCWD1 has combined assets of $65 million and strong financial balance sheets. Strong growth in earnings, reduction in debt, healthy balance sheets and substantial assets, through all these we bring the financial strength and capability to fulfill all financial and bonding requirements of the Fort Knox utilities privatization. Our financial strength and stability is reflected in both, HCWD1 and LWC’s, ability to continuously maintain retail water rates as illustrated in Exhibits ES-7 and ES-8.

EXHIBIT ES-7
HCWD1’s Historical Retail Rates
HCWD1 has the financial strength required for the Fort Knox privatization project and long-term price and service stability the Government desires.

![Retail Rates and Consumer Price Index](image-url)
Executive Summary

**Benefits to the Government**
The HCWD1 team is comprised of Kentucky-owned and operated companies that are committed to our community and bringing efficient, reliable and cost effective utility services to the Army while sustaining the mission of Fort Knox. By selecting HCWD1 as your utility service provider, the Government will realize the following benefits.

- **Reliability.** Hiring a Kentucky-based, regulated utility with a thorough understanding of privatization and experience working at military installations, including Fort Knox, ensures that utility services for the Fort Knox water distribution system will be managed efficiently from Day 1. We have performed every task required for utility services in previous projects. The benefit to the Army is a minimization of costs and reliable, long-term utility services.

- **Reduced Risk and Regulated Utility Model.** HCWD1 is a regulated utility with a history of successfully providing similar services to Fort Knox. Our team brings regulated utility models in water as well as the relevant certifications in the State of Kentucky. HCWD1 understands and complies with the high standards set and enforced by regulators in the State.

- **Quality.** The HCWD1 team has been the recipient of numerous awards for innovation and excellence as well as commitment to the community. Recent accolades are listed in below.

**Since 2000, HCWD1’s awards have included:**

- 2000 First Place Award for Marketing and Customer Relations, American Water Works Association Kentucky/Tennessee Chapter
- 2000 Design Honor Award for Ft. Knox Interconnected Pump Station, American Council of Engineering Companies/Kentucky Council of Engineering Companies
- 2001 Recognition for Excellent Customer Service by the Kentucky Senate
- 2001 Second Place Award for Marketing and Customer Relations, American Water Works Association Kentucky/Tennessee Chapter
- 2002 First Place Award for Internal Relations by American Water Works Association Kentucky/Tennessee Chapter
- 2003 Award of Excellence for Safety by the American Water Works Association Kentucky/Tennessee Chapter
- 2004 Nominee for Public Water System Excellence Award by EPA Region 4
- 2005 Selection as one of the Top 3 “Best Tasting Water” in Kentucky by the Kentucky Rural Water Association,
- 2007 Recognized as having a “Totally Optimized Water Plant” by KY Division of Water
- 2007 Finalist for Wooden Bucket Award, U.S. Department of Agriculture
- 2008 Award of Excellence by American Water Works Association Kentucky/Tennessee Chapter

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**Wholesale Water Rates and Consumer Price Index**

*EXHIBIT ES-8*

LWC’s Wholesale Water Rates
Our history of stable water rates provides confidence in our financial strength and demonstrates our commitment to providing cost-effective services now and in the future.

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Use of this sheet is subject to the restriction on the title page of this proposal.
Executive Summary

The HCWD1 Team - Brings the Best Value and Lowest Risk to the Government

Our team was assembled and structured to provide the best value and lowest risk to the Government for this important project. As a result, when measured against the Section M of the RFP “Evaluation Factors for Award” all criteria are met and exceeded by our team.

**FACTOR 1: TECHNICAL CAPABILITY**

<table>
<thead>
<tr>
<th>Sub-factor and Evaluation Criteria</th>
<th>HCWD1 Team’s Qualifying Attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub-factor 1: Service Interruption/Contingency and Catastrophic Loss Plan</strong></td>
<td>The proximity of HCWD1 teams near Fort Knox will allow us to be highly-responsive and provide additional resources during emergencies.</td>
</tr>
<tr>
<td>Will be evaluated for the degree to which it ensures an appropriate, efficient and effective response to service interruptions and contingencies and catastrophic system losses.</td>
<td>We bring proven procedures and policies that have successfully been applied to similar operations at military installations including Fort Knox and are based upon water distribution codes and standards for operating utilities in Kentucky.</td>
</tr>
<tr>
<td></td>
<td>Team includes key senior managers (Jim Bruce and Brett Pyles) that were instrumental in the privatization of the Fort Knox wastewater and storm water systems as well as other local municipal systems.</td>
</tr>
<tr>
<td></td>
<td>Technical support provided by highly experienced operations personnel with more than 30 years operating a water utility.</td>
</tr>
<tr>
<td></td>
<td>Dedicated project team that includes health, safety, engineering, environmental, construction, system operations, and maintenance personnel.</td>
</tr>
<tr>
<td></td>
<td>Access to a local resource base of approximately 500 supported by more than 25,000 global resources with utility expertise to solve any problems that could arise.</td>
</tr>
<tr>
<td></td>
<td>An Emergency Restoration Plan that addresses emergency situations to eliminate any confusion for first responders.</td>
</tr>
<tr>
<td></td>
<td>Experience managing $450 million disaster response effort after Hurricane Katrina and Rita, utilizing 800 CH2M HILL employees and 600 temporary workers.</td>
</tr>
</tbody>
</table>

**Sub-factor 2: Operations and Maintenance Plan/Quality Management Plan**

| Will be evaluated for the degree to which it ensures appropriate, efficient and effective operation and maintenance of the utility system(s) and a superior level of quality. | We currently operate and maintain the Fort Knox wastewater and stormwater system in addition to operating utilities for other clients in Kentucky. |
| | We currently provide similar services to other military installations including Fort Gordon, Fort Campbell, and Fort Irwin. |
| | Operators in HCWD1 and LWC average more than 20 years of experience in respective utility areas. In-house utility operators are among the highest qualified; based upon state certifications within the entire state. |
| | Our O&M Plan leverages the leadership and experience of three industry leaders, committed to ensuring Fort Knox’s Water System is ready and capable to meet the needs of the Fort Knox community. |
Executive Summary

Sub-factor 3: Initial System Deficiency Corrections and Initial Renewals and Replacements Plan
Will be evaluated for the degree to which it supports the long-term ability of the utility system(s) to provide utility service(s).

- Vested members of the local communities, Kentucky-based and -operated firms are committed to the long-term success of the utility system(s).
- The HCWD1 team has extensive experience in operations in the local area.
- We have established relationships with the state and Environmental Protection Agency (EPA) in regards to permitting and construction of utility systems.
- Financial strength and steady wholesale water rates.

Sub-factor 4: Operational Transition Plan
Will be evaluated for the degree to which it will ensure an effective and efficient transition.

- HCWD1’s experience with the privatization of Fort Knox’s wastewater and stormwater system.
- Team’s collective experience transitioning operations for other municipalities and Government facilities.

Sub-factor 5: Financial Strength
Will be evaluated for stability and adequacy to satisfy the long-term capital requirements for owning, operating, and maintaining the utility system(s). This is to be reflected in documented evidence that the Offeror is in sound financial condition and has the ability to secure the necessary financing now and in the future.

- HCWD1 has a strong financial and managerial network to provide the capital investment, purchasing power, and financial capability necessary for the success of this project.
- Total assets of HCWD1 exceed $65 million.

FACTOR 2: PAST PERFORMANCE
Will be evaluated based on the degree to which current and previous (within the past 5 years) contract efforts indicate the probability of the Offeror successfully accomplishing contract requirements throughout the performance period. The currency and relevancy of the information, source of the information, context of the data, and general trends in Offeror’s performance will be considered. In the case of an Offeror without a record of relevant past performance or for whom information on past performance is not available, the Offeror will not be evaluated favorably or unfavorably on past performance. However, a higher rating may be achieved if the Offeror proposes management personnel who have a successful record of performance on relevant and recent contracts, or if a proposed subcontractor (who will be performing a significant portion of the work) has a “very good” or better performance history on relevant and recent contracts. Offerors are advised that the Government may use information gained from any source known to the Government to evaluate past performance, provided such information is recent (within the past 5 years). However, the Government reserves the right to only consider the Contractor’s performance under Government or DESC contracts. If any past performance information provided by the Contractor is utilized in evaluating the Offeror’s proposal, a past performance questionnaire will be utilized to contact references and rate proposals.

- The HCWD1 team brings experience in all areas required by the RFP—unmatched by any other competitor.
- HCWD1’s history of successfully managing and operating the Fort Knox systems – including team members Jim Bruce and Brett Pyles.
- Our team has experience in utility reconstruction on Army bases including Fort Gordon, Fort Irwin, and Fort Campbell.
- Team’s current and previous contracts with the Army prove the team’s ability to successfully implement this contract.
- Utility system capital upgrades of the types needed at Fort Knox have been successfully implemented for other clients by the HCWD1 team.
- HCWD1 has the financial capacity to undertake the proposed utility privatization of Army installations.
FACTOR 3: RISK

### Sub-factor and Evaluation Criteria

#### Subfactor 1: Performance

Proposals will be evaluated on the degree to which award of a contract would present a risk of degradation of the quality of utility service(s).

#### HCWD1 Team’s Strengths and Attributes

- HCWD1 is proposing as a regulated utility for all utility services.
- HCWD1 is Kentucky-owned and -operated. Our local presence ensures qualified and certified operators, technical experts, and resources (materials, spare parts, trucks, etc.) are available to respond in any emergency.
- Collectively, the HCWD1 team provides approximately 500 local resources with diverse skills and capabilities to fulfill any project need.

#### Subfactor 2: Assurance of Long-term Price and Service Stability

Proposals will be evaluated on the degree to which long-term price and service stability are enhanced as a result of regulation by an independent federal, state or local regulatory authority with jurisdiction over the applicable utility service.

- HCWD1’s proposal will provide a regulated rate for utility services.
- There are no set increases in rates. Should costs rise, HCWD1 will petition for a rate increase that will be subject to public comment. We will consult with the Army in this process.
- We have already negotiated regulated utility coverage for wastewater services with the Army at Fort Knox. Since the regulated structure was implemented, there have been no issues on rates, service or responsiveness.
- As illustrated in Exhibits ES-7 and ES-8, both HCWD1 and LWC have stable water rates which provides long-term price and service stability.

#### Subfactor 3: Cost Realism

A cost realism analysis will be performed in accordance with FAR 15.404-1(d)(3). Realism will be based on an evaluation of the information provided in support of the offered price to determine if the prices reflect a clear understanding of the requirements; are consistent with the various elements of the offer’s technical proposal; are not unbalanced; and are neither excessive nor insufficient for the effort to be accomplished. Reasonableness will be determined based on prices submitted by the competition, current market conditions, and comparison to the Government estimate, as appropriate.

- Our team brings extensive experience providing required utility services and has a clear understanding of the requirements of the scope of this RFP.
- By providing these utility services under the regulation, the Army will be assured that rates it pays for utility services are just and reasonable.
- Commodity options with pricing have been provided to demonstrate to the Government additional cost savings.

#### Subfactor 4: Other possible long-term costs and benefits to the United States, if the conveyance affects separate contract relationships, particularly for commodities.

- LWC will provide the optimal level of staffing to meet the daily operating requirements of the water treatment plants, and yet have a depth of resources readily available when needed (base and alternate).
- At the time the Muldraugh WTP is decommissioned, LWC is able to transfer the operators to other treatment facilities within their system, thus reducing the transition cost to the Army.

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FACTOR 4: SOCIOECONOMIC PLAN

Will be evaluated based on the degree to which an Offeror’s proposal demonstrates the commitment to use, in performance of the offered requirements, Small Businesses (which include Small Businesses, Small Disadvantaged Businesses, HUBZone Small Businesses, Women-owned Small businesses, and Veteran-owned small businesses) and/or Historically Black Colleges/Universities or minority Institutions (HBCUs/MIs).

- HCWD1 is a special state government sub-district, organized under Kentucky Revised Statutes Chapter 74 and is regulated by the KPSC.
- As a Kentucky-owned and -operated team, we bring a commitment to utilize experienced and local small businesses for support services. Our Socioeconomic Plan has been prepared in accordance with RFP Section L.6.3.3 and includes small business utilization goals set forth by statutory requirements.
**FACTOR 5: PRICE**

For Price Schedule B-1, the total evaluated price (Price Schedule and Price Schedule Data Sheets, as applicable) will be the net present value of the stream of monthly payments the Government is expected to make to the Contractor over the 50-year contract period. Each monthly payment will be calculated by crediting the total monthly payment (the Applicable Tariffs including ISDCs/connection charge(s) and initial renewals and replacements and the recoverable portion of the purchase price expressed in the price proposal) by the purchase price CLIN 0001. Present values will be calculated using the discount rate specified in Appendix C of OMB Circular A-94 (current issue at the time proposals are due).

- HCWD1 has provided the appropriate Price Schedules B-1 and supporting data sheets in order for the Government to be able to evaluate tour price proposal.
- As requested in the RFP, we are providing our tariff proposal. Additionally, detailed pricing data are provided in Schedule 5 for the 50-year contract period.
- As a regulated utility HCWD1 rates must be based on fair and reasonable costs. Further, as a customer of a publicly regulated utility, the Army will have the right to intervene and provide input both for and against any issues in all RCA proceedings.
- HCWD1 has an existing contract to treat the Fort Knox wastewater under a tariff approved by the RCA.
I.1 Service Interruption/Contingency Plan

Hardin County Water District No.1 (HCWD1) has prepared this Subfactor in a manner that provides a comprehensive approach to continuity of service. Our approach addresses both the short-term responses to individual service disruptions that may occur and the long-term provision for service continuity.

The service interruption and contingency plan contains the following elements:

- Procedures and Provisions for Reacting to All Service Interruptions
- Resources to be Utilized in the Implementation of the Procedures Described in the Plan
- Detailed Contingency Plan
- Estimated Response Times
- Procedures for Handling Service Calls
- Re-establishment of Temporary Service
- Re-establishment of Permanent Service
- Emergency Restoration Plan
- Installation of Specific Requirements
- Possible Causes for Service Interruptions and Response Plans
- Catastrophic Loss Plan

I.1.1 Procedures and Provisions for Reacting to All Service Interruptions

It is our objective and commitment to provide dependable, continuous, and reliable water service to Fort Knox 24/7. HCWD1 will be ready to respond to emergency situations upon notification through our call center. The initial contact person to be notified is the Distribution Supervisor who will be responsible for contacting and dispatching appropriate maintenance personnel.

HCWD1 will operate the facilities to accepted Federal, State, and industry standards, including those published by the American Water Works Association (AWWA), the National Electric Code (NEC), National Electric Safety Code (NESC), American Society of Civil Engineers (ASCE), and the National Fire Protection Association (NFPA). These referenced documents will be maintained in our on-Post office and will be available to appropriate staff. Selected standards and codes we use and consider in developing upgrades are listed in Exhibit I.1-1.

Standard Operating Procedures (SOPs) will be tailored to Fort Knox and address all aspects of service interruption. These SOPs outline specific procedures for each type of interruption, as well as contingency plans for restoration of services. These SOPs will be maintained on-Post and readily available to all personnel and will be reviewed and updated on a regular basis. All staff will be trained regularly in the procedures outlined in the SOPs so that in the event of a service interruption, restoration of services will be completed in a minimal amount of time. SOPs developed for the facility will also incorporate emergency operating considerations (See Sections 1.3 and 1.4 for additional discussion).

EXHIBIT I.1-1
Typical Codes and Standards for Operating Utilities

<table>
<thead>
<tr>
<th>Code/Standard</th>
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<tbody>
<tr>
<td>DIPRA Handbook</td>
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<tr>
<td>Water Distribution Operator’s Handbook</td>
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<tr>
<td>Water Supply Operations—Volume 3</td>
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<tr>
<td>OSHA</td>
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<tr>
<td>Kentucky OSH</td>
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<tr>
<td>Kentucky Plumbing Code</td>
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<tr>
<td>Kentucky Electric Code/Life Safety Code</td>
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<tr>
<td>Americans with Disabilities Act (ADA)</td>
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<tr>
<td>Federal Codes and Regulations including CFR 141 and 143</td>
</tr>
<tr>
<td>EM 385-1.1 USACE Safety and Health Requirements Manual</td>
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<tr>
<td>Industry Standards for Water Facilities</td>
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<tr>
<td>AWWA Recommended Practices</td>
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<tr>
<td>AWWA C502-94</td>
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<tr>
<td>AWWA C500-983</td>
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<tr>
<td>AWWA C700-95</td>
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<tr>
<td>NESC Codes</td>
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<tr>
<td>KDOH Title 401 KAR Chapter 8 Water Regulations</td>
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<tr>
<td>U.S. Public Health Service Standards</td>
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<tr>
<td>Army and Fort Knox Regulations</td>
</tr>
<tr>
<td>National Fire Protection Association Codes and Standards</td>
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<tr>
<td>Military Handbooks including MI-HDBK-1008C</td>
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</tbody>
</table>

Examples of the SOPs to be tailored for Fort Knox and incorporated into our operations and
maintenance (O&M) Plan/Quality Management Plan include:

- **General Procedures.** These procedures typically include: service conditions tracking procedures; facility notification for scheduled or emergency outages; service interruption procedures; customer concern/complaint handling; and various inspection procedures.

- **Water Treatment and Distribution.** These procedures typically include: managing water failures; operation of electrical systems; alarm testing; state sampling requirements and procedures; operation of pumps, chemical feeders, etc.; procedures for line breaks; disinfection procedures; tank isolation procedures; managing failures of various systems; monitoring procedures; etc.

For this contract, HCWD1 will have a designated telephone number that will be used for incoming service requests. The appropriate project personnel will be notified of the service request and an estimated arrival time of the crew will be provided to the Government based upon the type of service call assignment.

The following procedures are in place to support any type of services provided at Fort Knox:

- **Provisions.** For all system upgrades and major construction projects, HCWD1 staff and subcontractors will provide temporary services of out-of-service components to maintain service to Fort Knox customers during these construction projects.

- **Standby Power.** Standby generation will be provided for all pump stations by either mobile or installed units in order to provide power when needed during extended service disruptions.

- **Scheduled Service Outages.** HCWD1 will coordinate with the Government and other contractors to facilitate service outages and underground utility locates when needed. HCWD1 will coordinate scheduled outages with Fort Knox’s Department of Public Works (DPW). We will provide the date and time of outage, a list of buildings affected, and the estimated duration. Additionally, we will be responsible for notifying all affected building managers of the outage. No scheduled outages will be performed without notification to affected building managers. Likewise, we will work with the Post to reschedule routine outages if they adversely impact mission operations. We will track outages until work is complete and provide the appropriate notifications that services have been restored.

- **Excavations.** HCWD1 will comply with the Fort Knox excavation permit process. In emergency situations where excavations are required for repairs, HCWD1 will immediately notify the Contracting Officer’s Technical Representative (COTR) and follow Post protocol.

Long-term plans for service continuity are addressed in the following ways:

- **Capital Upgrade and Renewal and Replacement Plans.** Subfactor 3 addresses our approach to initial system upgrade and replacement, in addition to our overall approach to long-term renewal and replacements for the water treatment and distribution systems. These plans provide for addressing the current deterioration of the systems that make the utilities susceptible to service disruptions. Our plan targets the most critical components in the systems where breakdowns typically occur first, and ensures these items are in optimal condition to reduce the potential for service disruptions. Our plan also includes the tracking of system failures and performance against our service standards. Whenever system modifications are planned, all practical efforts will be made to minimize downtime and restore service as soon as possible. Temporary services can also be installed to continue service during major modifications.

- **Maintenance Management.** Diligently performing preventive and predictive maintenance on system components significantly decreases the number of unplanned emergency failures. All preventive maintenance (PM) activities will be tracked through HCWD1’s Computerized Maintenance Management System (CMMS), as described in Subfactor 2 of this proposal. Our CMMS program includes the following policies:
- Valves and hydrants will be exercised every 2 years.
- To avoid failures, diesel generators will be tested monthly and maintained in accordance with manufacturer recommendations.
- Selected critical equipment will receive vibration monitoring.
- Periodic current checks will be performed to track and trend equipment condition and wear.

I.1.2 Resources to be Utilized in the Implementation of the Procedures Described in the Plan

I.1.2.1 Management Organization

HCWD1’s General Manager, Mr. Jim Bruce, will be the primary contact for business and ownership issues. Mr. Preston Pendley, Project Manager, will provide project oversight, coordination and planning and will serve as primary contact to the government regarding daily operations. Mr. Brett Pyles, Operations Manager, will provide support to the Project Manager and attend planning meetings and other meetings as needed. Mr. Richard Stranahan, Distribution Operations Supervisor, will be responsible for the day to day operation of the distribution system. HCWD1 proposes to employ a team of HCWD1, the Louisville Water Company (LWC), and CH2M HILL for the operations, maintenance, and engineering support for O&M of the water treatment and distribution facilities.

Our mission is to provide honorable stewardship over Fort Knox’s facilities. Exhibit I.1.2 describes the specialized roles of HCWD1’s team.

Administrative and Financial Staffing

Management and administration of the contract will be accomplished by HCWD1’s staff. As previously mentioned, General Manager Jim Bruce will be the direct contact for the Department of the Army for all business aspects of the contract. Mr. Bruce will devote as much time as needed for administration of the contract. Mr. Bruce will direct HCWD1’s staff to accomplish key administrative functions, such as the coordination and administration of subcontracts with LWC, and CH2M HILL; procurement of subcontracts for the system upgrades and capital improvements; billing and accounts receivable to the Department of the Army; cost accounting functions; and general administration of the contract for the Department of the Army.

Mr. Bruce will be directly supported by the Project Manager, Preston Pendley, who will provide support for the water distribution and water treatment systems, procurement, and contract administration tasks. Supporting Mr. Bruce and Mr. Pendley will be the HCWD1 team; this team encompasses the HCWD1 management team, including the HCWD1 team currently managing and operating the Fort Knox wastewater systems. In addition, HCWD1 has partnered with the LWC and it 450 employees, and the 25,000 engineers and scientists at CH2M HILL. HCWD1’s entire team is committed to devoting appropriate human resources to ensure prompt resolution of service interruptions.

Exhibit I.1-2
Summary of the Specialized Team Members

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Relationship</th>
<th>Role</th>
<th>Key Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCWD1</td>
<td>Owner</td>
<td>Own, finance, and manage the utility systems</td>
<td>Jim Bruce, General Manager</td>
</tr>
<tr>
<td>HCWD1</td>
<td>Dept. of Owner</td>
<td>Manage, oversee, and administer contracts for Fort Knox Water System and attend meetings with KO, COR, and other base personnel as needed</td>
<td>Preston Pendley, Project Manager</td>
</tr>
<tr>
<td>HCWD1</td>
<td>Dept. of Owner</td>
<td>Provide daily support to project manager, LWC contact, capital construction projects, and meetings with KO, COR, and other base personnel as needed</td>
<td>Brett Pyles, Operations Manager</td>
</tr>
<tr>
<td>HCWD1</td>
<td>Dept. of Owner</td>
<td>Operate and manage the utility systems (potable water distribution)</td>
<td>Richard Stranahan, Distribution Operations Supervisor</td>
</tr>
<tr>
<td>LWC</td>
<td>Subcontract to HCWD1</td>
<td>Operate and maintain the Water Treatment Plants</td>
<td>Jim Smith, Water Treatment Project Manager</td>
</tr>
<tr>
<td>CH2M HILL</td>
<td>Subcontract to HCWD1</td>
<td>Capital Improvement Plan Program Management</td>
<td>Robert Neath, Engineering Mgr</td>
</tr>
</tbody>
</table>
 HCWD1 has assembled a leadership team of industry leaders to ensure that this key aspect of our partnership with Fort Knox is executed at the highest level. Each of these key personnel is dedicated to the delivery of our Service Interruption/Contingency and Catastrophic Loss Plan, outlined above. Our plan ensures service availability 24/7, and in the event of service interruption service restoration activities are carried out safely, promptly and efficiently.

I.1.3 Detailed Contingency Plan

A general flowchart of our response plan to service calls is presented in Exhibit I.1-3. All incoming calls from installation personnel will be made to the 24-Hour Call Center/Dispatcher. The caller should identify themselves as a Fort Knox tenant, which facility requires the service, and the nature of the call. The Work Order is initiated and entered into the CMMS (Exhibit I.1-4).

The Distribution Supervisor is notified that a Fort Knox Work Order Request has come in, and an on-site representative will be notified immediately after the call is received to further assess the nature of the call. Normal, routine calls will be directly dispatched to the appropriate maintenance crew. Emergency calls and after hours calls are forwarded to the on-call supervisor for prioritization, assignment, and response.

All service requests will be documented, and the time of the call, time of the service response, cause of the request, and action taken (including the time and date completed) will be recorded by HCWD1. These records are maintained in the CMMS and will be made available to the Contracting Officer upon request.
Exhibit I.1-3
Service Call and Emergency Call Response Plan

Service Call and Emergency Call Response Plan

Customer Call

Call Received by Staff

Call Received by Dispatch 24/7

Respond to Call

Assess Situation and Make Recommendation

Yes

Is Service Disrupted?

Corrective Work Order Generated

Plan
✓ Prioritize
✓ Schedule
✓ Assign
✓ Issue
✓ Followup

No

O&M Review and Approve

Yes

Does This Situation Pose Immediate Health Risk?

Notify Response Team

Verify Site Safety/Security

Perform Repair Actions

Crew Completes Work

Work Order Reviewed and Closed

Resume Normal Operations

FTK_110_1
I.1.3.1 Procedures for Submitting Services Requests

We understand that the Government will designate the requests as ‘emergency,’ ‘urgent,’ or ‘routine’ during the service request.

The preferred method of submitting a service request would be through the 24-hour telephone number. In the event the telephone lines are down, service requests can be made via cell phone to the Distribution Supervisor. The appropriate project personnel will be notified of the service request and an estimated arrival time of the crew will be provided to the Government. Response time is based upon the type of service call assignment.

I.1.3.2 Coordination of Activities

After contract award, HCWD1 will review existing plans at Fort Knox and develop final operating procedures for water service coordination at the Post.

We recommend that these procedures be developed jointly with the departments and activities involved. For example, routine meetings with the master planners and engineers will ensure timely provision of water services to new facilities and coordination of pending and active construction/rehabilitation projects.

Person-to-person interactions between DPW and HCWD1 will be on appropriate levels. For example, the Project Manager will maintain close working relationships with COTR and DPW management to coordinate larger projects. He will be available to resolve any concern. We will maintain and encourage open communications with the DPW staff and civilian workforce.

The general customer base at Fort Knox will be informed about relevant issues, such as outages and road closures and news with special newsletters and
notifications, posters in public areas, and through signs on Post. In addition, HCWD1 will coordinate with the DPW, the Command Group, and COTR as follows:

- **Administrative Issues:** HCWD1 will coordinate with the administrative section of DPW through the COTR on issues related to master planning and military construction that would impact utility expansion requirements. The installation master planning section initiates military construction projects several years in advance, and the planning for these projects must of necessity be included in utility planning efforts. The focal point for such construction is the administrative offices of the DPWs and through periodic meetings, planning will be proactive rather than reactive. These meetings will also serve as the forum for discussions of O&M, Capital Improvements Program, and customer satisfaction reviews.

- **Repair and replacement projects** that are recommended by HCWD1 will be discussed with the Contracting Officer (CO) or COTR. We will coordinate the upgrades and renewal and replacement plan during these meetings, as well as changes in staffing and other requirements. HCWD1 staff will ensure that major projects for repair, replacement and installation of facilities, equipment, and infrastructure are on the agenda. Meetings will cover planned engineering projects, projects under design and construction, and specific long-range water requirements. The intent of such meetings will be to resolve any potentially overlapping or interfering conditions or conflicts.

- **Operations and Maintenance Projects:** Communications with the DPW will be both formal and informal. HCWD1 will meet with the DPW staff to discuss schedules and upcoming major and minor work prior to initiation of the work. We will also provide notice to the DPW on any planned work scheduled so it can be coordinated with residents or occupants of the areas affected. The General Manager will conduct regular visits to Fort Knox to ensure that the Army is satisfied with the work being performed and that the project has all of the resources needed to meet Army expectations. It is the intent of HCWD1 to ensure all work is fully communicated and coordinated with the DPW staff at Fort Knox.

Communications will occur on a daily basis. Our project personnel will become familiar with their counterparts in the DPW to maximize coordination and expedite response situations. We will support DPW for any required exterior utility services, and coordinate whole or partial system outages with DPW, the Fire Department, and potentially affected facilities. We will also coordinate digging permits, disaster recovery efforts, meetings, and work schedules during our meetings with DPW. HCWD1 also recommends regular meetings with DPW and other utility owners to ensure thorough coordination with key players on Fort Knox involved in potentially conflicting work.

### I.1.4 Estimated Response Times

As stated in RFP Section C.8 Repair Response Notification Procedures, we understand the Government will assign ‘emergency,’ ‘urgent,’ or ‘routine’ designations when contacting HCWD1 with a service call. Once a service call is received, on-site personnel will be notified via a work order and will be categorized as Emergency, Urgent, or Routine as identified by the Government during response notification. These personnel will be authorized to acquire the necessary equipment, material, and personnel to respond to the situation. Our response will include personnel and equipment to assess and begin repairs within the specified time. Response times for various types of service calls (whether during or after normal duty hours) are highlighted in Exhibit I.1-5.
Exhibit I.1-5
Response Times for Each Type of Service Call Meets Requirements Specified in the RFP

<table>
<thead>
<tr>
<th>Type of Service Call</th>
<th>Response Time</th>
<th>Completion Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Service</td>
<td>Respond within 30 minutes during normal duty hours</td>
<td>Remedied or downgraded within 24 hours of receiving request*</td>
</tr>
<tr>
<td></td>
<td>Repair crews on scene within 1 hour during duty hours</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Respond within 1 hour during non-duty hours</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Repair crews on scene within 2 hours during non-duty hours</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Zussman Range, Yano Range and Basham’s Corner within 1.5 hours during normal duty hours</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 hours during non-duty hours</td>
<td></td>
</tr>
<tr>
<td>Urgent Service</td>
<td>Within 3-working days of request</td>
<td>Within 7 business days of receiving request*</td>
</tr>
<tr>
<td>Routine Service</td>
<td>Within 5 working days of request</td>
<td>Within 10 working days of receiving request*</td>
</tr>
</tbody>
</table>

*Unless there is a delay from the Government or HCWD1 cannot procure necessary materials.

**Routine service** interruptions or service requests are scheduled to perform routine maintenance of the distribution system or to add or delete connections, either at the request of the customer or at the initiation of the utility. The following situations would typically be declared routine and would be responded to on a timely basis:

- Requests by the customer for installation of new or redundant services
- Requests by the customer for utility service interruptions to a building so that work could be performed in the building
- Requests by the utility to shut off utility service to a building or facility so that an operation or maintenance task could be performed such as replacing system components or performing repair and replacement activities
- Utility locates within 48 hours

Routine work, such as the scheduled repair, replacement, or removal of system components that require service interruption, will be coordinated with the COTR to ensure minimal impact to the mission and operations. Notification will include date, time of outage, a list of buildings that will be affected, and the estimated time until the service will be restored. We understand that Fort Knox reserves the right to require HCWD1 to postpone work requiring service interruption if such interruption might adversely affect the Posts’ missions and operations. If an interruption is postponed, the parties will coordinate a mutually acceptable alternate time for the scheduled service interruption. Scheduled utility outages may be required after normal working hours to lessen the inconvenience to Post mission critical functions. We will be able to provide an initial response to these routine service requests within 5 calendar days of request and non-emergency work will be accomplished within 10 days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

**Urgent service** requests are made in situations that are not an emergency, but when the situation significantly hinders performance of Fort Knox activities and requires elimination of hazards that may present health and safety concerns. These services can include but are not limited to, downgraded emergency responses, special events schedule, and reduced service at mission critical facilities or housing. We will have the on-site resources and employees to respond to urgent outages within 3 working days, and the work will be completed within 7 days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials). If circumstances beyond HCWD1’s control limit the completion of work, temporary services or other temporary measures will be constructed to maintain service to the customers. The following are examples of situations that would typically be declared urgent situations:
• A water main or water service line leak that does not threaten to flood buildings or does not pose a safety risk
• Accidents caused by equipment striking buildings that house valve pit equipment or striking fire hydrants
• Code violation that poses a safety hazard

Emergency service is a situation that is detrimental to the mission of the Post, significantly impacts operational effectiveness, or presents an immediate threat to the life, health, and safety of Post personnel. Examples include a major water main break, or loss of operation of key plant equipment that causes an interruption of water treatment or pumping facility operations. These situations can be caused by:
• Acts of God, which might include things like high wind- or ice-induced power outages
• Natural disasters include events, such as earthquakes, fires, or high wind storms
• Human error, including accidental damage to distribution or pumping equipment including control panels, valves, or other system components
• Equipment failure, including failure of key distribution or equipment or components
• Employee strikes or work slowdowns, sabotage of key components of the water system, or failure to respond to requested service of customers
• Water main or service line leaks that would threaten to flood buildings or pose a safety risk
• Terrorist activity, which might include destruction of water system facilities, contamination of the water supply or denying utility worker access to critical facilities

HCWD1 will notify Fort Knox’s COTR and DPW personnel of each situation/priority as soon as possible. HCWD1 will provide an Emergency Restoration Plan, maintain it on-Post, and update it on a regular basis.

When an emergency service situation occurs, the first responder and/or standby personnel will be contacted immediately by radio and/or cell phone or pager for after-hours responses. If necessary, that worker will be augmented by additional “call-ins” of the other HCWD1 team utility workers. The first on-site utility employee will secure the emergency site, assess the situation, and make an immediate call to the Project Manager for additional resources as required. At Fort Knox, the initial contact person contacted by the dispatcher will be the Distribution Supervisor who will be responsible for assembling the appropriate maintenance personnel. Constant communication between the Distribution Supervisor and the Project Manager will assure resources are available when and where needed. Response to emergencies will be within 30 minutes during duty hours (0730 – 1630, Monday – Friday) and within 1 hour during non-duty hours. Emergency response to the Zussman Range, Yano Range and the Basham’s Corner areas will be within 1.5 hours during duty hours and within 2 hours during non-duty hours. Emergency service orders will be completed by HCWD1 within 24 hours (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

I.1.5 Procedures for Handling Service Calls

An overview of our procedures for handling the various types of service calls is provided in Exhibit I.1-3. A detailed list of contact names and numbers for Fort Knox, regulatory agencies, HCWD1 support, and local vendors and subcontractors will be developed and maintained for use, if needed, during an emergency service situation. Further discussions of emergency operations are provided in Section 1.8. All HCWD1 requests for scheduled outages will be coordinated with Fort Knox’s DPW and the facility manager/user at least 10 working days prior to the scheduled outages. HCWD1 will make every reasonable effort to minimize the number of facilities affected and the duration of the outage.

All service request calls will be documented, and the individual who called (to ensure they are authorized), location of the problem, time of the call, time of the service response, cause of the request, and action taken (including the time and date completed) will be recorded by HCWD1. These records are maintained
in the CMMS for at least 2 years and will be made available to the CO/COTR upon request.

If the request affects building operations, HCWD1 will coordinate the work with the person responsible for the building or facility. All emergency service requests, or emergencies identified by HCWD1, will immediately be reported to the COTR. Upon award, HCWD1 will develop the procedure of Government notification after hours.

Any of the service requests listed above could be characterized as Emergency, Urgent, or Routine (as assigned by the designated Government representative). Exhibit I.1-5 summarizes the response times for each type of call. If it is an Emergency, we will respond within 30 minutes and be on-site with repair crews within 1 hour during normal duty hours. We will respond within 1 hour and be on site with repair crews within 2 hours during non-duty hours. Urgent requests will be responded to within 3 working days, and Urgent service orders within 7 days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

If it is a Routine call, the response will vary as described in Exhibit I.1-5, but generally, the initial response will be within 5 business days, and Routine service orders will be completed within 10 business days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

Routine service requests typically include new service connections, disconnection or reconnection of services, scheduled outages, requests for technical information, requests for location of underground lines, control of digging and digging permits, or service valve repairs.

The first responder will initially contact the customer to verify the severity of the situation. First responders will assess the required manpower and equipment required, notify additional personnel, and make the area safe by isolating or containing the outage.

The work order is issued, work will be assigned to appropriate personnel, and upon completion, the customer will be notified and the work order will be closed.

If the first responder and the customer determine that service is disrupted or immediate repairs are required, an assessment of health risks will be made. For example, if an accident occurs, Post emergency response teams will be notified to remedy this situation. Following the correction of the emergency situation, repairs can be initiated to correct the service problem.

First responder personnel will always be trained and certified, as appropriate, and will report to the site in his/her duty truck complete with required tools, maps, and equipment to isolate the situation and begin to conduct repairs. The first responder will also have full access to HCWD1 resources on-site, including emergency generators, spare parts, lighting, and rescue gear. Additional maintenance personnel and subcontractors, as needed, will be called in to assist in the work.

Upon completion of the repairs, the safety of the situation will be determined and any additional requirements identified. Safety deficiencies will be considered emergencies and resolved as such. Barring any safety issues, the customer will be notified of the completion of the work and the corrective work order will be closed.

At the start of the next business day, the Project Manager will review the daily response log for follow-up and determination of the customer's satisfaction with our response.

All restoration of service issues will be coordinated with DPW. Service calls will be recorded for repairs, outages, and restoration of service in the CMMS. We will record the time of call, time of service restoration, cause of the outage, and service performed, as well as the time expended to address and restore the service item. Monthly information will be provided to DPW.

I.1.6 Reestablishment of Temporary Service

During an emergency service call, repair crews will be on site within 30 minutes during normal duty hours and within 1 hour during non-duty hours and will work continuously until temporary service is restored.
Depending upon the type of service disruption, HCWD1 will assess the situation and communicate the action plan and estimated time that temporary services will be restored to the affected facility manager. In all cases, temporary services will be restored within 24 hours (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).

For all system upgrades and extended-time repairs, HCWD1 staff and subcontractors will provide temporary service for of out-of-service components to maintain service to Fort Knox customers during these repairs and construction projects. Upon reestablishment of temporary services, the safety of the situation will be determined and any additional requirements identified. Safety issues will be considered emergencies and will be resolved immediately.

Standby generators will be provided by mobile units (if not installed) in order to provide power when needed during service disruptions.

HCWD1 will identify the critical systems required to operate through emergencies. A plan will be developed to address all essential water functions through redundant systems. Our plan, described in this factor, will be modified as needed as the contract progresses and Post information is incorporated into our plans.

I.1.7 Reestablishment of Permanent Service

Once temporary service has been restored, HCWD1 will then begin working to restore permanent services. Permanent services will be restored within 7 business days (unless there is a delay from the Government or HCWD1 cannot procure necessary materials). An assessment of equipment and materials needed for permanent repairs will be completed. This assessment will include those materials to complete restoration as well.

For all work conducted, a pre-job hazard briefing will be held with employees before beginning the work. All safety guidelines and concerns will be discussed at this time.

A work plan will be developed and reviewed with staff as to the most effective manner to facilitate repairs and restore permanent service. If needed, the plan will outline subcontractor services required to complete the task.

If an interruption of service is anticipated, Fort Knox contacts, the facility manager, and any parties that may be affected will be contacted. HCWD1 will make every effort to minimize the number of facilities affected and the duration of the outage.

Upon completion of the reestablishment of permanent services, crews will begin restoration work. Site restoration will include any of the following that apply: cleanup of the area, removal, disposal, and replacement of any cracked pavement or sidewalks, repair of roadways, replacement of loam or topsoil, top dressing by hand, lawn bed preparation, lawn seeding, mulch, fertilizer, and shrub replacement.

I.1.8 Emergency Restoration Plan

HCWD1 has an Emergency Restoration Plan (ERP) in the event of a widespread utility outage. Upon award, HCWD1’s ERP will be supplemented to specifically address the site specific issues of Fort Knox. The plan will include response requirements for both minor and major emergencies, natural disasters, manmade hazards, and other emergencies. HCWD1’s approach will be augmented by LWC and CH2M HILL’s experience in developing and implementing similar plans for water facilities. The plan will integrate design and operational considerations specific to the Department of the Army’s facilities. The ERP will be structured to classify the emergency into a specific category, requiring specific responses, dependent upon the severity of the event, and its potential for affecting critical base operations. The Table of Contents for the ERP is provided in Exhibit I.1-6 to provide an overview of what information is presented.
HCWD1’s ERP will be a constant living document that will incorporate and compliment federal, state, and local community needs in the event of emergencies and/or disasters.

Table of Contents

Introduction
- Promulgation Document
- Organizational Chart
- Record of Revisions

Basic Plan
- Introduction
- Purpose
- Situation Assumptions
- Concept of Operations
- Organization and Assignment of Responsibilities
- Administration and Logistics
- Planning and Operations
- Operational Objectives

Emergency Support Functions (ESF)

Response Action Check List

Annexes

This comprehensive ERP will mitigate and incorporate reliability and communication features to minimize the occurrence of emergencies where possible, and to enhance safety, response, and communications when emergencies occur. Because it is impossible to predict the exact nature of every possible emergency, our program provides a comprehensive communication, training, and resource-based plan to manage the broadest range of possible emergencies. HCWD1 stands ready to support Fort Knox in any emergency, crisis situations, and/or related exercises that require HCWD1’s support. Upon notification, an HCWD1 designated representative will act as liaison and will respond to these events and provide the appropriate staff to the on-scene coordinator until the event is terminated.

I.1.8.1 Critical Systems and Types of Emergencies

During the first 120 days of the contract, HCWD1 will identify the critical systems required to operate through emergencies. A plan will be developed to address all essential water functions through emergency power supply and redundant systems. Based on state and national standards, HCWD1 will refine our ERP annex in preparing for and responding to a wide range of possible experiences, such as:

- Accidents and personnel emergencies
- Raw water quality contamination
- Chemical spills and leaks
- Equipment and process failure
- Power failure
- Fires
- Flooding, hurricanes, and severe weather
- Tornadoes
- Earthquakes
- Strikes
- Terrorist threats and civil unrest

I.1.8.2 Emergency Response Equipment

HCWD1 will keep a complete emergency equipment inventory, with an updated listing that includes all equipment, materials, and chemicals available. Equipment includes: confined space equipment, such as self-contained breathing apparatus, gas detectors, and ventilators; chemical leak response equipment; heavy equipment (backhoes, loaders, dump trucks, etc.); and pumps, tools, hand tools, and personal protective equipment. Using this inventory, emergency equipment and supplies will be purchased and stockpiled within HCWD1 to enable staff to be prepared for emergencies. A copy of this inventory will be kept in an appendix of the ERP.

I.1.8.3 Emergency Response Personnel

The ERP will contain an Emergency Response Organizational Chart showing the number of staff available and their specific disciplines of performance under emergency conditions. This list will include emergency contact numbers, as well as specific duties to be performed in the event of an emergency.

I.1.8.4 Emergency Response Actions

Our ERP will contain general and, where possible, specific actions from discovery to containment to be performed in the event of the various types of emergencies. The plan will contain details on reporting procedures, first responders and their priorities, and response times and actions to protect personnel, property, and to ensure the continuation of service.
I.1.8.5 Emergency Response Training

Members of the HCWD1 team are already trained to address the emergencies in this area and have worked with the local Emergency Management Agency (EMA) in emergency responses. Team safety experts and a designated onsite safety coordinator provide training for the HCWD1 staff including first aid, cardiopulmonary resuscitation, vehicle safety, lifting, electrical lockout/tagout, confined space entry, excavation and trenching (competent person), and responses to emergency conditions. All HCWD1 subcontractors are responsible for meeting or exceeding OSHA compliance standards.

Vendors and public safety personnel will also provide training in areas of their specific expertise. The Safety/Security Officer will monitor safety performance. An Annual Safety Review will be conducted and corrective actions initiated when warranted. SOPs developed for the facility will also incorporate safety considerations.

I.1.8.6 Coordination with Agencies and Adjacent Utilities

A detailed list of agencies and contact names and numbers will be developed and maintained in the ERP. All onsite personnel will be provided a wallet-sized version for their immediate reference, and the onsite safety team will post the listing at key facility locations.

In order to ensure the most effective and prompt response to emergency situations involving the facility staff, it is important to coordinate emergency notification and response activities at the facility, in planning and in implementation, with other agencies and parties involved. Key coordinating agencies include client representatives and Fort Knox’s Public Safety (fire, military police, and emergency management services agencies). The Emergency Communications section of the ERP will be developed in concert with these parties.

Operating staff on Post will report any emergency situation, such as fire, accident, criminal act, or threatening act or condition by dialing 911 or reporting directly to the Fire Department or military police. In cases of water service emergencies, we will initiate corrective action and notify the COTR. We will record time and date, person notified, and scope of accident or repair. HCWD1 will provide the government two copies of the notification record and maintain a copy for a minimum of 2 years. We will provide keys to the DPW to allow for emergency access to all secured facilities included under this contract.

I.1.8.7 Disaster Recovery/Service Restoration

As part of HCWD1’s ERP, the Disaster Recovery/Service Restoration Plan will identify the priority of restoration of service on Post following emergency issues. As previously stated, all emergency calls will be addressed immediately, 24 hours per day. In-house personnel will assess and prioritize all service calls. If a call is prioritized as a major emergency that cannot be addressed with HCWD1’s crew, an outside contractor will be used. HCWD1 has an established list of available contractors who respond to emergencies immediately and work hand-in-hand with the HCWD1 crews. Crews and equipment can typically be at the gate within 30 minutes.

In any recovery efforts, HCWD1 can call upon the resources of their subcontractor, LWC, which will be a subcontractor to HCWD1 for water treatment. With staff of over 450 employees who are located in the Louisville area, LWC is able to devote the necessary resources to assist in the utility system recovery from emergency conditions. In addition, LWC maintains contingency contracts with local contractors to provide assistance, in the event of a plant or distribution emergency.

The recovery/restoration priorities for the water systems address health and safety priorities, as well as mission-critical facilities during national emergencies, deployments, and alerts and in accordance with the Force Protection Plan. They are as follows:

1. Hospitals/medical facilities
2. Critical Command Facilities
3. Major Command Headquarters
4. Family housing and barracks areas
5. Motor pools and other facilities
I.1.9 Installation-Specific Requirements

No additional installation-specific requirements are included in this proposal. However, HCWD1 will work closely with Fort Knox to ensure that all work is conducted in accordance with installation requirements.

Exhibit I.1-7

**HCWD1’s Approach to Potential Service Interruptions**

<table>
<thead>
<tr>
<th>Cause of Service Interruption (Examples)</th>
<th>How HCWD1 Will Respond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural disasters (Earthquake, high winds, etc.)</td>
<td></td>
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<tr>
<td>- Acts of God, which might include things like high wind-induced power outages, to the wastewater collection system, heat, or water distribution equipment or a fire.</td>
<td></td>
</tr>
<tr>
<td>- Natural disasters include events, such as earthquakes or floods. Both of these scenarios have the potential to cause severe damage to the buried utility service lines, lift stations, buildings and delivery of electricity, etc.</td>
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</tr>
<tr>
<td>- These outages will typically be caused by ice and snow loading, causing mechanical failure of overhead conductors. Wind damage to overhead conductors, or conductor “slap” causing fuses to blow. Lightning strikes, causing fuse, transformer, or conductor damages, can occur to either overhead or underground systems.</td>
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<tr>
<td>- Coordinate restoration priorities with Fort Knox.</td>
<td></td>
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<tr>
<td>- Mobilize all available local staff per the ERP.</td>
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<tr>
<td>- Assess damage to the facilities and associated components.</td>
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<tr>
<td>- Engage additional external staff and resources as deemed necessary (e.g., engineering staff to assess structural damage, potable water tanks, etc.).</td>
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<tr>
<td>- Notify relevant state and federal permitting agencies of the status and condition of facilities.</td>
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<tr>
<td>- Project Health &amp; Safety Manager mobilizes to site to conduct site safety assessment.</td>
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<tr>
<td>- Communicate situation overview, assessment, and recommendations for restoration of services with Fort Knox.</td>
<td></td>
</tr>
<tr>
<td>- Provide temporary services until final assessment and permanent service is restored.</td>
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<tr>
<td>- Begin restoration of facilities and all affected components.</td>
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<tr>
<td>- Provide other (non-utility) emergency response support to Fort Knox as requested and able.</td>
<td></td>
</tr>
<tr>
<td>Human Error</td>
<td></td>
</tr>
<tr>
<td>- Inadvertently close valves that would lead to a water main freezing during winter months because the water was not allowed to circulate in a looped system</td>
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<tr>
<td>- Failure to properly maintain or service the valves, or improperly connecting bypass pumps to the power supply, or improperly operating the fire hydrant operating nuts causing damage to the valve are all possible events</td>
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<tr>
<td>- Improper switching or synchronizing generating equipment</td>
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<tr>
<td>- Once error identified, Project Manager notifies COTR and begins procedures to correct deficiency.</td>
<td></td>
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<tr>
<td>- Mitigate the emergency before it causes additional problems or damages throughout the water distribution system.</td>
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<tr>
<td>- If error results in permit violation, proper state notification will be provided.</td>
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<tr>
<td>- If processes are affected, immediate action will be taken to bring said process under control within operating specifications.</td>
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<tr>
<td>- Investigate cause and effect to evaluate employee causing error.</td>
<td></td>
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<tr>
<td>- Define if further training is needed, is employee routinely causing problems, etc.</td>
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<tr>
<td>- Conduct remedial training and lessons learned.</td>
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<tr>
<td>- Provide correspondence to COTR and State (where applicable)</td>
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<tr>
<td>- Overcome these events by redundancy in the system and having well trained and certified system operators.</td>
<td></td>
</tr>
</tbody>
</table>
### Exhibit I.1-7

**HCWD1’s Approach to Potential Service Interruptions**

<table>
<thead>
<tr>
<th>Cause of Service Interruption (Examples)</th>
<th>How HCWD1 Will Respond</th>
</tr>
</thead>
</table>
| **Equipment Failure (bearings go out, motor burns out, pump failure, etc)** | ✓ Set up work order and review history of equipment.  
   ✓ Once failure identified, go to inventory of critical spare parts and repair defective equipment.  
   ✓ If failed equipment is not in inventory, procure through national contracts and/or basic ordering agreements.  
   ✓ Repair or replace equipment as soon as possible.  
   ✓ Investigate cause of failure (environment, maintenance deficiency, age, etc.).  
   ✓ Maintain proper lubrication and inspections for all associated equipment.  
   ✓ If failure appears to be recurring, modify frequency of PM to mitigate failure occurrence.  
   ✓ Properly insulate water mains and service lines with sprayed on urethane and designed as circulating loops that use water movement to prevent freezing action.  
   ✓ Constant monitoring of distribution system water temperature, low flow areas can be enhanced by activation of fire hydrants to speed flows when water temperatures drop to unacceptably low temperatures.  
   ✓ Controlled fire hydrant flushing can markedly improve service even during the winter months and it improves water quality to the customer because it refreshes water that may have gone “stale” from not moving or circulating.  
   ✓ Have thawing equipment available to thaw mains and services.  
   ✓ Implement predictive maintenance on critical equipment. |
| o No heat at valve pits or meter vaults or other key utility buildings  
  o Unavailability of fuel (pumping) from fueling stations for vehicles or equipment  
  o Frozen water lines  
  o Flooding of water pits where seals have deteriorated and result in surface water flooding the pits  
  o Fuel, condensate, or feedwater pumps failure  
  o Fans or compressor failures | ✓ Mobilize all available local staff per the ERP.  
   ✓ Assess damage to the facilities and associated components.  
   ✓ Engage additional external staff and resources as deemed necessary (e.g., engineering staff to assess structural damage, potable water tanks, etc.)  
   ✓ Project Health & Safety Manager mobilizes to site to conduct site safety assessment.  
   ✓ Communicate situation overview, assessment, and recommendations for restoration of services with Fort Knox.  
   ✓ Provide temporary services until final assessment and permanent service is restored.  
   ✓ Begin restoration of facilities and all affected components. |
| **Fire** | ✓ During transition, additional security and supervision will ensure that no processes or equipment can be sabotaged or tampered with.  
   ✓ Project Manager will notify COTR and immediately call internal labor relations representative to begin discussions.  
   ✓ Support personnel from nearby HCWD1-affiliated companies will bring in key positions to sustain service to Fort Knox.  
   ✓ Proceed with discussions to resolve issues. |
| **Employee Strikes** | ✓ Supply personnel from nearby HCWD1-affiliated companies will bring in key positions to sustain service to Fort Knox.  
   ✓ Proceed with discussions to resolve issues. |
| o Operators fail to report for work based upon a bargaining agreement dispute  
  o Intentional sabotage of key utility components by striking employees | ✓ During transition, additional security and supervision will ensure that no processes or equipment can be sabotaged or tampered with.  
   ✓ Project Manager will notify COTR and immediately call internal labor relations representative to begin discussions.  
   ✓ Support personnel from nearby HCWD1-affiliated companies will bring in key positions to sustain service to Fort Knox.  
   ✓ Proceed with discussions to resolve issues. |
**Exhibit I.1-7**
**HCWD1’s Approach to Potential Service Interruptions**

<table>
<thead>
<tr>
<th>Cause of Service Interruption (Examples)</th>
<th>How HCWD1 Will Respond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terrorism</td>
<td>✓ Provide site employees with specific training in preparing for and responding to terrorists activities involving public and private utilities.</td>
</tr>
<tr>
<td></td>
<td>✓ Perform periodic utility vulnerability threat assessments.</td>
</tr>
<tr>
<td></td>
<td>✓ Notify Government official and COTR of situation.</td>
</tr>
<tr>
<td></td>
<td>✓ Mobilize all available local staff per the ERP.</td>
</tr>
<tr>
<td></td>
<td>✓ Assess damage to the facilities and associated components.</td>
</tr>
<tr>
<td></td>
<td>✓ Engage additional external staff and resources as deemed necessary (e.g., engineering staff to assess structural damage, potable water tanks, etc.)</td>
</tr>
<tr>
<td></td>
<td>✓ Notify all state and federal permitting agencies of the status and condition of treatment facilities.</td>
</tr>
<tr>
<td></td>
<td>✓ Project Health &amp; Safety Manager mobilizes to site to conduct site safety assessment.</td>
</tr>
<tr>
<td></td>
<td>✓ Communicate situation overview, assessment, and recommendations for restoration of services with Fort Knox.</td>
</tr>
<tr>
<td></td>
<td>✓ Provide temporary services until final assessment and permanent service is restored.</td>
</tr>
<tr>
<td></td>
<td>✓ Begin restoration of facilities and all affected components.</td>
</tr>
<tr>
<td></td>
<td>✓ Provide any assistance as needed by Fort Knox.</td>
</tr>
</tbody>
</table>

Details follow on how the various types of responses (emergency, urgent, and routine) will be managed to restore water service to Fort Knox in the event of a service interruption.

**Step 1: Establish a central organization/location**
- Assess the severity of the damage to the water distribution system and tailor the response to include the following steps as necessary.
- Establish an Emergency Response Center where all organization and coordination takes place. This would be an on-site, temporary emergency location at the HCWD1 operations center if the building is structurally sound. Responses to emergencies are expected to be fluid and the operators will, of necessity, be required to react to the situation rather than follow rigid guidelines. The on-site water distribution operators will be expected to request additional resources early in the emergency response time line and those resources would be secured from area businesses immediately after being requested. The Project Manager will be in constant communications with HCWD1 operators during emergency activities.

**Step 2: Work crews and manning**
- As soon as initial damage assessment and control are complete, the Project Manager will split available personnel into two shifts and send one half home with a recall time. For the duration of the emergency, each shift will work 12 hours on and 12 hours off until the emergency is over. The on-duty crew will be split into as many crews as can be fielded along with temporary workers, and will be dispatched to begin repair work at the direction of the person in charge.
- HCWD1 will supplement labor at the Post with labor from a pre-designated list of HCWD1 and LWC personnel, and subcontractors working under the direction of the Project Manager.

**Step 3: Damage assessment and priority of restoration**
- As soon as a workforce is gathered, they will take immediate steps to mitigate the damage. The utility operators will ensure actions are taken to protect key facilities and prevent additional damage to facilities or to the water distribution system, and to ensure that key facilities, such as medical, child...
care, fire protection, and mission essential facilities, are being served on a priority basis. Inherent in the initial response is the utility worker’s follow-up requirements outlined below:

- Identify portions of the water distribution system where breaks have occurred. This can be done using visual inspection of water main routes, reports from customers, or from inspection of meter readings at various locations in Fort Knox’s water distribution system.

- Activate emergency power for water pumps needed to establish bypass operations when necessary using on-site standby generators or truck mounted generators. Emergency power will only be activated after the system has been assessed to ensure activation of the generator power will not cause additional damages to the infrastructure or equipment.

- Take action to enclose and heat damaged facilities, as necessary, using stockpiled emergency supplies listed earlier in this proposal. Temporary heating sources are available from local rental businesses in the Fort Knox area. There are few facilities that would require supplemental heat; therefore, it is not practical to maintain large portable heaters on hand.

Step 4: Priority for restoration of water service to Fort Knox

- Restore the water distribution system mains/piping network.
- Restore water distribution meter pits and valve buildings.

Step 5: Restoration of water service to buildings and facilities

- Restoration will be accomplished according to the Fort Knox ERP. Priority will be established by the Post commander and the COTR.
- It will be the responsibility of HCWD1 employees to determine if the utility system is sufficiently stable to restore connections to individual buildings or facilities. If the building is not structurally intact or stable enough for work to be performed, HCWD1 on-site personnel will coordinate with the Post representative and the COTR to develop an acceptable temporary service to serve the customers and the Post. In no case will the utility personnel be required to work in unsafe buildings; however, the utility representative is obligated to find an acceptable solution to providing water service to the residents of Fort Knox.

- Once all components of the water system have been restored to usable condition, the system will be thoroughly cleaned of any silt or other debris and put back into service. Water quality will be tested to ensure safety to consumers.

These steps would be slightly modified, as follows, in a smaller-scale outage.

Step 1: Notification of Emergency Service Request. Authorized Government representative will notify the Call Center of the emergency condition.

Step 2: Duty Operator/or Operations Manager will notify maintenance crews and/or first responder.

Step 3: Crews will respond within the required response times.

Step 4: Government personnel will be notified when the condition has been assessed and when estimated restoration times have been determined.

Step 5: After downgrading to Urgent or complete restoration, Government personnel will be notified.

Emergencies as the Result of Human Error

Emergencies related to human error are considered differently and the response is more rapid than deliberate acts of sabotage because the employee is immediately aware of their error. In cases where an employee clearly makes a mistake, the response is normally identified very quickly and the operator has the ability to mitigate the emergency before it causes additional problems or damages throughout the water distribution system.

The most likely accidental damage would be caused to mechanical equipment, valves, control panels, or structural equipment of the distribution system. An inexperienced operator could damage equipment or
components and cause water service disruption within the service lines or to segments of the distribution system. It would also be possible for an inexperienced operator to inadvertently close valves that would lead to a water main freezing during winter months because the water was not allowed to circulate in a looped system.

Operators may also damage key components of the water treatment/distribution system through inadvertent and unintentional acts. Most likely equipment to be damaged through a mistake is water distribution valves or control panels. Failure to properly maintain or service the valves, or improperly connecting bypass pumps to the power supply, or improperly operating the fire hydrant operating nuts causing damage to the valve are all possible events. These events can be overcome by redundancy in the water distribution system and having well-trained and state-certified water distribution system operators. It is our intent to employ only state-certified operators to operate the water distribution system.

The likelihood of damage by an operator to the distribution system piping components is considered extremely remote. These facilities and structures are difficult to damage through inadvertent acts; thus, concern would be more appropriately placed with the more sensitive and easily damaged components.

HCWD1 employees will be trained in the O&M of the water treatment/distribution system, as well as in the health and safety issues in and around the system. The water system will be maintained in a responsible manner so that equipment failures will be kept to a minimum. All HCWD1 employees and the closely affiliated companies are subject to pre-hire and random drug and alcohol testing. We operate in a zero tolerance industry and employees are expected to maintain very high standards of conduct. We take the extraordinary steps of ensuring employees are highly skilled and that they do not participate in personally destructive behavior that would extend to the workplace.

Accidental Destruction

Immediately notify the customer and the COTR of the situation. If the destruction is isolated to one component, then the component will be replaced. If the destruction covers a wider segment of the water utility, the on-site operator will prioritize his/her efforts to complete repairs, and if additional assistance is needed, he/she will immediately contact the Project Manager for additional resources. Those resources may be from external HCWD1, LWC, or contracted businesses in the local area. The urgency of repairs and the degree of expertise required for repairs will determine the resources that are applied. In many cases, there is adequate inventory of supplies and materials to support immediate needs of HCWD1.

One of the many advantages of standardizing equipment and materials within a joint venture is the immediate availability of repair parts. It will be our intent to standardize as many water treatment/distribution system components as possible. Standardization of inventory also favors cost containment for operations. Inventory is expensive, and a reduction of just 10 percent in inventory lines is directly reflected as a cost savings under a regulated proposal.

Specific components include standardization of pipe, control panels, water meters, fire hydrants, and valves.

Emergencies as a Result of Equipment Failure

There are relatively few pieces of equipment in the water distribution system that are prone to failure. The most likely event is a failure of an isolation valve or the failure of a water meter. Proactively addressing valve maintenance to include proper lubrication, exercising valves and isolation equipment, servicing pressure reducing devices, routinely checking water meter readings, and proper maintenance of electronic controls all contribute to enhanced reliability. Our team has a long history of providing aggressive equipment maintenance to prevent equipment failures and that same philosophy will be implemented at Fort Knox.

The most likely event to occur at Fort Knox (based upon information provided in the utilities privatization documentation and the site visit) is the likelihood of treatment or pumping equipment failure. HCWD1 will
implement an aggressive predictive and preventative maintenance program. This program has proven to reduce unplanned equipment failure, reduce operating cost, and extend the lifespan of equipment. During transition, HCWD1 will review all facilities and identify “critical spares.” These are defined as system components that are necessary for safety and environmental compliance, or are required to maintain continuous service. This will serve as the catalyst for maintaining spare equipment on-site or at the HCWD1/LWC offices.

I.1.11 Catastrophic Loss Plan
HCWD1’s Catastrophic Loss Plan (CLP) has the following elements:

- Vulnerability/Threat Assessment
- Planning
- Emergency Restoration Plan
- Lessons Learned/Plan Updates

I.1.11.1 Vulnerability/Threat Assessment
Prevention of catastrophic loss is the key goal of our plan. This begins with the identification of critical operations, products, and services. Then a hazard assessment must be completed for each of the critical areas. The assessment reviews potential hazards (i.e., fire, flood, weather related, and acts of terrorism). Then each of the elements are assessed based on the likelihood of occurrence and the impact to critical service. A ranking system uses both of these review elements to prioritize response during a catastrophic event. Since an effective CLP must be “site-specific,” HCWD1 will complete this site-specific assessment during the first 120 days of the contract.

A key element of protecting a utility from catastrophic loss is the vulnerability assessment. As required under the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (Bioterrorism Act) HCWD1 assumes that the required vulnerability assessment was completed by the 30 June 2004 deadline. This plan will be reviewed and incorporated into the SOPs, as appropriate. HCWD1 will maintain the appropriate levels and types of insurance for critical facilities to ensure that prompt resources are available to mitigate the loss, and replace or renew damaged assets.

I.1.11.2 Planning
The CLP must then be integrated with employees and other Fort Knox agencies. Employees and others play an essential role in the prevention of loss. Employees should ensure facilities are secure at all times, security systems are active and functioning correctly, and report unusual or non-regular activities in and around critical facilities. Communicating the plan to other Fort Knox agencies allows them to assist in surveillance activities.

I.1.11.3 Emergency Restoration Plan
Should a catastrophic event occur, restoring service and mitigating impact are key considerations. HCWD1’s ERP is detailed in Section I.1.8. The ERP covers restoration of service from catastrophic events both man-made and naturally occurring. Should a widespread catastrophic event occur, HCWD1 will work with local, state, and federal agencies to integrate our CLP with restoration efforts of these agencies. This participation would include all aspects of disaster recovery, including application for grants and low-interest loans to restore facilities completely, should the damage exceed the insured amount, or not be a covered event.

I.1.11.4 Lessons Learned/Plan Updates
The CLP is a plan, and as such will be reviewed periodically to ensure it accurately reflects the hazards present during the course of the contract. Lessons learned are a key part of preventing reoccurrence of catastrophic failures. If a catastrophic event occurs, immediately after the emergency restoration is complete, a team will be convened to identify, collect, and disseminate lessons learned, both from the event, and the restoration phase. The plan will be updated to reflect the lessons learned.
I.2 O&M Plan and Quality Management Plan

I.2.1 O&M Plan

HCWD1’s philosophy is based on stewardship of assets and it is HCWD1’s goal to enhance everything entrusted to us. In some instances, this means improvement of assets, while in other cases it means maintaining value and operating efficiency. Selecting the right O&M strategies results in timely replacement of assets and maximizing efficiencies. We achieve these objectives through optimizing facilities’ processes, implementing our maintenance program, and optimizing staff utilization. HCWD1 has developed the following O&M Plan in accordance with Section L.4.2 of the RFP.

The major components of the Plan are:

- Staffing Plan
- Operations Plan
- Maintenance Plan
- O&M Policies and Procedures

I.2.1.1 Staffing

Staffing will be used to maximize operations efficiency, ensure optimal levels of maintenance, and provide consistently reliable service to Fort Knox. Exhibit I.2-1 shows the staffing for daily O&M responsibilities. We have analyzed the organization and staffing required to best perform the requirements of the SOW and are proposing the contract site organization as presented in Exhibit I.2-1.

Exhibit I.2-2 provides further detail of utilities services staffing. The majority of services will be performed by on-site staff and employees of HCWD1. The full-time equivalents (FTEs) below represent the O&M effort for 1 year.

I.2.1.2 Operations Plan

HCWD1’s Operations Plan for Fort Knox will deliver proven, cost-effective solutions that increase performance. Our approach involves key strategies that guarantee a significant increase in the value of services provided. To achieve this, the following programs will be implemented:

- A state-of-the-art CMMS (Jobs Plus®)
- A regulatory compliance plan that will meet all federal and state requirements of the Safe Drinking and Clean Water Acts
- A comprehensive staff evaluation and training program
- A communications plan that will provide a reporting system to the appropriate management team at Fort Knox

System Description. Fort Knox’s potable water utility system includes 13 groundwater wells; 2 raw water intake structures at the dams; a low-lift pumping station; 48,700 linear feet (LF) (9.2 miles) of raw water line; 2 WTP facilities (Central and Muldraugh); 3 clear wells; 2 high lift pump stations; 1 booster pump station; 8 elevated storage tanks; the main cantonment area’s potable water distribution system, which includes roughly 810,329 LF (153.5 miles) of potable water distribution pipe; and the 3 range areas’ potable water distribution systems, which include roughly 48,397 LF (9.2 miles).

Current Operations. Based on our observations and information provided to bidders, the water quality for this system appears to meet all of the State of Kentucky standards. However, a thorough compliance analysis will be performed during the first 120 days of the contract (transition period).

Operational Changes. Exhibit I.2-3 details several operational practices currently conducted and changes proposed.

Process Description. HCWD1 is committed to supporting our Army partner in the planning and programming activities for projects that may impact the utility system(s) in accordance with the requirements outlined in RFP Sections J1.3.7, Planning and Programming, and J1.3.8, Request for Action (RFA) Process. As such, HCWD1 will assist in the development of Requests for Action (RFA) when necessary. HCWD1 has proposed the following process to respond to RFAs and is willing to modify any steps at the request of the KO/COR.

(Abbreviations: PM – DPW Project Manager; KO – Contracting Officer; COR – Contracting Officer’s Representative; UP – Utility Privatization Contractor.)
Step 1: The PM prepares Work Orders and provides to the COR. The COR then forwards to the KO and the KO contacts the UP contractor regarding the potential project.

Step 2: The PM develops independent government estimates (IGE) and provides to COR and KO.

Step 3: The UP Contractor identifies specific utility system requirements for the project, develops a scope of work, detailed cost estimate, sketch, period of performance, and project schedule. The UP Contractor should also identify any applicable increase/decrease to the O&M/R&R.

Step 4: The KO, COR, and PM review the UP contractor’s proposal.

Step 5: UP Contractor, KO, COR, and PM discuss and agree on price and schedule.

Step 6: The PM provides the COR with funds and work order.

Step 7: Funds are provided to the KO.

Step 8: KO issues modification.

Step 9: The PM and/or general contractor coordinates with the UP Contractor regarding schedule.

Step 10: The UP contractor completes Quality Assurance/Quality Control (QA/QC) and Inspections.

Step 11: The UP contractor invoices for the project.

Step 12: Modify the UP contract to include O&M and R&R for the added assets.

Planned Operational Strategy. The first step to developing a strategy to operate the facilities will be to further evaluate the current status of operations during the system characterization activities.

Maintenance needs will be cataloged and prioritized at all facilities according to the following requirements:

1. Maintaining required water quality
2. Maintaining service to the base
3. Cost of equipment

EXHIBIT I.2-1
Contract Site Organization (See Exhibit I.2-2)
Operation of the water storage facilities will be in accordance with national and local fire codes and AWWA-recommended practices. Specifically, minimum levels of water will be maintained in the storage reservoirs to meet fire flow requirements, domestic emergency storage, and pressure equalization.

An annual fire hydrant flushing and testing program will be initiated to ensure the highest level water quality is delivered to our Fort Knox customers. In addition, this program will verify the system readiness for emergency operations with emphasis on adequate capacity and pressure. HCWD1 will coordinate with the Fort Knox Fire Department prior to any testing, repair, or maintenance of the fire hydrants.

HCWD1’s goal of compliance will adhere to all of the primary and secondary standards as promulgated by the Safe Drinking Water Act (SDWA) and the State of Kentucky. By applying HCWD1’s proactive approach for compliance with the recently promulgated and the proposed regulations by developing water quality goals that are more stringent than current regulations, HCWD1 is well positioned to meet current and future regulations. Drinking water regulations that impact HCWD1 can be divided into three categories:
1. Existing regulations
2. Recently promulgated regulations
3. Future regulations

For this contract, the applicable existing regulations that impact the Water System are highlighted in Exhibit I.2-4.

### EXHIBIT I.2-2
**Utilities Services Staffing**

<table>
<thead>
<tr>
<th>Position</th>
<th>Company</th>
<th>FTE - Treatment</th>
<th>FTE - Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Manager(^b)</td>
<td>HCWD1</td>
<td>0.05</td>
<td>0.2</td>
</tr>
<tr>
<td>Project Manager</td>
<td>HCWD1</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Operations Manager(^b)</td>
<td>HCWD1</td>
<td>0.05</td>
<td>0.2</td>
</tr>
<tr>
<td>Water Treatment Project Manager</td>
<td>LWC</td>
<td>0.2</td>
<td>0</td>
</tr>
<tr>
<td>Water Distribution Supervisor</td>
<td>HCWD1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Plant Maintenance Manager</td>
<td>LWC</td>
<td>0.2</td>
<td>0</td>
</tr>
<tr>
<td>Water Treatment Supervisor</td>
<td>LWC</td>
<td>0.2</td>
<td>0</td>
</tr>
<tr>
<td>Operators</td>
<td>LWC/HCWD1</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Equipment Operators</td>
<td>HCWD1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Treatment Plant Mechanics/ Electrician/ I&amp;C</td>
<td>LWC</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Administrative Assistant/ Accountant</td>
<td>HCWD1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>GIS Technician</td>
<td>HCWD1</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

\(^a\)See Exhibits I.2-6 and I.2-7 for a description of the qualifications and personnel proposed for each position

\(^b\)The General Manager and Operations Manager costs are recovered through the G&A Overhead Rate adder.

### EXHIBIT I.2-3
**Operational Strategies for Water System**

<table>
<thead>
<tr>
<th>Operational Condition</th>
<th>Current Operations</th>
<th>HCWD1 Plan</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM Scheduling</td>
<td>Unknown method of scheduling of PM tasks</td>
<td>Condition-based scheduling of PM tasks</td>
<td>Lower life cycle equipment costs</td>
</tr>
<tr>
<td>Predictive Maintenance</td>
<td>Unknown</td>
<td>Use of current monitoring, vibration monitoring, and used oil analysis</td>
<td>Establish baseline equipment condition and set up proper PM</td>
</tr>
<tr>
<td>Inventory Management</td>
<td>Unknown method of ordering, receipt, and disbursement of commodities and supplies</td>
<td>Identify critical parts, and minimum/maximum stock levels. Routine verification of stock levels.</td>
<td>Lower inventory costs and increase reliability of critical systems</td>
</tr>
<tr>
<td>Water Tank Maintenance</td>
<td>Unknown maintenance level of water tanks</td>
<td>HCWD1 will subcontract maintenance of the water tanks</td>
<td>Frequent maintenance allows for higher water quality and extended life of tanks</td>
</tr>
<tr>
<td>Water Distribution System</td>
<td>No known regular frequency for water balance</td>
<td>HCWD1 will conduct an annual water balance for the water production and distribution system</td>
<td>Annually assess water loss and identify sources</td>
</tr>
</tbody>
</table>
Exhibit I.2-4

Regulations That Impact Water System

Existing Regulations

Kentucky Division of Water – Kentucky Administrative Regulations Title 401, Chapter 8

<table>
<thead>
<tr>
<th>Regulation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Coliform Rule</td>
<td>The Total Coliform Rule was promulgated on June 29, 1989. Total coliforms include both fecal coliforms and E. coli. Compliance with the Total Coliform Rule is based on the results of sampling in the distribution system. The frequency and number of collected samples are a function of the system size (number of people served). HCWD1’s plan will maintain compliance with the Total Coliform Rule by (1) maintaining adequate distribution system disinfectant residual, and (2) frequently flushing low flow areas.</td>
</tr>
<tr>
<td>Arsenic</td>
<td>Environmental Protection Agency (EPA) has set the arsenic standard for drinking water at .010 parts per million (10 parts per billion) to protect consumers served by public water systems from the effects of long-term, chronic exposure to arsenic. Water systems had to comply with this standard by January 23, 2006, providing additional protection to an estimated 13 million Americans.</td>
</tr>
<tr>
<td>Long Term 2 Enhanced Surface Water Treatment Rule (LT2ESWTR or LT2 Rule)</td>
<td>The purpose of the LT2 Rule is to reduce illness linked with the contaminant Cryptosporidium and other disease-causing microorganisms in drinking water. The Rule will supplement existing regulations by targeting additional Cryptosporidium treatment requirements to higher-risk systems. This Rule also contains provisions to reduce risks from uncovered finished water reservoirs and to ensure that systems maintain microbial protection when they take steps to decrease the formation of disinfection byproducts that result from chemical water treatment.</td>
</tr>
<tr>
<td>Stage 2 Disinfectants and Disinfection Byproducts Rule (DBP Rule)</td>
<td>The Stage 2 DBP Rule builds upon earlier rules that addressed disinfection byproducts to improve drinking water quality and provide additional public health protection from disinfection byproducts. This Rule strengthens public health protection for customers by tightening compliance monitoring requirements for two groups of DBPs, trihalomethanes (TTHM) and haloacetic acids (HAA5). The Rule targets systems with the greatest risk and will reduce potential health risks related to DBP exposure and provide more equitable public health protection.</td>
</tr>
<tr>
<td>Groundwater Rule</td>
<td>EPA published the Groundwater Rule in the Federal Register on November 8, 2006. The purpose of the rule is to provide for increased protection against microbial pathogens in public water systems that use ground water sources. EPA is particularly concerned about ground water systems that are susceptible to fecal contamination since disease-causing pathogens may be found in fecal contamination. The Groundwater Rule will apply to public water systems that serve ground water. The rule also applies to any system that mixes surface and ground water if the ground water is added directly to the distribution system and provided to consumers without treatment.</td>
</tr>
<tr>
<td>Lead and Copper Rule</td>
<td>On June 7, 1991, the EPA published Action Limits (ALs) and national primary drinking water regulations for lead and copper. Under this regulation, lead and copper levels must not exceed ALs of 0.015 milligrams per liter (mg/L) and 1.3 mg/L, respectively, in 90 percent of the samples collected. Actions required for AL exceedances include collecting source water samples, conducting public education, conducting a corrosion control study, and establishing a corrosion control program. This Rule also requires that lead and copper be monitored at consumers’ taps every 6 months. Samples at consumers’ taps must be taken at high-risk locations, which include homes with lead solder installed after 1982, lead service lines, and lead interior piping. Revisions to the Lead and Copper Rule were promulgated in April 2000. The revisions reduced the frequency of monitoring required for low lead and copper tap levels and updated the analytical methods used for analyzing lead and copper levels.</td>
</tr>
</tbody>
</table>

1.2.1.3 Maintenance Plan

HCWD1’s maintenance program has the following objectives:

- Maintain the facilities to the highest standard of care to preserve aesthetics and protect against deterioration.
• Maintain equipment in a manner that maximizes operational life and endeavor to prevent unexpected equipment repairs due to untimely failure.
• Provide timely and cost-effective response to both typical and emergency conditions.
• Ensure system performance through equipment reliability, uninterrupted service, and maximum uptime.
• Protect capital investments.
• Ensure the safety of personnel and equipment.
• Enforce equipment warranties.
• Control overall maintenance costs by reducing corrective and emergency/reactive maintenance costs.

HCWD1 will use a whole lifecycle approach combined with our CMMS, as discussed later in this section, to monitor the condition of the facilities and schedule routine inspections, maintenance, and repairs. The CMMS will also track performance, service history, and repair costs. The data generated will be used to evaluate the need to replace or rehabilitate the portion of the system. An equipment assessment will be conducted during the system characterization phase for this purpose. Using the equipment condition data developed during the system characterization phase, the “criticality of failure” factor will be established for each piece of equipment. Using the criticality of failure, along with the maintenance characteristics and the availability of replacement parts, HCWD1 will develop a maintenance strategy for each piece of equipment. This strategy ensures that:

• Sources of spare parts and replacements are planned and availability is targeted to the needs of the specific facility to minimize both scheduled and unscheduled downtime
• Maintenance skill requirements are determined, skill gaps identified, and training planned and implemented

The maintenance strategy selected for each piece of equipment will be based on three levels of maintenance:

• Preventive Maintenance (PM)
• Corrective Maintenance (CM)
• Predictive Maintenance (PdM)

PM is defined as routine and/or repetitive activities required or recommended by the equipment or facility manufacturer or HCWD1 to maximize the service life and reliability of the system components. Proper PM is the all-important first line of defense against deterioration and failure.

CM encompasses activities required for operational continuity, safety, and performance. The status of CM work orders will be maintained in the CMMS, and work will be scheduled to the extent possible with groups of equipment to save time and reduce labor requirements. Based on HCWD1’s maintenance evaluation, critical spare parts will be stocked on-site or held in reserve at a supplier’s warehouse to ensure that downtime is minimal. Each type of maintenance will be scheduled and its completion monitored using the CMMS.

PdM virtually eliminates unexpected equipment failure because of normal wear. PdM activities will range from simple, periodic inspections to sophisticated condition measurements. The baseline condition for each critical piece of equipment will be identified and the equipment will be monitored against selected critical performance criteria.

The following outlines the basic components of HCWD1’s maintenance approach. It provides an overview of our plan for predictive, preventive, and CM corrective maintenance, as well as the implementation of the CMMS. While this is a concept for a detailed maintenance plan, which will be developed during the system characterization phase, it provides an overview.

PM Plan. HCWD1’s approach to minor (routine) maintenance focuses on PM. Proper PM decreases the total lifecycle cost of equipment or facilities. The lifecycle cost of equipment and facilities that have been properly maintained is a fraction of the cost of equipment and facilities that have been poorly maintained.

During HCWD1’s evaluation of the Fort Knox facilities, we identified opportunities for improvements to maintenance practices. During the evaluation,
HCWD1 could not determine how PM tasks were being performed, generated, and tracked. Upon award, HCWD1 will start by creating a Master Equipment List (MEL). All equipment identified in the MEL will be assigned a unique asset number and location code. Once this is completed, the detailed nameplate data will be entered for each asset. HCWD1 will then enter PM tasks and frequencies.

Specific tasks, frequencies, and preventative maintenance procedures will be based on the manufacturer’s O&M Manual, Department of the Army standards, and standards developed by HCWD1 that are based on our experience in maintaining similar equipment at levels above industry standards.

Each PM task will be assigned an identification number that will be unique to the task being performed. This unique PM task will describe the procedure needed, tools required, materials needed, all safety requirements, and any Department of the Army issues involved. Each PM task will also be assigned a cycle for completion. For example, a generator oil change may occur once per year, whereas a vehicle oil change would occur in a quarterly cycle. If a PM task is not completed, due to extraordinary circumstances, the PM task will appear again as a flagged, higher-priority task.

Each individual PM task will contain the date of the last revision, drawing reference numbers, O&M Manual number, and location, as well as any other documents that relate to the operation or maintenance of the equipment requiring maintenance.

**CM Plan.** CM is defined as those non-repetitive activities necessary to correct a malfunction or replace a failed component of the system for operational continuity, safety, and performance. Unplanned CM activities are generally performed because of system components failure. Planned CM is the result of proactive PM and PdM processes that identify the equipment’s needs before a failure occurs. There are many reasons why planned CM is preferred to unplanned CM. For example, it provides:

- Increased process reliance due to decreased critical equipment failure
- Reduced manpower costs due to improved job planning and scheduling
- Reduced overall repair costs due to proactive repairs of minor issues before they cause more equipment damage
- Reduced capital improvement costs due to increased equipment life spans

HCWD1 will prepare standard maintenance procedures for major CM activities. The standard maintenance procedures are procedural documents with staffing requirements to accomplish the CM tasks. The procedures will include lists of tools, instruments, and materials to perform each task. The procedures will be part of the CMMS and can be printed in hard copy for the maintenance staff to carry to perform the maintenance procedure.

CM needs often generate decision points that require expert evaluation and recommendations. The CMMS will provide a valuable tool by maintaining a library of information on each piece of equipment. This information will be searchable by equipment type, location, application, manufacturer, and repair type. By using this data, HCWD1 will be able to make the best overall decisions for equipment needs. For example, HCWD1’s team will be able to predetermine repair costs and evaluate equipment histories to determine a repair/replace breakpoint. If an estimated repair cost exceeds the agreed upon cost/benefit ratio, HCWD1 will be able to make an effective decision on equipment type, size, and manufacturer to ensure optimal overall system performance.

**PdM Plan.** HCWD1 proposes to provide a level of PdM services that can considerably reduce unexpected equipment failure due to normal “wear and tear” or improper repair. The benefits of PdM include:

- Increased process reliability due to decreased equipment failure
- Improved job planning and scheduling
- Reduced overall repair costs
- Reduced capital improvement costs

HCWD1 will establish a “baseline” condition for each critical piece of equipment identified and periodically monitor the equipment for critical performance.
criteria. The information provided on the following pages defines these elements in detail and demonstrates how our approach will exceed Fort Knox’s expectations for PdM services.

As described, we will perform the initial evaluation to establish equipment condition and provide specific, detailed recommendations for remedial repair needed at that time. Monitoring will be performed, with additional performance criteria added, at a frequency that will be dictated by the condition of equipment as monitoring occurs. In every case, this approach will improve the predictability of equipment performance and quality service.

**Initial Equipment Condition Evaluation.** The equipment condition evaluation will establish a baseline for PdM services. It will define what actions need to be taken immediately to avoid immediate and expensive failure, as well as prescribe when monitoring levels must be adjusted to protect equipment. The results will be entered into the CMMS for tracking and modeling.

To provide a continual baseline for all pieces of equipment at the facility and throughout the system, special inspections will be conducted similar to the initial evaluations performed. These follow-up inspections are recommended whenever a new piece of equipment is installed or when existing equipment is overhauled. This policy has the advantage of identifying equipment or installation/repair problems early in the warranty periods.

All data, measurements, remarks, and conditions for each piece of equipment will be entered into the CMMS as field data or text (as appropriate). Equipment needing repairs will automatically be assigned a work order with the appropriate priority level.

**Vibration Monitoring.** Each machine selected for monitoring will be checked at a predetermined interval, as recommended by the monitoring software. The data collected will be the complex displacement and velocity of the worst position of each accessible bearing on the machine. This data will then be entered into a computer program, and statistical analysis on the data will be performed to determine limits for the vibration.

**Current Measurement.** Each machine selected for monitoring will be checked at a predetermined interval. The data collected will be the current or amperage of each electrical phase. This data will then be entered into a computer program, and statistical analysis on the data will be performed to determine performance and equipment wear.

Electrical testing will also be conducted for voltage drop, power factor, kilovolt-ampere (Kva), kilovolt-ampere-reactance (Kvar), and kilowatt (Kw). These tests are useful in determining problems with motors and pumps. Voltage drops can help determine and define problems and reconfirm thermographic results. In fact, HCWD1 will perform thermographic monitoring at the same frequency as the electrical monitoring.

Elapsed time meters will be installed and monitored in order to generate more precise data on equipment operation between monitoring periods. Data will be collected on elapsed time and compared with readings on equipment; this information can also be useful in energy management or PM programs.

**Computerized Maintenance Management System (CMMS)**

HCWD1 proposes to use a state-of-the-art, in-place computer software system to maximize the O&M of the water utility and lift stations located at Fort Knox. The CMMS utilizes Jobs Plus® and will be referred to as Jobs Plus® or the CMMS for this proposal.

Our goals for installation and implementation of our Jobs Plus® work order program for Fort Knox include:

- Install a full-featured CMMS that is easy to use.
- Maintain the integrity of the existing equipment data for future use.

Jobs Plus® is a full-featured CMMS that uses a viewing screen similar to those of Windows-type programs. This type of interface is easy to use and familiar to today’s computer users. This simplifies use of the system for employees who may be unfamiliar with computers in general through use of intuitive icons and interactive “point-and-click” buttons.

As part of this implementation, we will gather any additional information not contained in the MEL that
will be necessary to achieve maximum system benefit. As needed, HCWD1 will develop a coding system that assigns costs and historical data into groupings required for financial and administrative purposes. HCWD1 will import such data as is available from Fort Knox’s maintenance database to HCWD1’s CMMS to ensure valuable historical maintenance information is available for review. CMMS will have the capability, at a minimum, of:

- Maintaining repair records for each piece of equipment
- Scheduling and monitoring PM activities
- Issuing work orders and purchase orders
- Maintaining spare parts inventories
- Automatically issuing exception reports, equipment status reports, and an equipment repair priority report

The Jobs Plus® software is organized around several modules (depicted in Exhibit I.2-5):

- Work orders
- Maintenance tasks
- Scheduling
- Work order analysis
- Reporting
- Equipment

The Jobs Plus® program has several additional features that will benefit Fort Knox. The HCWD1 staff will be able to easily generate custom reports when requested based on predetermined and customized analysis tools. This will permit generation of summary reports rather than the basic raw data-only type of reports typically provided for monthly reporting. The CMMS will provide concise, easy-to-read equipment reports that detail specific information based on manufacturer, type, location, or operating system and subsystem. This information can include lifecycle costs, maintenance frequencies and histories, and status reports on all maintenance functions. Reports can focus on issues, such as job completion reports, work order status, and manpower utilization.

The maintenance staff will be responsible for obtaining the following data for entry into the CMMS:

- All nameplate data and other pertinent information, such as bearing sizes, total dynamic head (TDH), and flow available for each piece of equipment
- Equipment identification number, equipment description (name), and location

The database will be populated during the transition phase of the project and will continue until all elements of the MEL are incorporated once the users are trained on the program. As maintenance procedures are dynamic in nature (e.g., motors/pumps are repaired and replaced), the database will be continuously updated accordingly.

Service Quality

For this contract, HCWD1 will draft an initial set of benchmarks developed specifically for this project in the form of performance metrics. HCWD1 will establish goals for continuous improvement of the systems. The goal of this process will be to measure our success at delivering continuous service to Fort Knox in the most efficient manner and with the highest degree of customer satisfaction. We track all usable data for the project in the CMMS to measure performance. The CMMS allows for continual archiving and tracking of maintenance data so that reports that contain key
indicators of facility maintenance performance can be generated. Administrative data, such as customer calls and complaints, are recorded, and this data is tracked over time as an indicator of performance.

There will be no compromising of quality in order to cut costs.

**Communications**

Communication is critical to the success of emergency management and day-to-day deployment and coordination of the workforce. The size of Fort Knox makes good communication essential to operations. HCWD1 will equip each work crew in the field, supervisors, and other key personnel with cellular telephones. HCWD1 will have immediate access to each of the work crews in the field and all of the supervisors. Auto dialers will be deployed as a key part of the communications plan. Should any alarm conditions develop, for example, if a pump station goes into alarm, the SCADA system will page and/or phone the supervisor or employee responsible for that station. This is especially beneficial for unmanned facilities and during off-duty hours.

**Engineering and Renewal and Replacement Program**

HCWD1 believes that as Fort Knox’s utility partner we can leverage our resources to facilitate the Fort Knox mission, and improve the quality of life for those who live and work at Fort Knox. We will participate in meetings where utility systems may be required or impacted. Our participation will be available from project inception through delivery. This participation includes assisting in the development of DD1391s, statements of work (SOW), MILCON projects and other planning activities.

HCWD1 recognizes Fort Knox is anticipating significant growth and expansion during the contract term. We look forward to the opportunity to support our Fort Knox partner by providing solutions to meet these demands. We will be ready throughout the contract term to support our Fort Knox partner by providing in a timely manner, complete designs for such facilities, including site maps, sketches, and/or drawings. This includes prompt response to requests from the Government for new/upgraded facilities and/or demolition of existing facilities. HCWD1 will

work with our Fort Knox partner, A/E, and construction contractors, in the design and construction of such facilities.

HCWD will assist our Fort Knox partner in strategic planning activities. Additionally, we will provide proposals for utility specific initiatives, necessary to support the long range plan. This includes the identification of future project requirements, and system deficiencies. In each case we will identify the specific utility requirement for each project, prepare designs and submit project cost proposals. This includes the provision of supporting information to support our Fort Knox partner in developing budget estimates for unfunded projects.

HCWD1 is wholly committed to providing our Fort Knox partner with dedicated utility professionals, to facilitate the development of solutions that will enable Fort Knox to meet future challenges.

**Safety/Security**

The safety/security of potable water supplies has come under heightened scrutiny since the events of September 11, 2001. The Department of Defense (DoD) and Fort Knox have heightened their safety/security measures since then. The Safety/Security Officer, Mr. David Simmons, will be responsible for the overall safety and security program, as well as for the emergency/disaster operations assistance. During transition, HCWD1 will conduct a preliminary assessment of the physical safety/security and vulnerability/effectiveness of the water distribution and water treatment systems. During the transition period, HCWD1 will seek to review the Vulnerability Assessment to ensure all identified security measures have been completed.

**Evaluate Current Physical Protection Effectiveness.** The current effectiveness of the physical protection system for each critical asset will be evaluated based on an expected or likely threat scenario and DoD criteria. For a physical protection system to be useful in protecting a critical asset, the following must occur:

- Detection. The facility/station must have proper detection of a hostile act. HCWD1 will review the
current security equipment to determine if it is appropriate.
- Delay. Any element of the current security system that causes the threat to take more time to reach its objective is considered a delay. When used properly, delay elements, such as locks, can provide sufficient protection of critical assets. HCWD1 will review existing delay elements.
- Response. Fort Knox Military Police and HCWD1 will provide a coordinated response to security threats.

All three of these elements are needed to determine the Probability of Effectiveness (PE) of the existing physical protection system. Some of the questions that will be asked to evaluate the probability of effectiveness are:
- How many persons require access to the facility/station by shifts?
- Who is responsible for key control? Are there written procedures?
- Who holds the master keys and is there a list of them?
- Are keys signed for?
- Are any keys lost at this time?
- Are there alarms on any components of the water system?
- Where do the alarms terminate (who answers alarm)?
- Is there perimeter lighting? What type?
- Are all perimeter lights on at night?
- Are lights turned on automatically or manually?
- Who is responsible for lighting maintenance?
- Is there an auxiliary power system for lights?

I.2.1.4 O&M Policies and Procedures

HCWD1 will operate the facilities to accepted standards published by the AWWA, the Water Environment Federation (WEF), and the State of Kentucky Division of Water. The standards include:
- Kentucky Administrative Regulations Title 401 KAR Chapter 8
- CIPRA Handbook
- Factory Mutual Global – FM Approvals
- ASCE
- National Pollutant Discharge Elimination System (NPDES) Permits
- AWWA C700-95
- AWWA C500-93
- National Fire Protection Association and Standards, NFPA-1
- Kentucky Occupational Health and Safety, General Industry Standards
- CIPRA Handbook
- 10 States Standards – Recommended Standards for Waterworks 2007 Edition
- AWWA C700-95
- AWWA C500-93
- National Fire Protection Association and Standards, NFPA-1

HCWD1 has developed an operations program for its water systems, which includes SOPs. This O&M Plan will be encapsulated in an O&M Manual for Fort Knox’s water system—a user-focused, living document that will be updated and revised by the staff.

O&M Manuals

Our O&M Manuals will be developed by the operations staff. Our team of systems experts and engineers review the technical content, but the manuals are written from an experienced operator’s perspective and provide immediate access to the information an operator needs to know, in a logical, practical format.

Typically, the O&M Manual is developed at two levels—the individual component level and the system-wide level. The component-level data, which is provided by manufacturers and equipment vendors, will be assembled and organized in a consistent, indexed format for easy reference. Upon reviewing this information on equipment and systems and developing a basic understanding of their operation—as well as studying the Fort Knox facility design—our operations specialists will extract pertinent data developed by the various disciplines (e.g., operating limits, warnings, notes) and integrate it into an overall O&M Manual.

The purpose of the O&M Manual is to consolidate data on the background, principles, and purpose of
each piece of equipment in the system. The Manual will provide the staff with a clear understanding of the system goals and objectives, and will serve as a single reference source for locating all the information and approaches necessary to successfully operate the system. The O&M Manual will be a valuable resource for the staff, especially when faced with operating processes that are not frequently employed, or to refresh their understanding of system operating limitations. For new staff members, the Manual also will serve as a secondary training tool, because it contains all the information necessary to understand the systems.

Standard Operating Procedures
The facility’s O&M Manual includes SOPs that will be updated at least annually and whenever the equipment is modified or changed. We will store SOPs in an online format in the CMMS to provide ready access for reference and field use and updating.

SOPs are the backbone of any water system operational strategy. Equipment SOPs detail the operation of a single piece of equipment, such as a booster station pump. The SOP is a basic guideline to be followed to ensure proper operation.

SOPs include instructive guidelines for startup, shutdown, and emergency operations. Each SOP includes safety notes, warnings, and cautions. For clarity and to facilitate comprehension, SOPs also include tables, diagrams, and drawings as appropriate. HCWD1 will refine and expand current SOPs as needed for all aspects of Fort Knox’s distribution system.

SOPs provide operators with a quick reference to verify proper procedures. Typically, they are placed in key areas to be easily accessible. With these guides, operators have a quick reference source always available to them.

SOPs are useful in training new associates to operate specific pieces of equipment or perform testing procedures and in reminding associates of the specific procedures to follow before they start a task that they may not have performed recently. However, SOPs do not tell associates why they are performing a certain task or what the outcome will be both short-term and long-term.

Qualifications of Each Staff Position for the Operation of the Utility System
Key members of the project team are HCWD1 employees. Qualifications for key management staff are provided in Exhibit I.2-6. Support staff qualifications and duties are provided in Exhibit I.2-7.

Approach to Ensuring Personnel Are Current in Training and Certifications
HCWD1 management selects and assigns personnel performing work affecting quality who are competent based on applicable education, training, skills, and experience. The following are the responsibilities of HCWD1 management to ensure that personnel remain current in their training and certifications:

- Determine the necessary competence for personnel performing activities affecting quality.
- Provide training or take other actions to satisfy these needs.
- Evaluate the effectiveness of the actions taken.
- Ensure that HCWD1 employees are aware of the relevance and importance of their activities and how they contribute to the achievement of the quality objectives.
- Maintain appropriate records of education, training, skills, and experience.

Training and Certification Required for Each Staff Position
Exhibit I.2-8 provides the training and certifications required for the proposed staff positions.
### Position Qualifications for Key Management Staff Positions

<table>
<thead>
<tr>
<th>Management Staff Credentials</th>
<th>Position Qualifications</th>
</tr>
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<tbody>
<tr>
<td><strong>General Manager – Jim Bruce</strong>&lt;br&gt;Mr. Bruce’s experience includes 26 years in water and sewer utility management. For the last 14 years, he has been the General Manager of HCWD1 in Radcliff, Kentucky. HCWD1 currently owns four utility systems, which include a water system serving 35,000 people with 4 wholesale customers; 122 square miles of service area with a water treatment facility; and two sanitary sewer systems with two wastewater treatment plants (4 and 6 million gallons per day [mgd]), containing over 200 miles of sewer mains and 30 lift stations serving over 45,000 persons and the wastewater utility of Fort Knox.</td>
<td><strong>General Manager Position Qualifications</strong>&lt;br&gt;- BA/BS degree in Civil Engineering, Environmental Engineering, or Business Administration&lt;br&gt;- 7-10 years work-related experience in engineering management&lt;br&gt;- Considerable knowledge of principles and practices of civil, mechanical, and electrical engineering, public administration, municipal accounting, and budget procedures&lt;br&gt;- Familiarity with water and wastewater plant operations, water and sewer line construction, and maintenance procedures&lt;br&gt;- Proficient in management, supervision, and communication&lt;br&gt;- Mastery of interpreting local, state, and federal codes, acts and policies, and grant availability concerning water and wastewater&lt;br&gt;- Good communication skills (oral and written)</td>
</tr>
<tr>
<td><strong>Project Manager – Preston Pendley</strong>&lt;br&gt;Mr. Pendley’s experience includes over 6 years of private engineering consulting for water and wastewater utility clients. He earned an MS in Civil Engineering from Michigan Tech University in 2005, and is a licensed Professional Engineer in the Commonwealth of Kentucky. He recently was hired as Engineering Manager for HCWD1 in Radcliff, KY. HCWD1 currently owns four utility systems, which include a water system serving 35,000 persons with 4 wholesale customers; 122 square miles of service area with a water treatment facility; and two sanitary sewer systems with two wastewater treatment plants (4 and 6 mgd), containing over 200 miles of sewer mains and 30 lift stations serving over 45,000 persons and the wastewater utility of Fort Knox.</td>
<td><strong>Project Manager Position Qualifications</strong>&lt;br&gt;- BS/BA in Civil Engineering or Industrial Construction Management&lt;br&gt;- 5+ years experience in charge of engineering or construction projects for water and sewer utilities or departments&lt;br&gt;- Experience in construction project inspection, oversight, and administration&lt;br&gt;- Experience in evaluation of existing systems and developing budgets and improvement plans&lt;br&gt;- Familiarity with water and wastewater plant operations, water and sewer line construction, and maintenance procedures&lt;br&gt;- Proficient in management, supervision, and communication&lt;br&gt;- Mastery of interpreting local, state, and federal codes, acts and policies, and grant availability concerning water and wastewater&lt;br&gt;- Good communication skills (oral and written)&lt;br&gt;- Able to perform the duties described in Section I.3</td>
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</table>
### Position Qualifications for Key Management Staff Positions

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<tr>
<th>Management Staff Credentials</th>
<th>Operations (Alternate) Manager Position Qualifications</th>
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<tbody>
<tr>
<td><strong>Operations – Brett Pyles</strong></td>
<td>7 – 10 years in work-related experience in water treatment and distribution operations</td>
</tr>
<tr>
<td>Mr. Pyles’ experience includes 22 years in water and sewer utility management. For the last 3 years, he has been the Operations Manager of HCWD1 in Radcliff, Kentucky. HCWD1 currently owns four utility systems, which include a water system serving 35,000 persons with 4 wholesale customers; 122 square miles of service area with a water treatment facility; and two sanitary sewer systems with two wastewater treatment plants (4 and 6 mgd), containing over 200 miles of sewer mains and 30 lift stations serving over 45,000 persons and the wastewater utility on Fort Knox.</td>
<td>Familiarity with water and wastewater plant operations, water and sewer line construction, and maintenance procedures</td>
</tr>
<tr>
<td><strong>Engineering Manager – Robert Neath</strong></td>
<td>Proficient in management, supervision, and communication</td>
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<tr>
<td>Mr. Neath is a graduate of South Dakota State University with a MS in Environmental Engineering. He is a licensed Professional Engineer with over 17 years of experience. He is currently a Senior Project Manager with CH2M HILL and is currently supervising the engineering staff for the Army Post at Fort Campbell, Kentucky. In this role, he supervises the staff performing the studies and design projects, and serves as the client contact for engineering related topics.</td>
<td>Mastery of interpreting local, state, and federal codes, acts and policies, and grant availability concerning water and wastewater</td>
</tr>
<tr>
<td><strong>Water Treatment Project Manager – Jim Smith</strong></td>
<td>Good communication skills (oral and written)</td>
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<tr>
<td>Mr. Smith holds a masters degree in Environmental Engineering from the University of Louisville and a Bachelors degree in Biological Sciences from Indiana University. Mr. Smith’s experience includes over 25 years in water utility operations and management at the LWC. He currently serves as the Director of Infrastructure Planning and Business Development and previously held roles at LWC of Manager of Plant Operations, Manager of Water Quality and Research, Manager of Plant Engineering and Research Engineer. Mr. Smith has been active with AWWA at the national level serving on the Research Advisory Council, Coagulation and Filtration Committee, Disinfection Committee, Technical Publication Committee, and AWWARF Project Advisory Committees.</td>
<td>BA/BS in related occupational field of study</td>
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<tr>
<td><strong>Water Treatment Project Manager Position Qualifications</strong></td>
<td>1 - 3 years in similar position or sufficient experience to perform principal duties and responsibilities</td>
</tr>
<tr>
<td>BS in Engineering and 10 years of experience in water supply and treatment, including 7 years of management experience at a public utility or equivalent business</td>
<td>Considerable knowledge of principles and theories of civil engineering, water and sanitary sewer materials and construction, surveying and design principles and practices, construction estimating, and backflow prevention and installation</td>
</tr>
<tr>
<td>Knowledge and experience in water treatment and water supply operations, including fundamental knowledge of water quality regulations and monitoring requirements</td>
<td>Proficiency in administering construction contracts; mastery of operating personal computers and using drafting and surveying instruments</td>
</tr>
<tr>
<td>Knowledge and experience in asset management and infrastructure renewal</td>
<td>Good communication skills (oral and written)</td>
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<tr>
<td>Knowledge of hydraulic principles and analysis</td>
<td><strong>Engineering Manager Position Qualifications</strong></td>
</tr>
<tr>
<td>Demonstrated ability in systems planning, capital budgeting, and in performing engineering feasibility studies</td>
<td><strong>Water Treatment Project Manager Position Qualifications</strong></td>
</tr>
<tr>
<td>Demonstrated ability in business management, including operational planning and budget preparation</td>
<td>BS in Engineering and 10 years of experience in water supply and treatment, including 7 years of management experience at a public utility or equivalent business</td>
</tr>
<tr>
<td>Knowledge of GIS systems, automated mapping, and facility management systems</td>
<td>Knowledge and experience in water treatment and water supply operations, including fundamental knowledge of water quality regulations and monitoring requirements</td>
</tr>
<tr>
<td>Knowledge and experience in asset management and infrastructure renewal</td>
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<td>Demonstrated ability in systems planning, capital budgeting, and in performing engineering feasibility studies</td>
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<td>Knowledge of GIS systems, automated mapping, and facility management systems</td>
<td>Good communication skills (oral and written)</td>
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## EXHIBIT I.2-6
### Position Qualifications for Key Management Staff Positions

<table>
<thead>
<tr>
<th>Management Staff Credentials</th>
<th>Position Qualifications</th>
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</table>
| **Plant Maintenance Manager – John Azzara**  
Mr. Azzara received an MS in Mechanical Engineering from the University of Louisville. Prior to joining LWC, he worked in private industry for 11 years in various engineering capacities. He has been with LWC for 6 years, serving as the Process Owner of Filter Plant Maintenance. Mr. Azzara manages a workforce of approximately 17 employees, responsible for providing maintenance for two filter plants, approximately 48 booster pumping stations, and 39 tank sites throughout the City of Louisville and surrounding areas. | **Plant Maintenance Manager Position Qualifications**  
- BS in Engineering (mechanical, electrical, chemical) or related discipline, and 5 years of experience in industrial maintenance, chemical plant maintenance or water treatment plant maintenance  
- Three years of management experience  
- Experience supervising employees covered by a collective bargaining agreement  
- Knowledge and experience with water treatment and pumping operations, and an understanding of the O&M of rotating equipment, power distribution equipment, electrical control and instrumentation system, and chemical processing equipment (including demonstrated knowledge, skills and experience in developing and maintaining predictive and preventative maintenance programs for the listed equipment) |
| **Plant Operations Manager – Kent Horrell**  
Mr. Horrell graduated from the University of Louisville and holds an MS in Electrical Engineering, as well as his class IV Water Treatment License. He has been with LWC for over 25 years, initially as a Maintenance Supervisor for water treatment facilities. Mr. Horrell also managed capital improvement projects for the water treatment and pumping operations of the company, before becoming the Manager of Water Treatment and Pumping Operations in 1997. | **Plant Operations Manager Position Qualifications**  
- BA/BS degree in a technical discipline  
- 5 years in a similar position or sufficient experience to perform principal duties and responsibilities of the position  
- Class IV-A Kentucky Water Treatment License, or ability to obtain within 6 months  
- Possess valid drivers license  
- Considerable knowledge of principles and practices of civil, mechanical, and electrical engineering, public administration, municipal accounting, and budget procedures  
- Familiarity with water plant operations, water line construction, and maintenance procedures  
- Proficient in management, supervision, and communication  
- Mastery of interpreting local, state, and federal codes, acts and policies concerning water  
- Good communication skills (oral and written) |
### EXHIBIT I.2-6
**Position Qualifications for Key Management Staff Positions**

<table>
<thead>
<tr>
<th>Management Staff Credentials</th>
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<tbody>
<tr>
<td><strong>Water Distribution Supervisor – Richard Stranahan</strong>&lt;br&gt;Mr. Stranahan’s experience includes 23 years in water, gas, and sewer utility industry. Mr. Stranahan currently holds a Class IV Distribution Certification with the State of Kentucky. For the last 3 years, he has been the Distribution Supervisor of HCWD1 in Radcliff, Kentucky. HCWD1 currently owns four utility systems, which include a water system serving 35,000 persons with 4 wholesale customers; 122 square miles of service area with a water treatment facility; and two sanitary sewer systems with two wastewater treatment plants (4 and 6 mgd), with over 200 miles of sewer mains and 30 lift stations serving over 45,000 persons and a stormwater utility on Fort Knox.</td>
<td><strong>Water Distribution Supervisor Position Qualifications</strong>&lt;br&gt;• Associate Degree or BS highly desirable&lt;br&gt;• 5 years in a similar position or sufficient experience to perform principal duties and responsibilities of the position, 3 years in supervision&lt;br&gt;• Class IV-D Kentucky Water Treatment License, or ability to obtain within 4 years of employment&lt;br&gt;• Possess valid commercial drivers license&lt;br&gt;• Considerable knowledge of principles and practices of civil, mechanical, and electrical engineering, public administration, municipal accounting, and budget procedures&lt;br&gt;• Familiarity with water distribution system operations, water line construction, and maintenance procedures&lt;br&gt;• Proficient in management, supervision, and communication&lt;br&gt;• Mastery of interpreting local, state, and federal codes, acts, and policies concerning water distribution systems&lt;br&gt;• Good communication skills (oral and written)</td>
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| **Safety/Security office – David Simmons**<br>Mr. Simmons received an MS in Geology from Southern Illinois University in 1988. Since that time, he has worked for Indiana’s Division of Water, Department of Natural Resources, as well as consultants and private industry. In 2002, Mr. Simmons became the Production Safety and Quality Assurance Officer for LWC. In 2007, he assumed the duties of Process Owner of Engineering and Operations Safety. In this capacity, he is responsible for developing and implementing a Health, Safety & Environmental Program designed to ensure employee safety, protect property and the environment, and achieve compliance with OSHA, EPA, and Department of Transportation (DOT) regulations. | **Safety/Security Officer Position Qualifications**<br>• BA/BS degree in a work-related occupational field of study or equivalent combination of education and experience<br>• 3-5 years in a similar position or sufficient experience to perform principal duties and responsibilities of the position<br>• Possess valid drivers license<br>• Knowledge of systems operations in a variety of areas in order to recognize hazards<br>• General knowledge of systems operations in a variety of areas in order to recognize hazards<br>• Knowledge of relevant federal, state, and local laws, ordinances, and policies applicable to department operations<br>• Knowledge of effective training techniques<br>• Good communication skills, both oral and written<br>• Skill in observation, detection, investigation, and prevention of occupational health/safety hazards<br>• Ability to work independently |
**Exhibit I.2-7**

*Qualifications of the Support Staff*

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Qualifications and Duties</th>
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<tbody>
<tr>
<td><strong>Water Treatment Plant Operator</strong></td>
<td>Must comply with all medical requirements, pass self-contained breathing apparatus (SCBA) respirator exam and capable of wearing a Level A Suit. Must have the ability to read. Must have the ability to write legibly. Must have a high school education or GED. Must have proven driving experience and a valid Kentucky Driver’s License. Attendance and safety record must be very good, as this job requires an individual who is capable of accepting responsibility. Must have a thorough knowledge of plant operations, equipment, rules, and regulations. Must pass necessary departmental test for this position. Must meet all Kentucky Division of Water requirements for Operators Certification. Must possess a Class IV-A Water Treatment Plant Operator’s License from the State of Kentucky. Duties: Plant Operator will be responsible for the operation of the plant. His/her duties will include, but are not limited to, being responsible for water; directing and handling operations; in case of an emergency, responding and notifying supervision; making rounds; flushing sludge lines; taking readings, including, when necessary, changes in chemical dosages; keeping a daily log of incoming and outgoing chemical shipments; and changing chlorine tank cars or ton cylinders. All other duties as required.</td>
</tr>
<tr>
<td><strong>Distribution Operator</strong></td>
<td>Must have knowledge of the materials, equipment, and practices used in pipeline construction and maintenance; previous experience with the layout of water lines, including the location of valves and appurtenances; ability to operate power equipment and tools used in pipeline work; ability to read meters and accurately record readings; and ability to work in an independent manner with little supervision. High school diploma or equivalent required. Must work toward obtaining a valid Commercial Driver's License. Must be able to obtain certification for Distribution Operator license Class IV-D or higher within 4 years of employment. Must have 1 year experience in outdoor construction work. This individual must be authorized to drive a HCWD1 vehicle and must operate some small construction equipment. Duties: Maintaining tools and equipment; installing fire hydrants and valves; removing and installing meters; performing water analysis tests; and providing general maintenance of HCWD1 property. Must be available for standby duty. This individual must be available when the situation arises that requires overtime. Must also live within a 20-minute drive time from the main gate at Fort Knox. This job description does not necessarily include all duties assigned.</td>
</tr>
<tr>
<td><strong>Equipment Operator</strong></td>
<td>Must have knowledge of the principles of operation of heavy equipment, Division of Water distribution regulations, and occupational hazards and proper safety precautions. Must be able to understand and follow oral instruction. Skill in the operation of assigned construction equipment required. High school diploma or equivalent required. Must have a valid Kentucky Commercial Driver’ s License or attain within reasonable time. Must be a certified Kentucky Division of Water Distribution Operator license Class I-V D or attain within reasonable time. Minimum 3 years experience in the operation maintenance of heavy equipment related to the construction end of the utility industry. Must be able to operate backhoe, trackhoe, dump truck, motor vehicle, dozer, air compressor, boring machine, tapping machine, trencher, tractors, mowers, gas-powered equipment, safety equipment, small hand tools, two-way radio, and valve and line location equipment, and other related equipment.</td>
</tr>
</tbody>
</table>
## Exhibit I.2-7
### Qualifications of the Support Staff

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Qualifications and Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administrative Assistant</strong></td>
<td>Performs a variety of administrative functions to support the supervisors of HCWD1. Duties include: operating and maintaining digital phone system; purchasing and maintaining inventory of office supplies; performing daily computer operations, such as data backup; maintaining database and records; composing correspondence and editing other authors for grammar and intent; using word processing and desktop publishing software to prepare documents and publications; maintaining, servicing, and operating copier, facsimile machine, and digital phone PBX system; maintaining records systems, including hard copy, hard disk, and LAN files on server; and maintaining confidential personnel, medical, and payroll files. This job description does not necessarily include all duties assigned. Must have excellent organization skills; previous experience and training using Word Perfect, Microsoft Word, or other Windows-based word processing programs; strong written communication skills; knowledge of office terminology and procedures; ability to maintain records systems. This position may require working overtime or late hours, as needed. Some travel required. High school diploma or equivalent, plus at least 2 years college level course work in Business Administration, Accounting, or Computer Information Systems (or equivalent). Three years increasing experience in professional office supporting management and other departments. Must have excellent organization skills; previous experience and training using Word Perfect, Microsoft Word, or other Windows-based word processing programs; strong written communication skills; knowledge of office terminology and procedures; ability to maintain records systems. This position may require working overtime or late hours, as needed. Some travel required. High school diploma or equivalent, plus at least 2 years college level course work in Business Administration, Accounting, or Computer Information Systems (or equivalent). Three years increasing experience in professional office supporting management and other departments.须有良好的组织能力。</td>
</tr>
<tr>
<td><strong>Water Treatment Maintenance Mechanic</strong></td>
<td>Must have ability to troubleshoot mechanical, electrical, plumbing, and hydraulic problems using appropriate measurement/evaluation tools. Must have working knowledge of breakers, electrical wiring, motors, multiple volt systems, AC/DC, variable frequency drive (VFD), transformers, high voltage switch gear, solenoids, limit switches, and other electrical components, hydraulic controls, pumps, valves, mechanical drive systems, equipment alignments, hydraulic cylinders, chemical feed pumps, pipe systems, general plumbing (drains, gaskets, facets), various valves (gate, rising stem, check etc), plumbing codes, material compatibility, speed control valves, transmitters, tanks, pressure regulators, filter tables and sequences, PRV valves, modulator valves, pneumatic systems and hydraulic control systems, welding, millwright, rigging, and hydraulic lifts. Must have ability to read and interpret electrical schematics and mechanical drawings; understand electrical motor control; solder, thread pipe, glue polyvinyl chloride (PVC), braise pipe, fit pipes and valves, and weld and bolt flanges; understand and follow written and oral instructions and manuals in English; and communicate with coworkers and customers in face-to-face settings to explain repairs made or to discuss repair strategies. Must be aware of job-related OSHA and LWC safety rules (e.g., lock-out tag-out, confined spaces) and be able to understand and follow written and oral instructions and manuals in English. Must comply with all LWC's medical requirements, including respiratory requirements. Must have a high school education or G.E.D (2-year technical school certification with electrical license or HVAC certification preferred). Must have a valid Kentucky Driver's License. Must successfully pass the Maintenance Mechanic written test. Must successfully pass the Maintenance Mechanic evaluation &quot;hands-on&quot; test. Must have a record of very good attendance and safety.</td>
</tr>
</tbody>
</table>

Use of this sheet is subject to the restriction on the title page of this proposal.
### Qualifications of the Support Staff

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Qualifications and Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td>GIS Technician</td>
<td>Maintain, expand, and improve GIS Mapping System using GPS Devices and record drawings; Write specifications for new GIS/GPS software and hardware; Provide training to HCWD1 staff on use of GIS Mapping System; Coordinate integrated data exchange of GIS systems with other government, utility organizations; Perform field locates of existing system assets; Review construction plans and write comments for requirements to meet Construction Standards; Develop cost estimates for Main Extension Reimbursement Agreements and Commercial Water Meter Fees; Develop Leak Detection Program and specific planning for locating large leaks using Tim Transit Flow Meter and other leak detection equipment; Develop valve exercising program; Update and revise Standard Construction Specifications; Update and improve for efficiency Meter Reading Routes; Perform field locates of existing utilities; Write specifications and Request for Proposals for Distribution related construction equipment and technical computer hardware and software; Work with professional engineers on hydraulic modeling and analysis for system expansions and improvements; Assist Manager/Supervisor with planning annual work schedule, flushing schedule and other major tasks; Meet with builders and developers for planning future system expansions; Maintain distribution inventory records and Work Order close outs; Assist with Water Quality Sampling Program; Assist Distribution Crews and employees with routine projects and duties in emergencies (List is not inclusive or complete of all duties required or assigned). Knowledge of the materials, equipment and practices used in constructing water systems. Ability to read and interpret construction drawings and contract specifications; Ability to use GIS and CADD computer systems and learn the use of hydraulic modeling programs. Must have experience with writing letters and correspondence to contractors to communicate clearly the requirements of the contract. Associates Degree in Applied Science in Industrial Construction Management or Civil Engineering highly desirable. Must possess or be able to obtain within 3 years a Class III-D Distribution System Operator License from the KY Division of Water; Must understand the design and construction methods used with potable water systems; Understand hydrology and basic water system engineering design.</td>
</tr>
<tr>
<td>Staff Position</td>
<td>Training and Certification Required</td>
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<tr>
<td>-------------------------------</td>
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</tr>
<tr>
<td>Distribution Supervisor</td>
<td>• High school diploma, GED, trade school, or equivalent level of education</td>
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<td></td>
<td>• 5+ years similar experience</td>
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<td></td>
<td>• Valid state operator’s/driver’s license</td>
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<tr>
<td></td>
<td>• Kentucky IV-D Certification in Water Distribution System Operator or Wastewater Collection System Operator</td>
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<tr>
<td>Water Treatment Supervisor</td>
<td>• BA/BS degree in technical discipline</td>
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<tr>
<td></td>
<td>• Kentucky Class IV-A Water Treatment Plant Operator License</td>
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<tr>
<td></td>
<td>• HAZMAT Technician Certification</td>
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<tr>
<td></td>
<td>• 5+ years similar experience</td>
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<tr>
<td></td>
<td>• Valid state operator’s/driver’s license</td>
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</tr>
<tr>
<td>Water Treatment Plant</td>
<td>• BS degree in Engineering or related discipline</td>
</tr>
<tr>
<td>Maintenance Manager</td>
<td>• Kentucky Class IV-A Water Treatment Plant Operator License</td>
</tr>
<tr>
<td></td>
<td>• HAZMAT Technician Certification</td>
</tr>
<tr>
<td></td>
<td>• 5+ years similar experience</td>
</tr>
<tr>
<td></td>
<td>• 3 years management experience</td>
</tr>
<tr>
<td></td>
<td>• Valid state operator’s/driver’s license</td>
</tr>
</tbody>
</table>
## Staff Training and Certifications Required

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Training and Certification Required</th>
<th>Principal Duties and Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Heavy Equipment Operator</strong></td>
<td>• High school diploma, GED, trade school, or equivalent level of education&lt;br&gt;• 1-2 years similar experience&lt;br&gt;• Valid state operator's/driver's license&lt;br&gt;• Kentucky Class IV Distribution Certification</td>
<td>• Operates and maintains heavy equipment&lt;br&gt;• Repairs and/or replaces defective mechanical equipment and controls&lt;br&gt;• Maintains pumping stations and storm water diversion structures&lt;br&gt;• Maintains equipment records and reports&lt;br&gt;• Loads trucks</td>
</tr>
<tr>
<td><strong>Water Treatment Plant Operator</strong></td>
<td>• Must possess a Class IV-A Water Treatment Plant Operator's license for the state of Kentucky.&lt;br&gt;• Must have thorough knowledge of plant operations, equipment, KYDOW rules and regulations.&lt;br&gt;• Must comply with all medical requirements, pass SCBA respirator exam and be capable of working in a Level A protective suit.&lt;br&gt;• Must have a high school education or a GED and be able to read and write legibly.</td>
<td>• Responsible for conducting water treatment, pumping and storage operations to ensure system and water supplies meet regulatory requirements.&lt;br&gt;• Maintains accurate water production/quality information&lt;br&gt;• Answers telephones, takes service calls&lt;br&gt;• Performs laboratory analysis and maintains water quality records&lt;br&gt;• Measures records of water treatment and amounts of chemicals used.&lt;br&gt;• State and KDOW reporting/recordkeeping.&lt;br&gt;• Makes changes in production rates and chemical feed systems based on water quality and system demand.</td>
</tr>
<tr>
<td><strong>Engineering Manager</strong></td>
<td>• BA/BS in related occupational field of study&lt;br&gt;• 3-5 years similar engineering experience&lt;br&gt;• PE licensing in State of Kentucky&lt;br&gt;• Valid state operator's/driver's license&lt;br&gt;• HAZMAT Technician certification</td>
<td>• Administers the CIP Program&lt;br&gt;• Administers construction standards&lt;br&gt;• Evaluates water and sanitary sewer project needs&lt;br&gt;• Maintains current status reports and files; coordinates projects with other agencies&lt;br&gt;• Prepares bid packages</td>
</tr>
<tr>
<td><strong>GIS Technician</strong></td>
<td>• AS degree in applied science in Industrial Construction Management or Civil Engineering&lt;br&gt;• 3 years of experience&lt;br&gt;• Valid state operator's/driver's license</td>
<td>• Performs data entry and conversion&lt;br&gt;• Coordinates with Engineering Manager for integration of GIS with CMMS&lt;br&gt;• Maintains accurate information</td>
</tr>
</tbody>
</table>
I.2.2 Quality Management Plan

HCWD1 has developed this Quality Management Plan in accordance with Section L.4.2 and paragraph C.12 of the RFP. This Quality Management Plan includes the following sections:

- Operating and Maintaining the Utility Systems That will Satisfy Requirements
- Obtaining Customer Feedback and Process Improvements
- System Inspections and Quality Assessment Procedures and Techniques
- Recordkeeping Processes
- Environmental Compliance Plan (Water Treatment System)
- How Performance Standards and/or Specifications Will be Met
- Other Standards and Specifications
- Process for Implementation of Government Requested Facility Expansions
- Compliance with Applicable Environmental, Safety, and OSHA Laws and Regulations
- Safety and OSHA Compliance
- Opportunities for Efficiencies in Utility Operations
- Managing and Accessing Technical Information
- Specialty Skills Training
- Quality Awards and Certifications and Current Operating Standards and Procedures Required by the Kentucky Public Service Commission and the Kentucky Division of Water

I.2.2.1 Operating and Maintaining the Utility Systems That Will Satisfy Requirements

The quality management system proposed is composed of programs and processes that together ensure the elements that are central to customer satisfaction. These include:

- Management Responsibility
- Resource Management
- Product and Service Controls
- Measurement, Analysis, and Improvement

The components of each of these elements are described below.

Management Responsibility

- Establishing vision, mission, and organization. Management demonstrating its commitment to the development and improvement of the quality system.
- Conducting reviews of the system’s performance and providing direction for improvement. Management reviewing the quality management system at planned intervals to ensure its continuing suitability, adequacy, and effectiveness.
- Quality Planning. Ensuring that change is conducted in a controlled manner and that the integrity of the quality management system is maintained during change.
- Document Control. Ensuring that the correct versions of reviewed and approved procedures are available for use by project staff, including SOPs for repetitive activities.
- Control of Records. Ensuring that records required for the quality management system are controlled and are maintained to provide evidence of conformance to requirements and of effective operation of the system.

Resource Management

- Assignment of resources necessary for project accomplishment. Needed to implement and improve the processes of the quality management system and to address customer satisfaction.
- Establish training. Identify competency needs for personnel performing activities affecting quality and provide training to satisfy these needs.
- Providing facilities and an adequate work environment. Identify, provide, and maintain or manage the facilities and the human or physical factors of the work environment needed to achieve conformity of the product.

Product and Service Controls

- Planning to Ensure the Completion of the Project. Identifying and performing the sequence of processes and sub-processes required to achieve the product.
- Identifying Customer Requirements. Determining product requirements specified by the
customer, as well as those not specified but necessary for the intended or specified use and obligations related to product, including regulatory and legal requirements.

- **Control of Engineering Designs.** Includes determining responsibilities and authorities for design and/or development activities and the review, verification, and validation activities appropriate to each design and/or development stage.

- **Purchasing.** Control of purchasing processes to ensure purchased product conforms to requirements. Evaluate and select suppliers based on their ability to supply products in accordance with our requirements. Ensure supply economy by monitoring purchases and prevention of unnecessary transactions.

- **Operations Control.** Control of production and service operations through the availability of information that specifies the characteristics of the product, where needed, the availability of work instructions, use and maintenance of suitable equipment, monitoring activities, and the implementation of defined processes for release, delivery, and applicable Post delivery activities.

- **Laboratory Certification and Quality Audits.** Identifying, where appropriate, the product by suitable means throughout production and service operations.

**Measurement, Analysis, and Improvement**

- **Internal Audits.** Audits are performed to determine if the quality management system is implemented and effective. Audits are planned and scheduled based on importance and risk of processes. Auditors are trained and audits are conducted and reported.

- **Inspection Program.** Inspection of product and services will be conducted in accordance with written procedures. Contract requirements will be used as the basis for establishing inspection criteria. Non-conformances will be documented and defect percentages determined. Corrective action will be taken and effectiveness evaluated.

In Section 2.1, we described in detail the procedures that HCWD1 proposes to implement in the O&M of the utility systems in accordance with all applicable federal, state, and local laws/regulations and the most current version of any specific requirements defined in the utility-specific RFP attachments (Section J). The following provides a narrative description of how HCWD1 plans to operate and maintain the utility systems in a manner that will satisfy the RFP requirements.

All activities of the Fort Knox water utility will be governed by the professional standards of performance listed in the M series references of the AWWA. These references are available at HCWD1 offices and are used routinely by the operations and engineering staff. Water quality standards will be maintained in accordance with EPA- and KDOW-established standards for drinking water. Testing of the treated water will be performed by the on-site utility operator, and required compliance testing will be performed by a KDOW certified testing lab. Particular attention will be given to testing for total coliform, bacterial contamination, and chlorine residuals. Other tests will be performed at varied times, as required by the KDOW schedule. Results of the testing will be available by HCWD1 at the project office. Testing results will be reported to the KDOW. Water quality testing and reporting will be added as a separate component to the existing programs.

Water treatment at Fort Knox will be governed by the professional standards imposed by the AWWA and the EPA, as well as the requirements of the KDOW. Treatment plant operators will be certified by the State of Kentucky for their particular duties. Operators will be required to monitor operations of all aspects of the water treatment and distribution system.

It is our intention that water service will not be interrupted, except when necessary maintenance is required or new services are added to the utility. In those instances where an emergency situation arises that disrupts water operations, the on-site utility operator will identify the problem and restore water service as early as practical.
1.2.2.2 Obtaining Customer Feedback and Process Improvements

An overview of the HCWD1 customer feedback and process improvement is presented in Exhibit 1.2-9. Monthly meetings with the COI/COTR and other identified stakeholders will be held to review customer satisfaction and metric performance. HCWD1 will submit a suggested agenda to the COTR, at least 1 week prior to each meeting. Minutes will be maintained for the meetings and will be reviewed for status at the ensuing meeting. These meetings and the feedback generated are crucial elements in our goal of Continuous Improvement.

Annually, EPA requires the preparation and mailing of a Consumer Confidence Report (CCR) to all customers of a public water system. HCWD1 has prepared the CCR each year since the requirement was established for their current customers. This single report provides a snapshot of the previous year regarding water quality, results of testing during the year, and any other items of interest to the customers. The CCR has also been used as a method to communicate with our customers about important upcoming events that will affect their utility. Included in the CCR are not only results of water quality tests, but also a section regarding information on the parameters used in the testing, a section informing customers who to call in the event of a problem, and
Customer Feedback and Process Improvement is Built into Our Quality Assurance Process

1.2.2.3 System Inspections and Quality Assessment Procedures and Techniques

Inspection schedules and surveillance checklists will be developed for each utility system maintenance and operations element described in the O&M Plan and for each major CIP. An appropriate level of surveillance will be set for the performance requirements based on the number of items to inspect, how critical the Statement of Work is (based on an assessment of the risk associated with failure), and the characteristics of the item to be inspected.

Inspections schedules and checklist criteria will be reviewed and approved by the General Manager prior to implementation.
to implementation. The completion of scheduled inspections will be conducted by an assigned inspector and tracked by the responsible supervisor. Inspections not completed within the timeframe indicated will be reassigned and the reason for not being completed researched and resolved.

Inspectors will be trained and qualified to perform the inspections they are assigned. Qualifications include having the knowledge and experience regarding the equipment or operation they are inspecting, being familiar with the inspection procedure, and having the maturity to perform their tasks in a professional manner. They will review inspection and surveillance schedules and perform assigned inspections accordingly, reporting any discrepancies or nonconformance to the responsible supervisor who will review findings and initiate corrective action as required. O&M inspectors have the authority to stop activities if they feel they violate the health and safety of plant personnel or the efficiency of operations.

Periodic audits and assessments of the utility operations and administrative functions to evaluate the level of effectiveness and implementation of procedures and processes will be established to satisfy requirements. This includes project procedures and plans developed and approved in accordance with contract requirements. Inspectors that serve as auditors will be trained in the audit process and reports of their activities and findings will be provided to the General Manager. Corrective action will be taken on any findings of nonconformance. Inspectors also have the authority to stop any activity that they feel may threaten the health and safety of plant personnel or the efficiency of operations.

Major CIPs’ inspection plans will be reviewed and approved by the General Manager with input from the COTR as to the surveillance level and inspection criteria sought prior to being implemented.

For each definable feature of work established by the General Manager, the following events could be included in the inspection/quality assessment:

1. Confirm that the appropriate technical specifications are incorporated into the project delivery plan and review said specifications with the working foreman.
2. Confirm that the appropriate contract drawings are incorporated into the project plan and review said drawings with the working foreman.
3. Verify with the working foreman that all shop drawings and submittals have been approved by the proper approving authority (including factory test results, when required).
4. Confirm with the working foreman that the testing plan coincides with the delivery plan and that adequate testing is called for to assure quality delivery.
5. Confirm definition of preliminary work required at the work site and examine the work area with the working foreman to confirm required preliminary work has been properly completed.
6. Confirm availability of required materials and equipment. Examine same with the working foreman to confirm compliance with approved submittals. Examine mock-ups and any sample work product to confirm compliance with approved submittals.
7. Review the site safety plan and activity hazard analysis with the working foreman to ensure that safety concerns are adequately addressed and applicable safety requirements have been incorporated into the plan. Confirm that the appropriate Material Safety Data Sheets (MSDSs) have been identified and properly submitted.
8. Discuss with the working foreman construction methods to be employed during the remedial action. Identify checkpoints and areas of evaluation that will allow determination that the appropriate quality of construction is being achieved.

The General Manager will monitor performance of all utility systems under his purview through a review of reports, operating parameters of equipment, work order status and accomplishment of Repair and Replacement projects.

**I.2.2.4 Recordkeeping Processes**

HCWD1, Fort Knox, regulators, and other parties need timely access to specific utility information. We will implement effective tools and processes to
manage information in a variety of formats and media to ensure that accurate, complete, and accessible records are maintained. Exhibit I.2-10 shows the types and formats of information retained. The types of information will evolve and grow from contract award as capital improvement and renewal and replacement projects are designed, constructed, and operated.

**EXHIBIT I.2-10**

**Types and Formats of Information**

<table>
<thead>
<tr>
<th>Type Information</th>
<th>Typical Format of Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility system maps</td>
<td>Electronic</td>
</tr>
<tr>
<td>GIS data</td>
<td>Electronic</td>
</tr>
<tr>
<td>Construction drawings</td>
<td>Electronic</td>
</tr>
<tr>
<td>As-built drawings</td>
<td>Hardcopy</td>
</tr>
<tr>
<td>Construction specifications</td>
<td>Electronic</td>
</tr>
<tr>
<td>Shop drawings</td>
<td>Hardcopy</td>
</tr>
<tr>
<td>Maintenance schedule</td>
<td>Electronic</td>
</tr>
<tr>
<td>Utility system reports and studies</td>
<td>Electronic</td>
</tr>
<tr>
<td>Hydraulic and flow models</td>
<td>Electronic</td>
</tr>
<tr>
<td>Cost records and reports</td>
<td>Electronic</td>
</tr>
<tr>
<td>Invoices</td>
<td>Electronic, Hardcopy</td>
</tr>
<tr>
<td>Purchase orders</td>
<td>Electronic, Hardcopy</td>
</tr>
<tr>
<td>Correspondence with regulators</td>
<td>Hardcopy</td>
</tr>
<tr>
<td>Monthly Operations Reports</td>
<td>Electronic</td>
</tr>
<tr>
<td>Customer surveys and feedback</td>
<td>Electronic</td>
</tr>
<tr>
<td>Contract documents, modifications</td>
<td>Electronic, Hardcopy</td>
</tr>
<tr>
<td>Correspondence</td>
<td>Electronic, Hardcopy</td>
</tr>
<tr>
<td>Inspection/Assessment Reports</td>
<td>Electronic, Hardcopy</td>
</tr>
</tbody>
</table>

As a general rule, data will be archived electronically and kept indefinitely. We will maintain backup tapes, compact disks, DVDs, or other similar media at a secure offsite location. Records will be kept in accordance with state and federal requirements, and a minimum of 2 years on-site, and then archived at an offsite storage area. As system upgrades and expansion activities take place, the system inventory and asset valuation will be updated and kept current with renewal or depreciation of the assets. HCWD1 will maintain this database electronically so that the asset value can be tracked on an annual basis, or more often if required.

It is anticipated that our continued maintenance and service of the utility systems will provide additional information on the location of utilities. This information will be put into the GIS, and the resultant maps will be updated periodically so our maintenance crews will have up-to-date information in the field and ensure that the documented system configuration is as accurate as possible. HCWD1 will provide Installation updates to utility maps within 30 days after completion of significant changes, and updated utility maps annually with the Capital Plan or upon reasonable request of the Government. As indicated in RFP Section C.5.1.5, HCWD1 will maintain record drawings for all existing and new facilities installed by HCWD1 within the service area. Upon reasonable request and with reasonable notice, the Government will be allowed to use and copy such drawings. HCWD1 will provide available drawings to the Government in the form of CAD-CAM disks using the latest release software compatible with Government systems. We will provide all updates and changes to utility system maps in both hard copy (full size) and electronic media formats to insure delineation of all contractor facilities within one year of contract award and annually thereafter as necessary.

**I.2.2.5 Environmental Compliance Plan**

According to the RFP, an Environmental Compliance Plan is required for wastewater treatment systems. The transfer of assets for this proposal does not include a wastewater treatment system. Our approach for the environmental compliance for the water utility system is shown in Section 2.2.9.

**I.2.2.6 How Performance Standards and/or Specifications Will Be Met**

It is our standard procedure to implement verifiable performance measures in providing utility services to our customers. Performance standards and/or specifications for the provision of the proposed utility service are highlighted in Exhibit I.2-11 and include our proposed performance standards based upon RFP Table L-1. Upon award, HCWD1 will develop benchmark standards for those metrics and submit them to the CO/COTR for review and discussion.
### EXHIBIT I.2-11

**Proposed Performance Standards for Water System**

<table>
<thead>
<tr>
<th>MEASURE</th>
<th>PERFORMANCE INDICATOR</th>
<th>PROPOSED STANDARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>System will remain in compliance with the State of Kentucky permit requirements.</td>
<td>Compliance goal, in compliance 100% of the time.</td>
</tr>
<tr>
<td>Reliability</td>
<td>Provide water distribution services to all customers 24/7.</td>
<td>Restore temporary water service within 24 hours (unless there is a delay from the Government or HCWD1 cannot procure necessary materials).</td>
</tr>
<tr>
<td>Recurring and Preventative Maintenance</td>
<td>Percentage of preventive maintenance work orders completed versus scheduled.</td>
<td>Spend more time on PM work to decrease CM work.</td>
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<tr>
<td></td>
<td></td>
<td>&gt;90% completed as scheduled.</td>
</tr>
<tr>
<td>Sampling/ Analysis</td>
<td>QA/QC compliance; Performance evaluation testing utilizing blind samples.</td>
<td>100% pass rate with all sample results within the specified recovery percentile.</td>
</tr>
<tr>
<td>Maintaining System Pressure</td>
<td>Deliver water at the systems normal operating pressure and according to Kentucky Public Service Commission (KPSC).</td>
<td>Continuous pressure monitoring at the water treatment plant. Within KPSC standards.</td>
</tr>
<tr>
<td>Demand and Distribution Capacity</td>
<td>Water hydrant flushing, establish annual valve exercise program, establish PM program for pumps.</td>
<td>Hydrants and valves will be tested at least once every 2 years. Annually perform vibration testing, performance analysis, and lubricate within manufacturer's recommended standards.</td>
</tr>
<tr>
<td>Water Storage Requirements</td>
<td>Storage tank water elevation report.</td>
<td>Storage tank water elevation consistently maintained above fire storage level.</td>
</tr>
<tr>
<td>Fire Flow Capacity/ Duration</td>
<td>Provide at the system’s normal operating pressure and KPSC standards.</td>
<td>Consistent water pressure to meet fire demands.</td>
</tr>
<tr>
<td>Corrosion Control (To Include Cathodic Protection)</td>
<td>Corrosion control system kept in working order (if applicable) Metal loss on coupons placed at strategic locations in system.</td>
<td>Check anode test stations as needed.</td>
</tr>
<tr>
<td>Minimization of Leaks and Losses</td>
<td>Leak and/or burst length of line; number per 10 miles.</td>
<td>10% unaccounted for water with annual reductions as pipe is replaced.</td>
</tr>
<tr>
<td>Minimization of Water Use</td>
<td>Accuracy of meter readings.</td>
<td>&lt;5 % rereads per month.</td>
</tr>
<tr>
<td>Service Connection Standards and Specifications</td>
<td>Service connections installed in accordance with standards.</td>
<td>Compliance with Army, Fort Knox, AWWA, WEF, State of Kentucky standards.</td>
</tr>
<tr>
<td>Exterior Backflow Prevention</td>
<td>Backflow Prevention System kept in working order. Compliance with state regulations</td>
<td>State of Kentucky Cross Connection Control Regulations.</td>
</tr>
<tr>
<td>Water and Sewer Line Separation</td>
<td>Water and Sewer line separation in accordance with State of Kentucky (KDOW) requirements.</td>
<td>Compliance with State of Kentucky requirements 100% of the time.</td>
</tr>
<tr>
<td>New Construction Standards</td>
<td>Standards drafted and adopted.</td>
<td>Compliance with Army, Fort Knox, AWWA, WEF, State of Kentucky standards.</td>
</tr>
<tr>
<td>Commissioning Standards</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Color Identification and Markings</td>
<td>Color coding or marking of plant piping according to Industry standards.</td>
<td>Meet industry standards 100% of time.</td>
</tr>
<tr>
<td>System Inspections</td>
<td>Standards drafted and adopted.</td>
<td>System inspected annually.</td>
</tr>
</tbody>
</table>
**Exhibit I.2-11**  
*Proposed Performance Standards for Water System*

<table>
<thead>
<tr>
<th>MEASURE</th>
<th>PERFORMANCE INDICATOR</th>
<th>PROPOSED STANDARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meter and Equipment Calibration</td>
<td>Meters and equipment operational within KPSC specs.</td>
<td>Calibration of major meters and equipment within manufacturer’s specification. Require annual service and calibration performed by certified technician.</td>
</tr>
<tr>
<td>Service Interruption Frequency</td>
<td>Provide water distribution services to all customers 24/7.</td>
<td>Provide water distribution services to all customers 24/7.</td>
</tr>
<tr>
<td>Operating Permits</td>
<td>Operated under appropriate permits.</td>
<td>Operated under appropriate permits. Zero violations.</td>
</tr>
<tr>
<td>Employee Certifications</td>
<td>Training and certifications.</td>
<td>Meet Qualifications and Certifications required by the State of Kentucky 100% of the time.</td>
</tr>
<tr>
<td>Disaster Recovery</td>
<td>Priority restoration of service.</td>
<td>Meet response requirements. Work continues until service restored.</td>
</tr>
</tbody>
</table>

### I.2.2.7 Other Standards and Specifications

The following standards and specifications (not established in the RFP) are applicable to the utility services that HCWD1 will apply in providing utility services to Fort Knox:

- Kentucky State Plumbing Law, Regulations & Code
- Kentucky Building Code

### I.2.2.8 Process for Implementation of Government-Requested Facility Expansions

HCWD1 will provide water service to any facility as requested by the Army at Fort Knox. The process flow chart that describes how HCWD1 will implement expansions to the utility systems is shown in Exhibit I.2-12.

The primary drivers for facility expansion are upgrades to the system to serve new Army-requested facilities. HCWD1 staff will meet regularly with Fort Knox planning and engineering staff to coordinate and account for new facilities that are planned for construction and any new service connections or disconnections required. When Fort Knox adds a new project to the 5-Year Master Plan for the Post, HCWD1 will categorize each project to determine whether it can be managed by the on-site operations staff or whether the size of the project warrants initiating a full-scale capital upgrade project team. The two size categories include the following:

1. **Single Unit Project.** Requests for new connections will be handled by our engineering and operations staff. HCWD1 staff will review each application and provide approval once a checklist is completed that provides information on where the new service will attach to; when construction will take place so a HCWD1 inspector can be on-site to inspect the work by the contractor; and what proposed materials of construction, backfill, and restoration plans are needed for existing sidewalks, curbs, gutters, and paving sections. The operations staff will be responsible for interacting with the contractor and making the service connection to the existing system. Depending upon if the tenant is Fort Knox or a private contractor, time spent by operations staff on new connections projects will be tracked for compensation.

2. **Multi-unit or “Development” Project.** When Fort Knox undertakes a major development, such as a new barracks complex or a set of office buildings, HCWD1 will engage a capital upgrade project team to facilitate expansion of the utility systems. New construction projects will be accounted for by periodic reviews of the Fort Knox Master Plan for both short- and long-term planning horizons. HCWD1 staff will meet regularly with Army planning and engineering staff at the base to receive the latest information on
the construction schedules for new facilities. HCWD1 will design the new utility facilities and manage the construction with an on-site supervisor. HCWD1 will coordinate with the Master Planning department and the general contractor for the multi-unit project to obtain drawings, develop cost estimates, and share information. This process includes three phases of project development, including defining scope, design, and finalizing cost.

We understand that the Government will provide us with an annual update to the 5-Year Master Plan for the Post. Such improvements will require a separate contract modification. Changes in the use of facilities or new facilities at Fort Knox will drive the need for expanded utility system capacity. In addition to design and construction of new utility facilities, HCWD1 will estimate water demands to size any new service infrastructure based on projected construction data provided by Fort Knox. The Plan then will include these projects to accommodate the future uses due to the expansion, alteration, and upgrade of the facilities at Fort Knox. New demands and new sources will be added to the water hydraulic models, respectively, to determine the effect of multi-unit projects.

HCWD1 will make the provision of utility service to Fort Knox as invisible as possible. We understand that Fort Knox will periodically identify a new requirement, such as a service connection, that we have not priced into our proposal. In these cases, we will use our partnering relationship with Fort Knox to continue meeting its mission requirements—working to define requirements, designing, financing, and constructing such connections through our annual planning process. HCWD1 will seek cost-effective ways to provide system enhancements, while ensuring the availability and reliability of high-quality services.

New service connections and special requirements will be provided and directly billed to the Army or the new user as requested. New connection charges will include actual costs for the installation of any service.

I.2.2.9 Compliance with Applicable Environmental, Safety, and OSHA Laws and Regulations

HCWD1 will oversee the environmental and safety component with qualified and trained personnel to ensure compliant day-to-day operations. The key objectives of our environmental and safety program include compliance, environmental stewardship, and sustainability. HCWD1 will provide policies and procedures to support these environmental objectives.

Environmental Compliance

Upon award of the contract, we will develop a comprehensive regulatory strategy plan that will identify all state and local regulatory and policy issues that may impact the utility privatization, along with the specific approaches to effectively address and manage these issues.

The operator certification for both the water treatment and water distribution systems will be in accordance with the KDOH operator certification program for the state of Kentucky. The system rating will determine the level of certification the operators must possess. It is our policy that all operators working on the water treatment or distribution system will attain and maintain their required certifications as a condition of employment. Periodic continuing education credits are required and those training sessions are reported and approved by the KDOH.

Drinking water standards will be maintained in accordance with EPA and KDOH guidance on drinking water. Routine testing of water quality will be performed by the assigned treatment plant operators, as well as testing by a state-accredited lab. Water quality will be monitored by HCWD1 and that information will be provided to the Government representatives at Fort Knox. An annual water quality report (CCR) will be prepared and distributed to all water consumers at Fort Knox, as required by the EPA.
EXHIBIT I.2-12
New Connection Process Flowchart

- HCWD1 and Fort Knox attend master planning meeting and any meetings for new construction on-post
- Fort Knox identifies location of facility expansion
- Multi-unit Project: Define project scope and estimate cost to construct expansion
- Army approval
- HCWD1 to develop drawings with master planning staff and/or building contractor.
- Operations Review
- Constructability Review
- Utility Capacity Check

- New Connection Process Flowchart
- Single-unit Project: Operations staff to perform
- Estimate level of effort for operations staff to modify and/or provide new service
- Submit Construction Estimate
- Develop cost estimate for design/build.
- Army approval of configuration
Other Environmental Conditions

Our approach to other environmental conditions includes asbestos containing materials (ACM) and lead-based paint (LBP), and accidental spills and releases are described below:

**Asbestos Containing Materials and Lead-Based Paints.** Any ACM or LBP contained in the privatized buildings, structures, equipment, or appurtenances designated for transfer under this contract will be addressed in accordance with personnel health and safety requirements. The ACM and LBP abatement activities and the management of wastes generated during the abatement activities will be conducted in accordance with the applicable regulations.

**Accidental Spills and Releases.** We will take precautions to prevent oil and hazardous material spills or releases due to our activities associated with the O&M of the utilities. We will also conduct any response action and reporting in accordance with the Post Spill Prevention Control and Countermeasures (SPCC) Plan, and applicable regulations. We will comply with all Environmental Planning and Community Right-to-Know Act (EPCRA) and will submit all requested information to Fort Knox’s compliance office.

**1.2.2.10 Safety and OSHA Compliance**

HCWD1 brings a strong commitment to safety. The physical and procedural safety standards and systems currently employed at Fort Knox were not seen during our site visit. During transition, we will conduct a review of current procedures. At this time, we are recommending to adopt Fort Knox’s safety systems. Our safety procedures comply with the most stringent regulations.

The safety strategy recommended in this section consists of several distinct activities:

- Implement a comprehensive safety management program.
- Develop a site-specific Health and Safety Plan, with safety procedures and systems to support HCWD1’s safety program
- Train employees at all levels in regards to OSHA requirements (29 CFR 1910 General Industry and 29 CFR 1926 Construction).
- Promote individual responsibility for Health and Safety standards in every task.

**Safety Management**

HCWD1 is committed to sound safety management principles that promote a zero accident philosophy inherent in all phases of work. The objective of safety management is to integrate health, safety, and environmental protection into all work practices at all levels of the job task. The approach to a sound safety management program must include integrating safety into all aspects of the work. HCWD1 will accomplish this objective by:

1. Ensuring that employees take complete ownership of the Health and Safety Program
2. Involving employees in the work planning process, development of the Health and Safety Program, and development and updating of procedures.

The Health and Safety Program will be tailored to site-specific activities and is essential to the success of this project. The program is used as a resource to help us accomplish our mission while integrating it into all levels of management and work practices to ensure the protection of workers, the public, and the environment.

Safety leadership starts with the total commitment to safety. With this commitment, HCWD1 will achieve excellence in all health and safety areas. It is imperative that employees take ownership of the Health and Safety Program in order to obtain zero accidents and zero environmental incidents. Each member of our team is accountable for protecting the environment and the health and safety of every worker at the site. The health and safety of workers and the public are protected by identifying, analyzing, and mitigating hazards and implementing effective work practices. We will not compromise safety for the sake of any other objective.
**HCWD1 has the following responsibilities to its employees:**

1. The first responsibility is to involve all employees in the task or job, including planning, hazard identification, pre-job hazard briefing, and all aspects of the task or job performance.

2. The responsibility of management is to ensure that all employees (labor, planners, supervisors, QA, and Health and Safety) are involved in all aspects of the job or task at hand. Management ensures that all work is performed within the controls that have been identified and continually reviews the job for any new hazards. Management will assign only qualified and appropriately trained personnel to perform the job or task.

3. The responsibilities of Health and Safety personnel are to review implementation of the safety program, to provide guidance on the selection and use of safe work practices, and to help identify, analyze, and mitigate hazards. Health and safety personnel will be vigilant in providing oversight of work activities and will provide technical support and professional knowledge to the personnel performing the job.

There are several avenues that HCWD1 will use in order to accomplish improvements in our safety program:

- Initial walk down of work site to understand what issues are present.
- The generation of a site-specific Health and Safety Plan that is tailored to the needs of the Fort Knox work site and the implementation of revisions to the Health and Safety Plan that may be needed to address new or unrecognized work activities.
- The training of employees on the requirements and information included in the Health and Safety Plan, as well as other mandated training.
- Regularly scheduled site/work area inspections that can lead to quick hazard identification and therefore control of these hazards.
- The hazard abatement Job Hazard Analysis/Pre-Job Hazard Briefing (JHA/PJHB) process, which will need the input of all persons involved in the work being planned.
- Gathering and utilizing employee feedback to continually improve our processes.
- Employee empowerment - Employees have stop work authority if safety or gross violations of work requirements occur.

By using the above-mentioned procedures, HCWD1 strives to continuously improve working conditions for employees, lower operating costs for employers, and maintain a workplace that is socially responsible.

**Health and Safety Plan**

We will develop a complete site-specific Health and Safety Plan during transition, before transfer of full O&M responsibility from the Government. The Health and Safety Plan will establish the work practices necessary to ensure the safety of all personnel throughout the contract and will include provisions for accident prevention strategies consistent with Army (applicable sections of USACE Health and Safety Requirements Manual No. 385-1-1), OSHA, and Kentucky OSHA Program requirements. Risk issues will be identified and included in our preliminary safety action plan and will be further developed during operations. This safety action plan will identify deficiencies, assign responsibilities, and mandate timelines for completion. We will maintain our Health and Safety Plan current throughout the contract and submit updates annually as they occur to the CO.

All project operations will be performed in accordance with applicable sections of OSHA Standards, 29 CFR 1910 and 29 CFR 1926, DOD, United States Army Regulations, and all other applicable policies and procedures incorporated into the contract for this work activity. All personnel, subcontractors, and visitors will be required to comply with the requirements of the Health and Safety Plan.

At a minimum, the Health and Safety Plan will include a discussion of:

- Safety Requirements and Systems
- Hazard Assessment and Control
• Personal Protective Equipment
• Personnel Medical Surveillance
• Project Appearance and Housekeeping

Safety Requirements and Systems

The General Manager will select a Project Safety Team Lead from the onsite staff. This individual will have sufficient experience and desire to train and enforce HCWD1’s safety program. This position will be a part-time responsibility encompassing approximately 10 to 20 percent of one position. Typically, a senior O&M person on staff will fill the Project Safety Team Lead role. Duties of the Project Safety Team Lead include leading a safety team composed of representatives from the O&M staff, preparing safety tailgate briefings, conducting monthly safety audits of the water facilities, assisting with job hazard analyses, following up on any unsafe conditions cited, investigating safety-related incidents, and coordinating with the Health and Safety Manager for project oversight and accountability of the project safety program. The Project Safety Team Lead is required to stop any activity conducted by the HCWD1 staff that does not conform to our safety standards. Additionally, the Project Safety Team Lead has the authority to recommend disciplinary actions to the General Manager for staff who do not comply with our safety standards.

The project safety team will consist of the Project Safety Team Lead and at least two or three volunteer members that represent a cross-section of the project team. They will determine trends, review and investigate incidents/accidents, schedule training, review unsafe acts and conditions, and conduct monthly project walkthrough inspections.

The Fort Knox utility systems will be required to comply with all regulatory health and safety laws and any other local administration agency rules. We will develop specific safety requirements in each of the following areas, at a minimum:
• Confined space procedures and training
• Asbestos training
• Machine guarding
• Hazard communications
• Inspections of safety and emergency equipment
• Personal protective equipment
• Walking and working surfaces
• Electrical Safety
• Security monitoring at booster and lift stations
• Housekeeping
• Bloodborne pathogens
• Control of hazardous energy
• Excavation safety
• Welding, burning, and hotwork
• Hazardous material safety
• Fall protection
• Fire protection
• Material handling and storage
• Hand and powered portable tools
• Compressed gases

Prior to start of work, the supervisor will complete a pre-job hazard briefing with all employees who are involved in the work activities. This briefing will be used to discuss the work to be performed, to identify the hazards, and to discuss the controls (e.g., procedures, permits, PPE) involved with the safe performance of work. This briefing will also serve as a forum for which employees can provide additional input on safe work performance by discussing lessons learned from prior experiences.

Because hazards contribute to accidents, injuries, and occupational illnesses, it is important to identify all hazards. Examples of hazards commonly associated with jobs are the following:
• The worker can be struck by, or strike against, or otherwise make harmful contact with an object.
• The worker can be caught in, by, or between objects.
• The worker can slip or fall.
• The worker can strain a muscle or joint by pushing, pulling, lifting, bending, or twisting.
• The worker can be exposed to toxic gases, vapors, fumes, or particulates.

It is the responsibility of every HCWD1 employee to identify and aid in the correction of all work area physical and behavioral hazards. Because each employee brings a unique set of skills and
experiences to the work area, various employees can identify different potential hazards. Only through working together and combining all areas of expertise can we truly eliminate hazardous environments and behaviors. It is beneficial to look beyond the obvious hazards—at the entire environment—to discover every conceivable hazard that might exist. Note the importance of examining health hazards as well, even though the harmful effects may not be immediate (e.g., the harmful effect of inhaling a solvent or chemical dust over a long period of time).

Projects Appearance and Housekeeping
One of the key issues in ensuring a safe and orderly work place is to maintain the facilities in a manner that always promotes safety. A work place that lacks proper housekeeping invites accidents and poor performance to standards. In HCWD1, proper housekeeping is required so that facilities are free of debris and equipment is properly maintained to minimize the potential for on-site accidents. Because even office environments are the sites of frequent safety incidents, our program emphasizes proper housekeeping there, as well.

Personal Protective Equipment
During new employee orientation, our employees will be provided initial PPE along with introductory training on the required PPE and how to use and maintain it in a sanitary and reliable condition. The General Manager and Project Safety Team Lead will ensure that each individual has the proper PPE and is trained in its use. HCWD1 requires that annual refresher training be conducted on the proper wear and care of the PPE. In accordance with OSHA’s published proposed rule (64 [FR] 15402), we provide all required PPE, including footwear.

Typical PPE used by our staff for utility operations includes the following: hard hats, eye protection, face protection, steel-toed shoes and rubber boots, level ‘B’ chlorine protective suits, ear protection, uniforms (long sleeve), rain suits, rubber gloves, electrical gloves, and rubber aprons.

We assume that no safety-related equipment will be provided by the Government. Therefore, we intend to purchase the following equipment, as a minimum, for the Fort Knox facility:

- Excavation/trench safety,
- PPE as mentioned above,
- Fall protection,
- Traffic control equipment (cones, barricades),
- Site-specific training tools (videos, training courses)

At a minimum, HCWD1 will implement the following training programs at Fort Knox:
- Confined space training
- Machine guarding
- Hazard communications
- Inspections of safety and emergency equipment
- Personal protective equipment
- Walking and working surfaces
- Electrical safety
- Housekeeping
- Bloodborne pathogens
- Control of hazardous energy
- Excavation safety
- Hazardous material safety
- Fall protection
- Fire protection
- Material handling and storage
- Hand and powered portable tools
- Compressed gases
- Health and safety plan
- First aid/CPR training
Health and Safety Training

Prior to commencement of site activities, the Health and Safety Manager will ensure that all new employees are informed of the nature and degree of exposure to hazards that are likely to result from performance of work activities. HCWD1 will accomplish this by ensuring that prior to performing any work activities, all personnel entering the site have received the applicable OSHA and project-specific training required.¹

As an integral part of the overall training program for the utility systems, general and site-specific safety training courses will be introduced. Specialized courses such as CPR/first aid, hazardous materials handling, confined space entry, and others will be held to ensure that a safe, accident-free work environment exists. The emphasis will be on results, not training for training’s sake. At least quarterly, drills will be held regarding the use of SCBA, and gas detection equipment. “Mock disasters” will be held periodically to test each employee’s role in responding to specific types of emergencies, such as floods, earthquakes, fires, explosions, or chemical leaks. These drills will be coordinated with Post Emergency Response organization.

Because safety must be a continuous part of every employee’s daily activities, it is integrated into every part of the training program. In addition to the specialized courses and drills already described, safety tips, warnings, and recommendations will be common elements of our SOPs. Special maintenance training will be held as assurance that proper tools and techniques are used at all times to avoid accident and injury.

Responsibility for Health and Safety

Each employee is directly responsible for ensuring their own safety, as well as the safety of other team members. Employees will be dedicated to establishing a safe environment in which work is performed without injury or illness to employees, visitors, or the public by complying with all Army, federal, state, and local safety requirements, legislation, and regulations. However, the formal Health and Safety team begins with the Project Safety Team Lead who provides input into implementing HCWD1’s safety program, including procedures, policies, QA/QC, and planning and measurement systems.

A key aspect of our safety program is the oversight of the project by our Health and Safety Manager. The Health and Safety Manager is responsible for periodic safety assessments of the facility and follow-up reviews to ensure that all issues have been identified and addressed. He has the authority to enforce safety requirements for HCWD1 staff and facilities. During the transition to privatization, a detailed safety review will be conducted, and the necessary safety equipment and facility improvements will be identified and acquired. The Health and Safety Manager will be directly involved in the startup of the project, development of the Health and Safety Plan, and training of the employees.

As part of our standard practice, we will conduct annual safety reviews of the facility. This review will cover training records, site-specific safety plans, work environment, and work practices. A corrective action plan matrix will be finalized for a systematic approach to mitigate safety concerns in order to meet all Army, OSHA, federal, state, and local requirements for the project.

I.2.2.11 Opportunities for Efficiencies in Utility Operations

To ensure efficient operation of the utility systems and compliance with regulatory requirements, HCWD1 will establish process optimization goals for Fort Knox’s utility systems. During preparation of this proposal, HCWD1 identified a substantial cost savings associated with replacing the capacity of the Central WTP with a commodity water supply from LWC.

¹ For purposes of startup at Fort Knox, we will initially assume that incumbent personnel have received this training until we discover otherwise.
1.2.2.12 Managing and Accessing Technical Information

Technical information management will be critical in providing timely access to specific utility information. Proper record-keeping and reporting are vital to enable all parties to make knowledgeable decisions regarding capital replacement or other matters that could impact rates. Our MIS is designed to keep current and past records secure yet accessible. The types of information stored in the MIS will evolve and grow from contract award as capital improvement and renewal and replacement projects are designed, constructed, and operated.

During the transition period, we will review our approach to managing technical information with the Post to ensure it supports the mission and the Post’s technical requirements. HCWD1 has established proven record and data management systems that we will provide for Fort Knox.

HCWD1 will minimize hardcopy information that must be maintained on-site. Existing information that we receive from Fort Knox will be scanned and stored electronically to the maximum extent possible. As a general rule, data will be archived electronically and kept indefinitely. Hardcopy records will be kept in accordance with state and federal requirements, and then archived at an offsite storage area for at least the remainder of the contract period. Record drawings will be maintained for all existing and new facilities. As system upgrades and expansion activities take place, the system inventory and asset valuation will be updated and kept current with renewal or depreciation of the assets. HCWD1 will maintain this database electronically so that the asset value can be tracked on an annual basis, or more often if required.

It is anticipated that our continued work on the utility systems will provide additional information on the location of utilities. This additional information will be put into the GIS, and the resultant maps will be updated periodically so our maintenance crews will have up-to-date information in the field. Maps will be maintained and provided to the Post.

1.2.2.13 Specialty Skills Training

As part of our quality management approach, all employees are expected to attain the highest level of certification possible on the system they operate and maintain that level of certification through continuing educational credits. Periodic training for all operators will be scheduled. In addition to seasonal construction topics, classes in such matters as confined space training, competent man training, first aid/ CPR, PPE, and hazardous communication training will be offered to Fort Knox operators.

In general, the Fort Knox Utilities employees will be certified and/or qualified operators and/or craftsmen under the KDOW operator certification. The operators will be required to not only maintain their certifications and/or qualifications as a condition of employment, but also attain the periodic continuing education credits necessary to retain their certificates or qualifications. The cost of training will be greatly reduced due to the larger pool of operators that may take advantage of the classes.

Because of the types of duties the utility workers perform, they will each be required to obtain and maintain First Aid and CPR certificates. The training will be provided by the Red Cross or other certified agency and retraining will be scheduled to prevent certificates from lapsing.

HCWD1 selects and assigns personnel who are competent based on applicable education, training, skills, and experience. The following are the General Manager’s responsibilities to ensure that personnel remain current in their training and certifications:

- Determine the necessary competence for personnel performing activities affecting quality.
- Provide training or take other actions to satisfy these needs.
- Evaluate the effectiveness of the actions taken.
- Ensure that employees are aware of the relevance and importance of their activities and
how they contribute to the achievement of the quality objectives.

- Maintain appropriate records of education, training, skills, and experience.

HCWD1 will ensure that training and certification are part of the employee’s job description, annual performance review, and personal development goals.

LWC will have full responsibility to operate the Fort Knox water treatment system. All water treatment operators will be licensed through certification by the KDOW. LWC also has a well-trained resource of highly experienced employees that will serve as mentors and technical resources for LWC personnel working at Fort Knox. The availability of a large pool of highly skilled operators provides a synergistic impact to the skills of the on-site operators at Fort Knox.

1.2.2.14 Quality Awards and Certifications and Current Operating Standards and Procedures Required by the State Utility Regulatory Commission

Industry leadership is evidenced by an organization that achieves results. Results are best verified and validated by a group of peers. HCWD1 has been recognized as an industry leader by several state and national peer organizations. The following is a brief summary of these recognitions:

- 2008 Award of Excellence by AWWA Kentucky/Tennessee Chapter
- 2007 Finalist for Wooden Bucket Award, U.S. Department of Agriculture
- 2007 Recognized as having a "Totally Optimized Water Plant" by KDOW
- 2005 Selection as one of the Top 3 "Best Tasting Water" in Kentucky by the Kentucky Rural Water Association
- 2004 Nominee for Public Water System Excellence Award by EPA Region 4
- 2003 Award of Excellence for Safety by the AWWA Kentucky/Tennessee Chapter
- 2002 First Place Award for Internal Relations by AWWA Kentucky/Tennessee Chapter
- 2001 Second Place Award for Marketing and Customer Relations, AWWA Kentucky/Tennessee Chapter
- 2001 Recognition for Excellent Customer Service by the Kentucky Senate
- 2000 First Place Award for Marketing and Customer Relations, AWWA Kentucky/Tennessee Chapter
- 2000 Design Honor Award for Fort Knox Interconnect Pump Station, American Council of Engineering Companies/Kentucky Council of Engineering Companies
I.3 Initial System Deficiency Corrections and Initial and Renewals and Replacements Plan

HCWD1 has developed an Initial System Deficiency Corrections (ISDC) and Renewals and Replacements (R&R) Plan that will result in a water system that (1) meets required standards; (2) protects the system from degradation; and (3) protects the Government from potential cost increases that might result from inadequate maintenance and consequent EPA fines. The approach used for identifying, characterizing, prioritizing, and programming these projects follows the HCWD1 proven methodology, which is based on the team’s extensive knowledge of conditions unique to the Fort Knox area. The proposed system improvements resulting from application of the HCWD1 approach will yield dramatic benefits in system performance within the initial years of the contract and will provide long-term reliability and quality into the future. The ISDC and R&R Plan will enhance the reliability of the Army’s water system and reduce unscheduled O&M needs. HCWD1 is confident that the continuing application of our proven methodology for future R&R will serve the Army well through the duration of this contract, providing a water distribution system that meets the Army’s needs for quality, reliability, and cost-effectiveness.

A preliminary inventory and assessment of the water system condition was one of the components that formed the basis for the ISDC and R&R projects presented herein. Our preliminary inventory and condition assessment was developed based on the limited information provided in the J Attachment in the RFP and from observations during the July 2008 site visit. Although the documentation and site visits provided a solid general understanding of the overall capacity, age, condition, and appearance of some of the facilities, this information and the length of field observations were not sufficient to provide a detailed condition assessment of all system components, identify all deficiencies, or develop options for correcting all deficiencies. Assumptions have been noted with this Technical Proposal (see Attachment 1).

The Fort Knox Water System is comprised of raw water supplies, water treatment facilities, and distribution piping systems. Raw water is supplied from four sources, including Otter Creek, McCracken Spring, the West Point Well Field, and the HCWD1 Well Field. Raw water is treated at either the Central WTP or the Muldraugh WTP. Finished water is conveyed to customers in the main cantonment area and the range area through approximately 162.7 miles of pipe. The water system is technically defined as all components from the supply points to the points of demarcation as defined in RFP Section J1.2.1.2.

The primary sources of raw water supply to the Central WTP come from Otter Creek and McCracken Spring. Small impoundment dams on the creek and the spring feed water to the Otter Creek (low lift) Pump Station, which in turn pumps the raw water to the Central WTP for treatment.

The primary sources of raw water supply to the Muldraugh WTP come from the 13 Government-owned wells located in the West Point Well Field and the 3 leased wells from HCWD1. The wells are located in an alluvium adjacent to the Ohio River. The well depths range from 82 to 134 feet below ground surface and typically produce 1.1 to 1.4 mgd.

The Central WTP is a 3.5 mgd facility located in the “central area” of the main cantonment. Treatment processes include flocculation, sedimentation, filtration, and chlorination. Finished water is stored in either a 2.0 million gallons (MG) or 0.5 MG clear well and is pumped into the distribution system from the Central WTP high lift pump station.

The Muldraugh WTP is a 7.0-mgd facility located on the northwest side of the Post near the town of Muldraugh, Kentucky. Treatment processes include aeration, flocculation, sedimentation, filtration, and chlorination. Finished water is stored in a 1.0 MG clear well, and pumped into the distribution system from the Muldraugh WTP high lift pump station.

The distribution system consists of pipes, valves, hydrants, meters, elevated storage tanks, and a
booster pump station. Including both the main cantonment and range areas, the distribution system consists of approximately 162.7 miles of pipe ranging in size from \( \frac{3}{4} \) inch to 24 inches. Existing pipe materials include cast iron, transite, ductile iron, polyvinyl chloride (PVC), and polyethylene (PE). The system contains a reported 1,935 valves and 875 fire and flush hydrants. There are eight elevated steel storage tanks ranging in volume from 250,000 gallons to 500,000 gallons, with a total storage capacity of 3.55 MG to equalize system pressures and provide adequate flow for peak demands and fire flows. The distribution system also contains the Voorhis Booster Pump station, which is equipped with three pumps (rated 175 gpm each) and one fire protection pump (rated at 2000 gpm).

The ISDC and R&R Plan were developed by tailoring the existing HCWD1 project planning methodology to reflect key criteria for the Fort Knox facilities. The Plan identifies projects that will provide optimum timing for upgrading the water system. These projects will provide the best balance between reliability and length of service life.

The guidelines and requirements listed in RFP Section L.4.3 Subfactor 3: Initial System Deficiency Corrections and Initial Renewals and Replacements Plan, were used to develop the purpose, scope and costs of the ISDC and R&R Plan. The information is presented in the following subsections:

- **ISDC and R&R.** This section summarizes the ISDC and R&R projects that are designed to renovate existing water system facilities and pipelines that have already reached or exceeded their useful lives.

- **Long-Term R&R Methodology.** This section presents the conceptual methodology we used to schedule R&R for the duration of the contract. The proposed methodology provides an efficient level of service over the long term.

The proposed ISDC and R&R Plans will improve the operations and reliability of the water system at Fort Knox to bring these systems into compliance with the existing requirements. These initial projects are required to renew and replace system components that have failed or have reached the end of their useful lives. Our Plan was developed from the following information sources:

- Observations of the water facilities during the site visit in July 2008
- Review of the supporting documentation for the RFP and amendments to the RFP
- Review of responses to questions submitted by us and other contractors

Our intent is to allow for revisions to our Plan by using information developed from the system characterization studies that we will complete during the first years of contract operations. We will examine in detail both the condition and the capacity of the water distribution system by performing condition assessment, leak detection, mapping, and modeling studies. HCWD1 will also review any existing studies to confirm that efforts are not being duplicated. The results of these studies will enable us to develop, confirm, and prioritize a list of upgrades. The most appropriate improvements can then be designed and constructed.

The ISDC and R&R projects were priced based upon the information that was available to HCWD1 at the time of the proposal submittal. The price estimate is considered a Class 5 estimate that was prepared in accordance with the guidelines of the Association for the Advancement of Cost Engineering (AACE) International. The Class 5 estimates are prepared based on some limited information, where the preliminary engineering is from 0 percent to 2 percent complete.

Order of magnitude estimates are prepared for a number of purposes, including, but not limited to, detailed strategic planning, business development, project screening, alternative scheme analysis, confirmation of economic and or technical feasibility, and preliminary budget approval or approval to proceed to the next stage. Some examples of estimating methods we used include equipment or system process factors, scale-up factors, and parametric and modeling techniques. Our estimates were based primarily on historical data, MEANS, Richardson, and data from similar project estimates.
where practical, or on allowances when the actual scope was unknown.

All upgrades/replacements proposed by HCW1 are based on one or more of the following specific and clearly defined drivers:

- Regulatory compliance, including drinking water quality standards and all applicable codes, including health and safety codes
- Performance and service requirements specified in the RFP
- Operational efficiencies resulting in lower costs for Fort Knox
- Repair or replacement of aging or failing components for system dependability and reliability

Potential projects not driven by at least one of the above criteria are not considered beneficial and are therefore not proposed in HCW1’s work plan.

A partial list of the codes and standards typically considered in developing upgrades is provided below:

- OSHA
- ADA
- Federal Codes and Regulations including CFR 141 and 143
- EM 38 3-1.1 USACE Safety and Health Requirements Manual
- Standards for Water Facilities Industry
- AWWA Recommended Practices
- Federal EPA and KDOW Regulations
- U.S. Public Health Service Standards
- Army and Fort Knox Regulations
- NFPA Codes and Standards
- Great Lakes Upper Mississippi River Board of State Public Health & Environmental Managers Recommended Standards for Water Works

The ISDC and R&R Plans provided in this proposal address these codes to the extent that we are aware of the current condition of the facilities. All new facilities identified in the capital improvement plans will be designed and constructed to meet these applicable standards.

The HCW1 Project Manager will provide an oversight and strategic planning role. The Project Manager will:

- Develop the Annual Plan and the Budget and Expenditure Report before submission to the Contracting Officer for approval.
- Oversee ISDC and CIP project design and construction activities.
- Make recommendations and review strategies for R&R.
- Coordinate and provide ISDC project management and oversight, or engage outside engineering services as needed.
- Conduct management and environmental compliance reviews based on performance metrics
- Review overall project performance and customer satisfaction
- Participate in regular meetings with Fort Knox leadership

I.3.1 Initial System Deficiency Correction Plan

The ISDC plan is summarized in Exhibit I.3-1 and discussed in detail in this section. The projects listed represent upgrades/replacements that the Government has recognized and that HCW1 believes need to be completed soon after transfer of ownership, as indicated in the exhibit.

The immediate timing of these projects is required to allow HCW1 to comply with regulatory and service requirements or to maximize operational cost savings. We understand the constraints (both legal and budgetary) within which Fort Knox must operate, so we do not expect that HCW1 will be permitted to construct any projects before transfer of ownership. Therefore, these projects are expected to be implemented after transfer of ownership, unless they are implemented by Fort Knox before that time.
Improvements to Fort Knox’s water systems are described in this section. The improvements range from performance of studies to construction of piping improvements.

**ISDC#1 – System Survey/Assessment and Re-Map the Utility System.** HCWD1 will complete a system survey/assessment and revised map of the potable water distribution system, complete with GIS coordinates. A comprehensive survey of the water distribution system will be conducted. The survey will use GPS to provide X,Y coordinates and approximate ground elevation at visible system features in the system, including hydrants, valves, meters, and water storage tanks. Updated maps and hydrant coordinate database shall be provided to the CO for use by the fire department. Naming conventions used in the database will support linking with other physical attributes and condition attributes prepared for the water system GIS and hydraulic models. All maps and associated data will comply with the latest version of SDSFIE, and the data collected in the computerized model will be made available to the Government upon reasonable request and with reasonable notice. HCWD1 will maintain all maps and data collected for the Fort Knox system separately from HCWD1’s existing GIS maps.

In order to establish what information already exists and what new information needs to be collected, a gap analysis will be performed on the current GIS database. Existing GIS files will be analyzed for content, and known CAD drawings will be converted into GIS and populated with attributes. The water system GIS database will be populated with the new inventory and field survey data. This task will incorporate new location and elevation data from the field survey with other data previously collected for

<table>
<thead>
<tr>
<th>Project</th>
<th>Project Name</th>
<th>Contract Start Month</th>
<th>Contract Completion Month</th>
<th>Project Basis</th>
</tr>
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<tbody>
<tr>
<td>ISDC#1</td>
<td>System Survey/Assessment and Re-Map the Utility System</td>
<td>2</td>
<td>7</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#2</td>
<td>Leak Detection Survey</td>
<td>7</td>
<td>9</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#3</td>
<td>Hydraulic Model</td>
<td>7</td>
<td>9</td>
<td>Government Recognized Deficiency</td>
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<tr>
<td>ISDC#4</td>
<td>Master Flow Meters at the WTPs</td>
<td>3</td>
<td>5</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#5</td>
<td>20-inch Valves</td>
<td>4</td>
<td>5</td>
<td>Government Recognized Deficiency</td>
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<tr>
<td>ISDC#6</td>
<td>New Raw Water from the Muldraugh WTP to the 16-inch Raw Water Line Between Otter Creek PS and Central WTP</td>
<td>2</td>
<td>12</td>
<td>Government Recognized Deficiency</td>
</tr>
<tr>
<td>ISDC#7</td>
<td>Otter Creek PS</td>
<td>6</td>
<td>8</td>
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<td>Muldraugh HLPS</td>
<td>6</td>
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</tr>
<tr>
<td>ISDC#9</td>
<td>Central WTP</td>
<td>6</td>
<td>8</td>
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<tr>
<td>ISDC#10</td>
<td>Central WTP Clear Well</td>
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<td>ISDC#11</td>
<td>Fire Hydrants</td>
<td>37</td>
<td>48</td>
<td>Government Recognized Deficiency</td>
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<tr>
<td>ISDC#13</td>
<td>Water Storage Tank No. 5</td>
<td>8</td>
<td>12</td>
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<tr>
<td>ISDC#14</td>
<td>Automatic Transfer Switches</td>
<td>13</td>
<td>17</td>
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<tr>
<td>ISDC#15</td>
<td>Pipe between Otter Creek PS and Central WTP</td>
<td>13</td>
<td>23</td>
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<td>Water Storage Tank No. 6</td>
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<tr>
<td>ISDC#17</td>
<td>Water Storage Tank No. 8</td>
<td>20</td>
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<td>ISDC#18</td>
<td>Water Storage Tank No. 7</td>
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<tr>
<td>ISDC#19</td>
<td>SCADA System</td>
<td>28</td>
<td>33</td>
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<tr>
<td>ISDC#20</td>
<td>Distribution System Pipe and Valves</td>
<td>25</td>
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<tr>
<td>ISDC#21</td>
<td>Distribution System Pipe and Valves</td>
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<td>Government Recognized Deficiency</td>
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<tr>
<td>ISDC#22</td>
<td>Distribution System Pipes and Valves</td>
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<td>Distribution System Pipe and Valves</td>
<td>37</td>
<td>48</td>
<td>Government Recognized Deficiency</td>
</tr>
</tbody>
</table>
the water system. This task also includes the development of an accurate computerized model of the system. (See Attachment I-4 for Scope of Work)

The project is anticipated to be completed within the first year after the contract start date.

**ISDC#2 – Leak Detection Survey.** HCWD1 will conduct a leak detection survey of the entire potable water system lines within the main cantonment area and the range areas, as well as the raw water lines. (See Attachment I-4 for Scope of Work)

The project is anticipated to be completed within the first year after the contract start date.

**ISDC#3 – Hydraulic Model.** HCWD1 will develop a hydraulic model of the entire potable water utility system. This model will be used during the design and replacement of the existing potable water distribution system.

The water distribution system hydraulic model will be created with the inventory data and used to model the flows in the water distribution system. All electronic input files (inventory, system water demands, fire flows, etc.) will either be used from an existing water system hydraulic model (if one exists), or the files will be built based on water demand, inventory, and fire flow data. The model input files will be updated based upon the new inventory and GPS/GIS data for all main water pipes that are 6-inch diameter and larger.

A non-proprietary software-based water distribution system hydraulic model will be created with the inventory data and used to model the flows in the water distribution system. The system will be modeled for existing flow demands and for a design fire flow condition. Upon completion of the updates and verification of model results, the updated hydraulic model will be used to identify the location and size of improvements necessary to the water distribution system. These improvements will be sized to maintain the needed pressure and flow capacity for average day, maximum day, minimum hour plus tank replenishment, and fire flow conditions.

The model will be used to evaluate the system and identify the size and location of new infrastructure necessary for the water system. The model will be used to simulate the system’s performance. We will then develop a system upgrade program to address the defects of each segment and to evaluate the cost of renewal and replacement of the pipelines. The results will be used to identify projects for the annually updated R&R Plan. (See Attachment I-4 for Scope of Work)

The project is anticipated to be completed within the first year after the contract start date.

**ISDC#4 – Master Flow Meters at the WTPs.** The finished water master meter at the Muldraugh WTP pump house is well beyond the useful design life and will be replaced with a new magnetic flow meter or similar meter. The finished master water meters at the Muldraugh and Central WTPs will also be calibrated to allow for more accurate measurement and totalization. This project includes replacement of 3 magnetic flow meters, each rated at approximately 7,500 gpm. The estimate includes labor, materials and equipment.

The project is anticipated to be completed within the first year after the contract start date.

**ISDC#5 – 20-inch Valves.** The original 20-inch valves on the 20-inch cast iron pipe from the West Point well fields to the Muldraugh WTP are the original valves and are not operable, so they will be replaced with 20-inch full body valves. (See Attachment I-4 for Scope of Work)

The project is anticipated to be completed within the first year after the contract start date.

**ISDC#6 – New Raw Water from the Muldraugh WTP to the 16-inch Raw Water Line between Otter Creek PS and Central WTP.** HCWD1 will design and construct a new 16-inch raw water line (approximately 15,840 LF) from the Muldraugh WTP to the raw line connecting the Otter Creek PS to the Central WTP. This line is critical since the raw water lines from the West Point well field are utilized when the raw water from McCracken Spring and Otter Creek is not suitable to treat at the Central WTP. Fort Knox has indicated that its lease of the three wells and the 14-inch line from HCWD1 will terminate once Fort Knox’s potable water utility system is privatized. This
16-inch-diameter pipe will be constructed of Ductile Iron pipe. (See Attachment I-4 for Scope of Work)
The project is anticipated to be completed within the first year after the contract start date.

**ISDC#7 – Otter Creek PS.** To prevent further erosion and consequential damages, HCWD1 will repair the creek side of the Otter Creek PS where the bank of the creek has been severely eroded. We will also install new windows and doors and replace the roof. A pre-finished 24-gauge standing seam metal roof, with lightning protection, will be furnished and installed. The estimate includes demolition and disposal of the existing roof and labor, materials, and equipment to install the new roof. (See Attachment I-4 for Scope of Work)
The project is anticipated to be completed within the first year after the contract start date.

**ISDC#8 – Muldraugh HLPS.** HCWD1 will install new windows and doors, paint the exterior face of the concrete block façade, and replace the roof. (See Attachment I-4 for Scope of Work)
The project is anticipated to be completed within the first year after the contract start date.

**ISDC#9 – Central WTP.** HCWD1 will replace the roof of the Central WTP. The estimate includes an allowance for the testing and abatement of asbestos and lead-based paint materials. (See Attachment I-4 for Scope of Work)
The project is anticipated to be completed within the first year after the contract start date.

**ISDC#10 – Central WTP Clear Well.** HCWD1 will replace the existing roof with a Geo-dome roof. An interior liner system will be installed on the sidewalls and floor of the 2 MG clear well. The estimate includes demolition and disposal of the existing roof and labor, materials, and equipment to install the new roof and liner system. (See Attachment I-4 for Scope of Work)
The project is anticipated to be completed within the first year after the contract start date.

**ISDC#11 – Fire Hydrants.** To improve fire protection reliability, HCWD1 will replace roughly 600 fire hydrants identified by the Fort Knox Fire Department. In as much as is practical, the installation of the new hydrants will be completed to coincide with distribution system piping improvements projects. (See Attachment I-4 for Scope of Work)
The project is anticipated to be completed within the fourth year after the contract start date.

**ISDC#13 – Water Storage Tank No. 5.** HCWD1 will completely renovate Tank No. 5 to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tank, a new rectifier on the outside of the tank, and a new altitude valve. (See Attachment I-4 for Scope of Work)
The project is anticipated to be completed within the first year after the contract start date.

**ISDC#14 – Automatic Transfer Switches.** To improve electrical system reliability, HCWD1 will design and install automatic transfer switches at the Otter Creek PS, the Central WTP facility, and the Muldraugh HLPS. The operation and monitoring of the switches will be tied into the new Supervisory Control and Data Acquisition (SCADA) system. The SCADA signal will include status of switch (active or not active), run time since last active, and any other discrete alarm or status conditions available from the ATS control panel.
The automatic transfer switches are service-rated in standalone outdoor enclosures with draw-out normal and emergency switches for servicing one while the other remains in service. Two transformers will be 480V/1200A and one transformer will be 480V/1600A. The estimate includes labor, materials, and equipment to install the automatic transfer switches. (See Attachment I-4 for Scope of Work)
The project is anticipated to be completed within the second year after the contract start date.

**ISDC#15 – Pipe between Otter Creek PS and Central WTP.** HCWD1 will design and construct the replacement of approximately 14,437 LF of 16-inch cast iron raw water pipe between the Otter Creek WTP and the Central WTP. The 16-inch diameter
USE OF THIS SHEET IS SUBJECT TO THE RESTRICTION ON THE TITLE PAGE OF THIS PROPOSAL.

Materials, telemetry equipment, computers, software

The SCADA system is an integrated implementation of the new water meters.

The project is anticipated to be completed within the second year after the contract start date.

**ISDC#16 – Water Storage Tank No. 6.** HCWD1 will completely renovate Tank No. 6 to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tank, a new rectifier on the outside of the tank, and a new altitude valve. (See Attachment I-4 for Scope of Work)

The project is anticipated to be completed within the second year after the contract start date.

**ISDC#17 – Water Storage Tank No. 8.** HCWD1 will completely renovate Tank No. 8 to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tank, a new rectifier on the outside of the tank, and a new altitude valve. (See Attachment I-4 for Scope of Work)

The project is anticipated to be completed within the second year after the contract start date.

**ISDC#18 – Water Storage Tank No. 7.** HCWD1 will completely renovate Tank No. 7 to include the coating of the interior of the tank, the painting of the legs, and the installation of new sacrificial anodes in the tank, a new rectifier on the outside of the tank and a new altitude valve. (See Attachment I-4 for Scope of Work)

The project is anticipated to be completed within the third year after the contract start date.

**ISDC#19 – SCADA System.** HCWD1 will design and install a comprehensive SCADA system to assist in monitoring and controlling the utility water system components, including the raw water wells and pumps and other critical system features. The design and installation will be coordinated with the Post’s Directorate of Information Management. The selection of the SCADA upgrade will also seek to allow integrated implementation of the new water meters.

The SCADA system estimate includes labor, materials, telemetry equipment, computers, software and programming. (See Attachment I-4 for Scope of Work)

The project is anticipated to be completed within the third year after the contract start date.

**ISDC#20 – Distribution System Pipe and Valves.** HCWD1 will replace approximately 23,462 LF of transite pipe ranging from 1 inch to 10 inch. This pipe is located in the North Dietz Housing area. All pipes that are 10 inches and smaller in diameter will be replaced with PVC pipe. The transite pipe will be abandoned in place. The estimate includes all labor, materials, and equipment. (See Attachment I-4 for Scope of Work)

- 834 LF of 1-inch
- 1,988 LF of 1.5-inch
- 3,726 LF of 2-inch
- 284 LF of 3-inch
- 4,231 LF of 6-inch
- 6,472 LF of 8-inch
- 5,927 LF of 10-inch
- 93 valves total

The project is anticipated to be completed within the third year after the contract start date.

**ISDC#21 – Distribution System Pipe and Valves.** HCWD1 will replace approximately 73,735 LF of ductile iron pipe ranging from 1 inch to 14 inches. This pipe is located in the Van Voorhis Housing area. Pipe that is 10 inches and smaller in diameter will be replaced with PVC pipe. Pipe that is 12 inches and larger in diameter will be replaced with Ductile Iron pipe. The estimate includes all labor, materials, and equipment. (See Attachment I-4 for Scope of Work)

- 180 LF of 1-inch
- 7,076 LF of 1.25-inch
- 4,293 LF of 1.5-inch
- 11,436 LF of 2-inch
- 1,115 LF of 3-inch
- 25,835 LF of 6-inch
- 18,034 LF of 8-inch
- 4,677 LF of 10-inch
- 897 LF of 12-inch
- 192 LF of 14-inch
- 294 valves total
The project is anticipated to be completed within the third year after the contract start date.

**ISDC#22 – Distribution System Pipes and Valves.**
HCWD1 will replace approximately 4,237 LF of 8-inch pipe and 17 valves at the site of the new Human Resource Center. This pipe will be replaced with PVC pipe. The estimate includes all labor, materials, and equipment. (See Attachment I-4 for Scope of Work)

The project is anticipated to be completed within the third year after the contract start date.

**ISDC#23 - Distribution System Pipe and Valves.**
HCWD1 will replace approximately 136,740 LF of cast iron pipe ranging from 1-inch to 14-inch. Pipe that is 10 inches and smaller in diameter will be replaced with PVC pipe. Pipe that is 12 inches and larger in diameter will be replaced with Ductile Iron pipe. The estimate includes all labor, materials, and equipment. (See Attachment I-4 for Scope of Work)

- 994 LF of 1-inch
- 29 LF of 1.25-inch
- 759 LF of 1.5-inch
- 3,720 LF of 2-inch
- 483 LF of 2.5-inch
- 4,280 LF of 3-inch
- 3,754 LF of 4-inch
- 61,582 LF of 6-inch
- 38,255 LF of 8-inch
- 17,066 LF of 10-inch
- 4,153 LF of 12-inch
- 1,665 LF of 14-inch
- 545 valves total

The project is anticipated to be completed within the fourth year after the contract start date.

### I.3.2 Offeror Recommended Additional Upgrades

In addition to the Government Recognized ISDC Upgrades, HCWD1 has also identified a few other system deficiencies that we recommend for improvement based on our site visits. Those additional upgrades and corresponding schedule for improvement are as follows:

<table>
<thead>
<tr>
<th>Project</th>
<th>Project Name</th>
<th>Contract Completion Year</th>
<th>Project Basis</th>
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</thead>
<tbody>
<tr>
<td><strong>Water System</strong></td>
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<tr>
<td>ISDC#24</td>
<td>Water Storage Tank No. 1</td>
<td>3</td>
<td>Interior/Exterior spot cleaning, surface preparation</td>
</tr>
<tr>
<td>ISDC#25</td>
<td>Water Storage Tank No. 2</td>
<td>3</td>
<td>Interior/Exterior spot cleaning, surface preparation</td>
</tr>
<tr>
<td>ISDC#26</td>
<td>Water Storage Tank No. 4</td>
<td>3</td>
<td>Interior/Exterior spot cleaning, surface preparation. Install new 8” overflow pipe</td>
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<tr>
<td>ISDC#27</td>
<td>West Point Well Field</td>
<td>1</td>
<td>Rehabilitate Well Platforms</td>
</tr>
<tr>
<td>ISDC#28</td>
<td>Van Voorhis Pump Station</td>
<td>1</td>
<td>Rehabilitate Pump House</td>
</tr>
<tr>
<td>ISDC#29</td>
<td>Decommission Muldraugh WTP</td>
<td>5</td>
<td>Purchase Off-Post Water</td>
</tr>
</tbody>
</table>

**ISDC#24 – Water Storage Tank No. 1.** HCWD1 will perform a partial renovation of Tank No. 1 to include interior and exterior spot cleaning followed by surface preparation, priming, and finish coating. (See Attachment I-4 for Scope of Work)

The project is recommended to be completed during the third year after the contract start date.

**ISDC#25 – Water Storage Tank No. 2.** HCWD1 will perform a partial renovation of Tank No. 2 to include interior and exterior spot cleaning followed by surface preparation, priming, and finish coating. (See Attachment I-4 for Scope of Work)

The project is recommended to be completed during the third year after the contract start date.

**ISDC#26 – Water Storage Tank No. 4.** HCWD1 will perform a partial renovation Tank No. 4 to include interior and exterior spot cleaning followed by surface preparation, priming, and finish coating. In addition, HCWD1 will also install a new 8-inch-diameter
overflow pipe. (See Attachment I-4 for Scope of Work)

The project is recommended to be completed during the third year after the contract start date.

**ISDC#27 – West Point Well Field.** HCWD1 will perform a partial renovation of each of the 13 well platforms to include spot-blasting and application of top coat finish. The estimate includes labor, materials, equipment to spot apply prime epoxy mastic 4.0 – 6.0 mils dry film thickness (dft) and 3.0 – 4.0 mils (dft) UV compatible finish coating. (See Attachment I-4 for Scope of Work)

The project is recommended to be completed during the first year after the contract start date.

**ISDC#28 – Van Voorhis Pump Station.** HCWD1 will perform a partial renovation of the pump station to include spot-blasting and application of top coat finish. (See Attachment I-4 for Scope of Work)

The project is recommended to be completed during the first year after the contract start date.

**ISDC#29 – Decommission Muldraugh WTP.** The Army is planning to replace the potable water capacity at the Muldraugh WTP with purchased water from a local municipality within 5 years. HCWD1 will perform demolition of above-ground facilities to an elevation just below grade and decommission the operation of the facility. (See Attachment I-4 for Scope of Work)

The project is recommended to be completed during the fifth year after the contract start date.

In addition to the HCWD1 ISDC, HCWD1 has also priced an O&M building as an R&R in Year 1 of this proposal. The O&M building will provide the necessary space for staff to work and store tools, equipment, materials, records, and vehicles. Dedicated space for our water utility is essential to providing a safe, healthy, and efficient work environment to best serve Fort Knox.

### I.3.3 Conceptual Plans for, Including Methods for Monitoring the Effectiveness of, Energy Efficiencies and Conservation

As evidenced by the in-place Conservation Plans and continuing improvement of Standards of Operation, HCWD1 has set the goal of developing “Benchmark” energy- and water-efficient systems. Procedures now in place for the Fort Knox water system will be strengthened and ultimately incorporated into the HCWD1 operations plan.

HCWD1 will work with the Government to facilitate any future energy- and/or water-savings projects determined to reduce the Government’s costs, while still meeting their service requirements. Current HCWD1 water conservation programs encourage system efficiency within the service area and may be applied to the Government’s facilities.

**Water Conservation**

Unaccounted-for-water (UAW) is defined as the difference between the total amount of water pumped into the water system from the treatment facilities and the amount of (metered) use by the customers of the water system expressed as a percentage of the total water pumped into the system. UAW generally includes system leakage, inaccurate meters, accounting errors, and unmetered use, such as fire fighting, line flushing, broken water mains, etc. A standard industry goal of 10 percent UAW in municipal systems the size of Fort Knox’s is optimal.

The current UAW for Fort Knox is unknown because the system is largely not metered. To immediately address conservation objectives, HCWD1 will initiate the first defined meter installation projects during the transition period to improve measurement of water use and more clearly understand water losses. This effective approach to water conservation will incorporate the Fort Knox Service Area, enabling more accurate measurement of water use. This also assists maintenance personnel with identifying potential problem areas with unusual water use/loss before they develop into major losses.
HCWD1 will undertake the following steps to decrease water loss in the Fort Knox Service Area:

- Respond to customer requests about leaking pipes, hydrants, and other visible leaks in the water system. Maintenance is performed on components that are found faulty by the Leak Detection Crew.
- HCWD1 will incorporate the Fort Knox water distribution system information into our current maps (ArcView system), including all pipes. This will reduce time and money spent for leak detection and system maintenance.
- The water storage tanks will be monitored on the SCADA system. SCADA allows for all water level information to be monitored at a central location by HCWD1 system operators. If the tank level becomes too high and is detected early enough, water wastage is significantly reduced.
- HCWD1 has several programs in place pertaining to water loss and conservation. Although not all would apply to Fort Knox services, HCWD1 will work with Fort Knox to investigate what improvements could be made to conservation measures currently in place in the Fort Knox service area. Some of these might include:
  - Leak Detection and Meter Maintenance Programs
  - Plumbing Fixture Replacement
  - Plumbing Retrofit Programs
  - Residential Water Use
  - Landscaping Programs
  - Educational Programs (school and community)

Raw water supplies will also be measured in order to monitor losses during the treatment processes.

Energy Conservation

When UAW is minimized, pumping and treatment energy use is reduced. Greater diligence in finding and correcting distribution system failures that cause wasted water not only improves system performance, but also conserves energy. The approach noted above will facilitate this conservation. For the water system, HCWD1 will perform an assessment during initial site characterization studies to assess energy efficiency with regard to motors, heating, venting, and air conditioning (HVAC) and lighting. The energy supplier will be invited to participate in these reviews. Operational procedures will also be reviewed as compared with actual application. HCWD1 will develop a water production energy management plan and facility-specific energy management plans.

I.3.4 Description of the Contractor’s Conceptual Methodology for Scheduling R&R for Contract Duration

Each year, HCWD1 will develop an Annual Capital Upgrades and R&R Plan (Annual Plan) that will serve as the mechanism for communicating scope, schedule, and estimated cost for known deficiencies. The path to the preparation of the first and subsequent Annual Plans is shown in Exhibit I.3-2. Note that the first Annual Plan will be predominantly developed based on the initial system characterization studies that will be performed to establish the baseline condition of the water system. Developing hands-on specific knowledge of system condition will result in “just-in-time” annual R&R to allow the water system to be maintained in a reliable and sustainable condition.

HCWD1 consistently practices a “just-in-time” approach to system renewal, such that the right amount of system investment is applied at the right time. This suggests that no more renewal investment is made in the systems than is required. HCWD1 does not intend to replace the entire water system in the early years of this project. However, it is common utility practice and to be expected that over 75 years, a majority of each system will be renewed due to age and condition.

Our current projected R&R schedule is shown in Table IV-2 in the Price Proposal. It is based on the inventory, estimated ages, and projected replacement years for system components, as included in Table IV-2, and these inventory and projected replacement years were adjusted based on the site
visits and extensiveness of the ISDC identified during the solicitation process. The R&R schedule is intended to be updated during system characterization studies conducted during the transition period in the initial year of the contract.

1.3.4.1 Identifying Deficiencies and Defining Scope of Upgrades and Replacements

A list of capital renewals and upgrades will be developed based on periodic studies, collection of routine O&M data, requests for new utility connections or disconnections, and knowledge of new regulatory requirements, and then correlated through our annual planning process. The current projected schedule for renewals and upgrades is shown in Exhibit I.3-3.

1.3.4.2 Annual Plan

After the completion of the system characterization study, transition period, and project definition studies that will initially bring the available data on the systems up to date, HCWD1 will consistently and frequently assess the condition and performance of the utility systems on an annual basis. We will conduct periodic studies on a regular basis and produce an Annual Plan with the results. This plan will be updated and submitted annually to Fort Knox as not only a work plan, but also a vehicle to facilitate partnering to meet our mutual goals, define our course for the coming years, and set a reasonable budget for reliable service and asset management. The plan will include ownership issues, O&M, upgrades, modifications, expansions, planned replacements, and overall changes from the previous year. We will break down costs and will describe the methodology to arrive at the proposed costs.

EXHIBIT I.3-2
Path to Initial Annual Plans
### Exhibit I.3-3
Renewal and Replacement Schedule

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

<table>
<thead>
<tr>
<th>Item and Size</th>
<th>Quant</th>
<th>Unit</th>
<th>First Expected Replacement Date</th>
<th>New Item</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Second R&amp;R</th>
<th>Third R&amp;R</th>
<th>Fourth R&amp;R</th>
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<tr>
<td><strong>RAW WATER SOURCES</strong></td>
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<tr>
<td>McCracken Spring Intake</td>
<td>1</td>
<td>Each</td>
<td>2014</td>
<td>Same as existing</td>
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<tr>
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<td>2,500</td>
<td>LF</td>
<td>2014</td>
<td>Ductile Iron Pipe</td>
<td>75</td>
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</tr>
<tr>
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<td>Intake /Mechanical Screen</td>
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<td>Each</td>
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<td>Same as existing</td>
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<td>Pump Controls</td>
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<td>Each</td>
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<td>Pump No. 9 - 2,100 gpm, 230 HP</td>
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<td>Each</td>
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<td>25</td>
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<td>2042</td>
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<td>Pump No. 10 - 2,100 gpm, 250 HP</td>
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<td>Each</td>
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<td>2058</td>
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<td>Emergency Generator - 350 KW</td>
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<td>2051</td>
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<td>50</td>
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<td>Chemical Feed Systems</td>
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<tr>
<td>Clarifier - 3.5 MG</td>
<td>1</td>
<td>Each</td>
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<td>Same as existing</td>
<td>75</td>
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<td>Multi-Media Filters - 1 MG</td>
<td>3</td>
<td>Each</td>
<td>2020</td>
<td>Same as existing</td>
<td>75</td>
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<tr>
<td>Filter Back Wash Tank - 150,000 gallons</td>
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<td>Each</td>
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<td>Same as existing</td>
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<td>Clear Well No. 1 - 0.5 MG</td>
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<td>Each</td>
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<td>75</td>
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<tr>
<td>Clear Well No. 2 - 2 MG - 1945</td>
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<td>Each</td>
<td>2020</td>
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<td>Each</td>
<td>2013</td>
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<td>25</td>
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<td>2038</td>
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<td>2038</td>
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<td>25</td>
<td></td>
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<td>2038</td>
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<tr>
<td>Filter Back Wash Pump &amp; Controls - 5,400 gpm</td>
<td>1</td>
<td>Each</td>
<td>2019</td>
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<td>25</td>
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<td>Emergency Generator - 280 KW</td>
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<td><strong>West Point Well Field</strong></td>
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<tr>
<td>Well No. 1. Pump/Controls - 750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>2023</td>
<td>Same as existing</td>
<td>25</td>
<td></td>
<td></td>
<td>2048</td>
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<td>Each</td>
<td>2029</td>
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<td>Well No. 3. Pump/Controls - 750 gpm, 125 HP</td>
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<td>Each</td>
<td>2029</td>
<td>Same as existing</td>
<td>25</td>
<td></td>
<td></td>
<td>2054</td>
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<td>Well No. 5. Pump/Controls - 750 gpm, 125 HP</td>
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<td>Each</td>
<td>2027</td>
<td>Same as existing</td>
<td>25</td>
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<td></td>
<td>2052</td>
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<tr>
<td>Well No. 6. Pump/Controls - 500 gpm, 75 HP</td>
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<td>Each</td>
<td>2025</td>
<td>Same as existing</td>
<td>25</td>
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<td>2050</td>
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<tr>
<td>Well No. 7. Pump/Controls - 750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>2012</td>
<td>Same as existing</td>
<td>25</td>
<td></td>
<td></td>
<td>2037</td>
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<td>Well No. 8. Pump/Controls - 750 gpm, 125 HP</td>
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<td>Each</td>
<td>2023</td>
<td>Same as existing</td>
<td>25</td>
<td></td>
<td></td>
<td>2048</td>
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<tr>
<td>Well No. 9. Pump/Controls - 750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>2023</td>
<td>Same as existing</td>
<td>25</td>
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<td>2048</td>
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<td>Well No. 10. Pump/Controls - 750 gpm, 125 HP</td>
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<td>Each</td>
<td>2024</td>
<td>Same as existing</td>
<td>25</td>
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<td>2049</td>
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<td>Well No. 11. Pump/Controls - 750 gpm, 125 HP</td>
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<td>Each</td>
<td>2025</td>
<td>Same as existing</td>
<td>25</td>
<td></td>
<td></td>
<td>2050</td>
<td></td>
</tr>
</tbody>
</table>
## Exhibit I.3-3
### Renewal and Replacement Schedule

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

<table>
<thead>
<tr>
<th>Item and Size</th>
<th>Quant</th>
<th>Unit</th>
<th>First Expected Replacement Date</th>
<th>New Item</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Second R&amp;R</th>
<th>Third R&amp;R</th>
<th>Fourth R&amp;R</th>
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</thead>
<tbody>
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<td>Well No. 12A. Pump/Controls - 750 gpm, 125 HP</td>
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<td>Each</td>
<td>2012</td>
<td>Same as existing</td>
<td>25</td>
<td>2037</td>
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<td>Well No. 12B. Pump/Controls - 750 gpm, 125 HP</td>
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<td>Each</td>
<td>2028</td>
<td>Same as existing</td>
<td>25</td>
<td>2053</td>
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<td></td>
</tr>
<tr>
<td>Well No. 13. Pump/Controls - 750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>2017</td>
<td>Same as existing</td>
<td>25</td>
<td>2042</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Well Field Header - 16-inch</td>
<td>3,960</td>
<td>LF</td>
<td>2015</td>
<td>Ductile Iron Pipe</td>
<td>75</td>
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<tr>
<td>CI Line to Muldraugh WTP - 24 inch</td>
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<td>LF</td>
<td>2019</td>
<td>Ductile Iron Pipe</td>
<td>50</td>
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</tr>
<tr>
<td><strong>Muldraugh WTP (Facility No. 3009) - 7.0 MGD</strong></td>
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<td>Chemical Feed Systems (value included in WTP cost)</td>
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<td>Decommission</td>
<td>25</td>
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<tr>
<td>Clarifier No. 1 - 5.0 MG</td>
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<td>Each</td>
<td>Decommission</td>
<td>75</td>
<td></td>
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<td>Clarifier No. 2 - 2.0 MG</td>
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<td>Each</td>
<td>Decommission</td>
<td>75</td>
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<tr>
<td>Multi-Media Filters - 1 MGD</td>
<td>7</td>
<td>Each</td>
<td>Decommission</td>
<td>75</td>
<td></td>
<td></td>
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<tr>
<td>Filter Back Wash Tank - 150,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>Decommission</td>
<td>75</td>
<td></td>
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<tr>
<td>Clear Well - 1.0 MG</td>
<td>1</td>
<td>Each</td>
<td>2064</td>
<td>Same as existing</td>
<td>75</td>
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<td>Sludge Lagoons</td>
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<td>Each</td>
<td>Decommission</td>
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<tr>
<td><strong>Muldraugh High Lift (Facility No. 3008) - Structure</strong></td>
<td>1,840</td>
<td>SF</td>
<td>2052</td>
<td>Same as existing</td>
<td>75</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Pump A &amp; Controls - 3,500 gpm, 250 HP</td>
<td>1</td>
<td>Each</td>
<td>2014</td>
<td>Same as existing</td>
<td>25</td>
<td>2039</td>
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<td></td>
</tr>
<tr>
<td>Pump B &amp; Controls - 4,850 gpm, 350 HP</td>
<td>1</td>
<td>Each</td>
<td>2014</td>
<td>Same as existing</td>
<td>25</td>
<td>2039</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump C &amp; Controls - 2,200 gpm, 150 HP</td>
<td>1</td>
<td>Each</td>
<td>2014</td>
<td>Same as existing</td>
<td>25</td>
<td>2039</td>
<td></td>
<td></td>
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<tr>
<td>Filter Backwash Pump &amp; Controls - 5,400 gpm</td>
<td>1</td>
<td>Each</td>
<td>Decommission</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Emergency Generator - 600 KW</td>
<td>1</td>
<td>Each</td>
<td>Decommission</td>
<td>35</td>
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<tr>
<td>CI Line to Cantonment Area - 24 inch</td>
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<td>Decommission</td>
<td>50</td>
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</tbody>
</table>

### Valves: Note--Replacement of valves will occur with pipe replacement

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<th>Size</th>
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</thead>
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<td>Included with pipe</td>
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<tr>
<td>1&quot;</td>
<td>28</td>
<td>Each</td>
<td>Included with pipe</td>
</tr>
<tr>
<td>1.25&quot;</td>
<td>13</td>
<td>Each</td>
<td>Included with pipe</td>
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<tr>
<td>1.25&quot;</td>
<td>3</td>
<td>Each</td>
<td>Included with pipe</td>
</tr>
<tr>
<td>1.5&quot;</td>
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## Exhibit I.3-3
### Renewal and Replacement Schedule

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

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<th>Item and Size (and Size)</th>
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<th>Rehab Year</th>
<th>Second R&amp;R</th>
<th>Third R&amp;R</th>
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# Exhibit I.3-3
Renewal and Replacement Schedule

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

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<th>Item and Size</th>
<th>Quant</th>
<th>Unit</th>
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<th>New Item</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Second R&amp;R</th>
<th>Third R&amp;R</th>
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<td>2020</td>
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<td>25</td>
<td>2045</td>
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<td>2045</td>
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<tr>
<td>Pump No. 3 &amp; Pressure Tank - 175 gpm, 10 HP</td>
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<td>2045</td>
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<td>Tank No. 1 &amp; cathodic protection - 250,000 gallons</td>
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<td>75</td>
<td>2054</td>
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<td>Tank No. 2 &amp; cathodic protection - 500,000 gallons</td>
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<td>Tank No. 3 &amp; cathodic protection - 500,000 gallons</td>
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<td>Tank No. 8 &amp; cathodic protection - 500,000 gallons</td>
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<td>75</td>
<td>2036</td>
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<td>DISTRIBUTION PIPE - CAST IRON (12&quot; and Over Replaced with DIP)</td>
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### Exhibit I.3-3

**Renewal and Replacement Schedule**

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

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<th>Item and Size</th>
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<th>Unit</th>
<th>First Expected Replacement Date</th>
<th>New Item</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
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**DISTRIBUTION PIPE - DUCTILE IRON**

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<th>Item and Size</th>
<th>Quant</th>
<th>Unit</th>
<th>First Expected Replacement Date</th>
<th>New Item</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Expected Subsequent Replacement Dates</th>
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<tbody>
<tr>
<td>Ductile Iron</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>1&quot; (NA - DIP starts at 4&quot; Diameter)</td>
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</tr>
<tr>
<td>1.25&quot; (NA - DIP starts at 4&quot; Diameter)</td>
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**DISTRIBUTION PIPE - TRANSITE (Replaced with C-900/PVC sch 80)**

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<th>Unit</th>
<th>First Expected Replacement Date</th>
<th>New Item</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Expected Subsequent Replacement Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ductile Iron</td>
<td></td>
<td></td>
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I-72
### Exhibit I.3-3

Renewal and Replacement Schedule

This table generally follows the format included in RFP Schedule 2--Renews and Replacements--50 YEAR SCHEDULE

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<thead>
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<th>Item and Size</th>
<th>Quant</th>
<th>Unit</th>
<th>First Expected Replacement Date</th>
<th>New Item</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Second R&amp;R</th>
<th>Third R&amp;R</th>
<th>Fourth R&amp;R</th>
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<tbody>
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<td>PVC</td>
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**Zussman Range (Mt.Eden) - Pipe Material - PVC**

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<th>Quant</th>
<th>Unit</th>
<th>First Expected Replacement Date</th>
<th>New Item</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Second R&amp;R</th>
<th>Third R&amp;R</th>
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<tr>
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<td>PVC</td>
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<td>PVC</td>
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<td>PVC</td>
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**Zussman Range (Mt.Eden) - Pipe Material - PE**

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<th>First Expected Replacement Date</th>
<th>New Item</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Second R&amp;R</th>
<th>Third R&amp;R</th>
<th>Fourth R&amp;R</th>
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**Yano Range - Pipe Material - PVC**

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<th>First Expected Replacement Date</th>
<th>New Item</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Second R&amp;R</th>
<th>Third R&amp;R</th>
<th>Fourth R&amp;R</th>
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**Basham’s Corner - Pipe Material - PVC**

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<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Second R&amp;R</th>
<th>Third R&amp;R</th>
<th>Fourth R&amp;R</th>
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## Exhibit I.3-3
### Renewal and Replacement Schedule

This table generally follows the format included in RFP Schedule 2--Renews and Replacements--50 YEAR SCHEDULE

<table>
<thead>
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<th>Item and Size</th>
<th>Quant</th>
<th>Unit</th>
<th>First Expected Replacement Date</th>
<th>New Item</th>
<th>New Item Service Life</th>
<th>Rehab Year</th>
<th>Expected Subsequent Replacement Dates</th>
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<td>LF</td>
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<td>PVC</td>
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<td>Fire Hydrants</td>
<td>122</td>
<td>Each</td>
<td>2014</td>
<td>Same as existing</td>
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<td></td>
<td>2039</td>
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<td>Fire Hydrants</td>
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<td>Each</td>
<td>2014</td>
<td>Same as existing</td>
<td>25</td>
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<td>2039</td>
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<td>Fire Hydrants</td>
<td>14</td>
<td>Each</td>
<td>2022</td>
<td>Same as existing</td>
<td>25</td>
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<td>2047</td>
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<td>Fire Hydrants</td>
<td>1</td>
<td>Each</td>
<td>2015</td>
<td>Same as existing</td>
<td>25</td>
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<td>2040</td>
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<td>Fire Hydrants</td>
<td>2</td>
<td>Each</td>
<td>2029</td>
<td>Same as existing</td>
<td>25</td>
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<td>Fire Hydrants</td>
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<td>Each</td>
<td>2030</td>
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<td>2055</td>
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<td>Operation &amp; Maintenance Building</td>
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<td></td>
<td>2012</td>
<td>Same as existing</td>
<td>7</td>
<td></td>
<td>2019</td>
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<td>Vehicles/Equipment</td>
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<td>2022</td>
<td>2032</td>
<td>2042</td>
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<td>2027</td>
<td>2042</td>
<td>2057</td>
</tr>
<tr>
<td>Tools, and Furniture</td>
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<td>Same as existing</td>
<td>5</td>
<td>2017</td>
<td>2022</td>
<td>2027</td>
</tr>
</tbody>
</table>
I.3.4.3 Periodic Studies

HCWD1 will conduct periodic system studies consistently and frequently to assess the condition and performance of the utility systems. For example, we will conduct water distribution system studies periodically to comply with the Safe Drinking Water Act and other regulations. We will update the study plan annually and propose additions, changes, or deletion of studies. The studies will define the system condition in terms of age and functional state, and verify the current adequacy of the system in terms of capacity, flow, dynamic characteristics, environmental compliance, and system failure protection. This involves updating mathematical models to define and characterize the current critical system parameters. The studies will also serve to identify requirements for system expansion/modifications including upgrades necessary to meet Fort Knox's current and future needs and any new regulatory compliance requirements.

Proposed studies and their frequency include the following:

- Hydraulic Modeling – Every 5 years
- Inventory and GIS Updates – Annually
- Mapping Updates – Annually
- Leak Detection Studies – Every 5 years
- Hydrant Flow Testing – Every 5 years

Hydraulic Modeling

A hydraulic model for the water system will be updated to identify capacity limitations and properly size system upgrades. System deterioration over time, system reconfiguration, extensions to the system, and the addition of new zones (system expansions) may also necessitate a hydraulic evaluation. The model input files will be updated based on new inventory and GPS/GIS data for main water pipes. The hydraulic evaluation will determine the adequacy of the existing water distribution to meet current and future needs. Based on the computer model, we will use network analyses to identify deficiencies in the systems and to develop the most cost-effective improvements.

GIS and Inventory Updates

After the completion of the site characterization phase, transition period, and project definition studies, the existing inventory will be brought up to date and new data due to equipment replacement, system rehabilitation, etc. will be added to the inventory at least annually throughout the life of the contract. Additional physical and condition attributes will be added to the inventory as required to meet the needs of the O&M crews.

The GIS database will be populated with new inventory and survey data collected during each year. The GIS will then be updated periodically during the year and submitted annually to show changes in the systems.

Mapping Updates

After the completion of the site characterization phase, transition period, and project definition studies, the existing maps will be brought up to date, and maps of the water system will be updated annually to reflect changes in the water system. New utility lines constructed during the year will be added to the maps. Lines not previously mapped will be added as encountered and located.

Leak Detection Studies

Leak detection studies are proposed to be performed every 5 years to determine water losses in the system due to unidentified leaks in pipes. High losses are generally associated with older water systems where leakage, no meters, or faulty meters are more commonplace than in new systems. Leak detection studies will identify leaks in the system and help make appropriate recommendations to reduce system leakage.

Hydrant Flow Testing

Flow testing will provide the necessary flow parameters for calibrating the periodic hydraulic model update. Every 5 years, a combination of flows will be measured in order to calibrate and update the hydraulic model so that the model is representative of what is in the system.
I.3.5 Procedures for Identifying, Financing, and Scheduling Long-Term Capital Removals and ISDC/Upgrades

Of primary importance when considering the urgency and timing of improvement are compliance, health and safety, and customer needs—followed closely by cost budgets. This section presents the methodology we used to schedule capital upgrades and R&R over the duration of the contract. Our overall asset management strategy is to provide a well-conceptualized, comprehensive, and flexible plan to provide modernization, technological improvement, and improved functionality, reliability, and appearance.

Each year, an Annual Plan will be developed. The first Annual Plan will rely upon information developed as part of the system characterization studies, as diagrammed in Exhibit I.3-4. Subsequent Annual Plans will be developed and delivered according to the process presented below.

The Contract Year 2 and subsequent Annual Plans will place an ongoing reliance on the performance of periodic studies and learned O&M data to develop and prioritize improvements meant to maintain regulatory compliance and meet system expansion requirements. The Annual Plan will also reflect on staffing and O&M procedures, upgrades, modifications, expansions, planned replacements, and overall changes from the previous year. It is intended to serve as a tool to facilitate communication between all parties, define our path for upcoming years, and set a reasonable budgeted cost for reliable service and asset management. The Annual Plan will provide cost budgets for recommended projects, including the basis of estimate. Each Annual Plan will be submitted for CO review and approval prior to implementation.

I.3.5.1 Pricing Review

HCWD1 will develop a basis of estimate for each project specific to its location and installation requirements. Subsequently, we will proceed with financing and implementation of approved projects in accordance with the Public Service Commission (PSC) regulated model.

I.3.5.2 Technical Review

HCWD1 proposes to establish overall technical direction associated with the Annual Plan by convening a Senior Advisory Panel. This advisory panel would consist of senior HCWD1 staff and senior representatives from LWC and CH2M HILL to review the Annual Plan documents and comment on the prioritization and schedule of capital improvements projects. These strategic planning “checkpoints” will ensure that the water system is being operated, maintained, and managed consistent with Government expectations.

I.3.6 Process for Responding to Government Requests for System Enhancements, Including Financing and Installation Arrangements

Most projects will be programmed and implemented as part of our annual planning process, which will take into consideration the R&R schedule, recommendations from completion of periodic studies, and coordination with Post Master Plans. In this fashion,
most of the Government-requested system enhancements can be integrated into improvements planning. For those projects that are not identified early on in the planning process, we will work with the Government to define the scope of the work and re-evaluate the entire project prioritization. Collectively, we can then determine if it is in the best interest of the Installation to either add a project to the list of projects that has already been programmed or to move a programmed project to a lower priority so that a new, more mission-critical project can be inserted. Either way, we will make system improvements to meet the immediate and ongoing needs of the Installation.

Similar to programmed projects, HCWD1 will develop each project’s scope of work and the basis of cost estimate. We will proceed with financing and implementing the approved projects in accordance with the PSC regulated model.
I.4 Operational Transition Plan

The transition of the Fort Knox Water Systems from the Department of the Army to HCWD1 will take place over a 120-day period defined as the transition period. To achieve a smooth transition from Fort Knox’s operations to HCWD1’s, without risk of degrading the quality or reliability of the utility service, both parties must plan for the transition. This plan recommends the implementation of tasks prior to and during the transition period.

HCWD1 proposes a transition period beginning at contract award and not to exceed 120 days. The transition period will be phased to be as effective as possible. HCWD1 will relieve the Department of the Army from as many O&M responsibilities as early in the transition period as possible, while we conduct our remaining transition activities. At the end of the 120-day transition period, we will assume full ownership responsibility for the utility systems.

During the transition period, we will update our knowledge of the system and develop a foundation of utility system documents from current records. Effectively completing this activity is not only vital to the overall success of the privatization of the Water Utility Systems at Fort Knox, but ultimately to the effective and efficient O&M of the system by HCWD1. The tasks accomplished during the transition period will include:

- On-site Familiarization
- Human Resource Transition
- Administrative Transition
- Safety and Security Transition
- System Operations Transition
- System Maintenance Transition
- Ownership Transfer
- Perform Purchasing Requirements
- Prepare Work Plans for Initial Capital Upgrade Projects

Immediately upon taking over operation and maintenance responsibilities, HCWD1 will assume all emergency calls 24/7. Inventories and transfers of equipment, tools, materials, and records are proposed to take place in the 120-day transition period. All personnel will be in place and trained prior to the end of the transition and transfer of O&M responsibilities. After that time, we will ensure the utility systems remain in continuous operation. Our proposed transition and startup schedule is shown on Exhibit I.4-1.

I.4.1 On-site Familiarization

On-site familiarization would occur during the transition period. During this time, HCWD1 will update the knowledge base for long-term O&M of the water systems and develop a foundation of utility system planning documents based on that information. Effectively completing this activity is not only vital to the overall success of the privatization of the water systems at Fort Knox, but ultimately to the effective and efficient O&M of the systems by the Government or by HCWD1. HCWD1’s objectives for on-site familiarization are to gather the information needed to develop a better understanding of the water utility systems at Fort Knox. The HCWD1 General Manager, Mr. Jim Bruce, will be assisted in mobilization efforts by a Startup Support Team consisting of the Operations Manager (Brett Pyles),
<table>
<thead>
<tr>
<th>Activity ID</th>
<th>Activity Name</th>
<th>Original Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Fort Knox Transition Schedule</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>On-Site Familiarization</strong></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>First Meeting with Army</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Legal Due Diligence</td>
<td>61</td>
</tr>
<tr>
<td>4</td>
<td>Contact Regulatory Agencies</td>
<td>12</td>
</tr>
<tr>
<td>5</td>
<td>Joint Inventory of facilities &amp; fixed equipment</td>
<td>26</td>
</tr>
<tr>
<td>6</td>
<td>Joint Inventory of non-fixed</td>
<td>33</td>
</tr>
<tr>
<td>7</td>
<td>Inventory of manuals and records</td>
<td>26</td>
</tr>
<tr>
<td>8</td>
<td>Initial joint meter reading</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td><strong>HR Transition</strong></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Clearances, special access, badges</td>
<td>12</td>
</tr>
<tr>
<td>11</td>
<td>Evaluate Existing Employees for Employment</td>
<td>27</td>
</tr>
<tr>
<td>12</td>
<td>Initial meetings with all interested employees</td>
<td>5</td>
</tr>
<tr>
<td>13</td>
<td>Interviews</td>
<td>12</td>
</tr>
<tr>
<td>14</td>
<td>Conduct New Employee Training &amp; Orientation</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td><strong>Administrative Transition</strong></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Install and startup accounting/financial system</td>
<td>26</td>
</tr>
<tr>
<td>17</td>
<td>Set up monthly billing</td>
<td>19</td>
</tr>
<tr>
<td>18</td>
<td>Set up monthly-reporting (Service interruptions, meter reading, etc.)</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td><strong>Purchasing</strong></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Purchase Required Equipment and Material</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td><strong>Safety and Security</strong></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Safety Procedures and Briefing with Employees</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td><strong>Transition of System Operations</strong></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Revise/Create SOPs</td>
<td>48</td>
</tr>
<tr>
<td>25</td>
<td>Arrange for Transfer of All Files, Logs, Records</td>
<td>35</td>
</tr>
<tr>
<td>26</td>
<td>Final Joint Meter reading</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td><strong>Transition of System Maintenance</strong></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Implement Maintenance Management System</td>
<td>26</td>
</tr>
<tr>
<td>29</td>
<td>Develop Preventive Maintenance Tasks and Activities</td>
<td>12</td>
</tr>
<tr>
<td>30</td>
<td>Identify Equipment Repair and Replacement Requirements</td>
<td>12</td>
</tr>
<tr>
<td>31</td>
<td>Establish Inventory Control System</td>
<td>12</td>
</tr>
<tr>
<td>32</td>
<td>Assume Maintenance Responsibility</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td><strong>Transfer Ownership</strong></td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>Water</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>Prepare Workplans for Initial Capital Upgrade Projects</strong></td>
<td>71</td>
</tr>
<tr>
<td>36</td>
<td>Prepare Workplans for Studies</td>
<td>89</td>
</tr>
<tr>
<td>37</td>
<td>Prepare Workplans for Initial Capital Upgrades</td>
<td>54</td>
</tr>
</tbody>
</table>
O&M specialists, human resources, safety, computer systems, and communications professionals. The on-site familiarization will address the following issues, as required by the RFP:

- Contract Start Date
- Implementing New Connections
- Implementing New Meter Requirements
- Approach and Time Schedule for obtaining any required operating permits
- Inventory and Transfer of Utility Assets (Fixed and Non-Fixed) Manuals and Records
- Initial Meter Readings
- Authorized Personnel and Points of Contact

This section provides a description of each element of the on-site familiarization.

### I.4.1.1 Contract Start Date

The transition period will begin when HCWD1 is given the Notice to Proceed (NTP) and will end not more than 120 days later. All HCWD1 actions will be in compliance with the RFP and with the resulting Contract.

Upon the receipt of the NTP, HCWD1 will plan weekly meetings during the transition period with the CO or designated representative. Weekly meetings will serve as an opportunity to discuss the implementation of the transition plan. This will also serve to coordinate with Fort Knox functions, to communicate with the Department of the Army entities, and to discuss other issues that may affect the transition process.

HCWD1 plans to assume all O&M responsibilities 120 days after award of the contract. Immediately upon taking over O&M responsibilities, we will assume all emergency response tasks 24/7. Inventories and transfers of equipment, tools, materials, and records will take place within the first 4 to 5 weeks of transition. All HCWD1 personnel will be in place and trained prior to the 120-day transfer of O&M responsibility.

HCWD1’s mobilization process establishes the systems and procedures for smooth operations over the life of the contract. Responsibility for O&M of the water utility systems is scheduled to transfer not later than 120 days after NTP. This will allow time for HCWD1 to:

- Mobilize
- Hire staff
- Acquire equipment and materials
- Perform any operations testing or environmental testing
- Become familiar with the systems
- Conduct inventories with the Government and initiate preliminary repairs or improvements required for operation of the systems

This will also provide the opportunity for Fort Knox to terminate or complete any existing contracts related to the water utilities.

### I.4.1.2 Implementing New Connections

Section J of the RFP indicated that there are no service connections or disconnections required upon system transfer.

### I.4.1.3 Implementing New Meter Requirements

HCWD1 proposes to replace the existing water meters with 50 new radio read meters. Assuming preventive maintenance is completed on schedule, the meters are estimated to last for 20 years when they will be replaced as part of the renewals and replacement schedule. (See Attachment I-5 for Meter Renewal and Replacement Scope of Work.)

### I.4.1.4 Approach and Time Schedule for Obtaining Any Required Operating Permits

HCWD1 will work with the KDOW to change over the water use permit from the Government to HCWD1. Within 12-days of start-up, HCWD1 will formally request a meeting with regulators to initiate necessary processes and procedures for the timely transfer of the applicable permits. Immediately after meeting with regulators, HCWD1 will provide our Army partner with a brief of the meetings, and projected schedule, to the degree feasible based on the meeting with regulators. After this meeting and initial brief, HCWD1 will provide monthly updates to the government of the milestones and overall
I.4.1.5 Inventory and Transfer of Utility Assets (Fixed and Non-fixed), Manuals, and Records

To facilitate transfer of all facilities, fixed and non-fixed equipment, and specialized tools, a comprehensive joint inventory will be conducted. The joint inventory will be used to update the maps of the water facilities and to support the easement document that will support the bill of sale for the transfer of assets.

Inventory and Transfer of Facilities and Fixed Equipment

A joint inventory and transfer of all fixed equipment for the water systems will be completed. The inventory and transfer will include all facilities and installed equipment as identified in the RFP.

Inventory and Transfer of Non-Fixed Equipment and Specialized Tools

If any property, such as tools, equipment, or spare parts, is transferred with the utility systems, a joint inventory will occur with Fort Knox and HCWD1 transition staff. Any material or equipment not wanted by HCWD1 will be disposed of in accordance with Army policy.

Transfer of Manuals and Records

HCWD1 needs to acquire all operating manuals, as-built drawings, plans and specifications, maintenance records, and other such documents for the water utility systems. This inventory and transfer should occur as early within the transition period as possible to enhance the transition of O&M. Ownership of the water systems will be transferred to HCWD1 as soon as the Bill of Sale and appropriate contract documents are completed and executed. HCWD1 and the Government will negotiate a date for ownership transfer. It is proposed that ownership transfer occur as shown on the transition schedule.

Joint Inventory

HCWD1 will perform a joint inventory during the transition phase. System inventory will be used to update the inventory database and assess the value of the existing facilities. The inventory will be used in the initial system studies to locate system deficiencies related to capacity, compliance, and current and projected reliability. The equipment inventory will define the exact pieces of equipment and tools to be transferred with the utility systems. Each inventory item will be listed down to the major component level (e.g., pump, motor, valve, and age). The inventory will also be used to prepare updated current utility maps for the water system. The updated inventory and maps will support the easement document that will be used to facilitate transfer of the water utility systems. The end result will be an itemized listing of assets to be attached to the Bill of Sale. This listing will include all assets that HCWD1 will own and assume responsibility for. The inventory of system equipment will be entered into the CMMS for tracking and monitoring. The types of inventory data that will be collected during the on-site familiarization phase are highlighted in Exhibit I.4-2.

<table>
<thead>
<tr>
<th>Exhibit I.4-2</th>
<th>Types of Inventory of Data to be Collected during On-Site Familiarization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pipes (Water)</td>
<td>Mainline Valves</td>
</tr>
<tr>
<td>Research record drawings and maps</td>
<td>Research record drawings and maps</td>
</tr>
<tr>
<td>ID #</td>
<td>ID #</td>
</tr>
<tr>
<td>Upstream node #</td>
<td>X</td>
</tr>
<tr>
<td>Downstream node #</td>
<td>Y</td>
</tr>
<tr>
<td>Diameter</td>
<td>Size</td>
</tr>
<tr>
<td>Length</td>
<td>Valve Box Diameter</td>
</tr>
<tr>
<td>Material</td>
<td>Number of Turns</td>
</tr>
</tbody>
</table>
Exhibit I.4-2
Types of Inventory of Data to be Collected during On-Site Familiarization

<table>
<thead>
<tr>
<th>Building or facility served</th>
<th>Mainline Valves</th>
<th>Fire Hydrants</th>
<th>Pumping/Treatment Stations</th>
<th>Water Storage Tanks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location (pavement/grass)</td>
<td>Closest Building</td>
<td>Closest Building</td>
<td>Digital Photo</td>
<td>Max Level (ft)</td>
</tr>
<tr>
<td>Closest Building</td>
<td></td>
<td>Description</td>
<td>Min Level (ft)</td>
<td></td>
</tr>
</tbody>
</table>

**I.4.1.6 Initial Meter Readings**

HCWD1 will assign one technician to go with the Fort Knox Meter Reader to read and locate the meters. HCWD1 will have a map prepared showing which buildings and facilities are metered and will then collect a GPS location reading on each meter. The initial meter reading will be completed within 9 weeks of contract award.

**I.4.1.7 Authorized Personnel and Points of Contact**

Exhibit I.4-3 shows the individuals that hold authority to sign for the final transfer of operations and property as indicated.

**Exhibit I.4-3
Signature Authority**

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Authority</th>
<th>Limit of Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Bruce</td>
<td>General Manager, HCWD1</td>
<td>Transfer of Operations and Property</td>
<td>As directed by Board</td>
</tr>
</tbody>
</table>

**I.4.2 Human Resources Transition**

HCWD1 recognizes the value of the existing Fort Knox staff's experience, knowledge, and "institutional memory" concerning water systems on the installation, and we will include them as key members of our transition team. It is our anticipation that, prior to system ownership transfer, HCWD1 will be collecting and reviewing data on staffing of the various functions (planning, engineering, O&M, budgeting and accounting, personnel, and contracting) and preparing a staffing plan for service to Fort Knox.

**I.4.2.1 Employee Transition**

The existing employees will be offered positions with either HCWD1 or LWC, depending on their qualifications and future work assignments. HCWD1 and LWC routinely hire qualified personnel. Our team offers excellent benefit packages and competitive wages. We also offer opportunities for advancement and assignment to other HCWD1 and LWC facilities, if desired. HCWD1 and LWC anticipate the need to fill the positions identified in Exhibit I.4-4 for this project.

**Exhibit I.4-4
Anticipated Positions Needed to be Filled**

<table>
<thead>
<tr>
<th>Position Title</th>
<th>Number of Personnel Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution Operators</td>
<td>3 (HCWD1)</td>
</tr>
<tr>
<td>Plant Mechanics/Electrician/I&amp;C</td>
<td>3 (LWC)</td>
</tr>
<tr>
<td>GIS Technician</td>
<td>1 (HCWD1)</td>
</tr>
<tr>
<td>Heavy Equipment Operator</td>
<td>1 (HCWD1)</td>
</tr>
<tr>
<td>Water Operators</td>
<td>8 (LWC)</td>
</tr>
</tbody>
</table>

**I.4.2.2 Evaluation of Existing Employees for Employment**

FAR 52.207-3 (November 1991), Right of First Refusal of Employment, will be part of our contract with the Government. This clause requires that we offer positions created as a result of this new contract to qualified Government employees who are adversely affected, prior to offering those positions to other applicants. This procedure does not guarantee employment for displaced Government employees, but it does give them priority consideration over other applicants. The key factor is qualifications.

We anticipate that development of the staffing plan will be complete by the beginning of the transition period, with job offers made and accepted prior to system transfer. Analyses of employee training needs
will be completed by the third month after system transfer. HCWD1 will apply a proven process to transition the affected workforce, as follows:

- **Step 1, Host introduction workshops.** HCWD1 will work with Fort Knox to prepare public announcements. This announcement package will communicate important information about the project and the transition process, as well as important information about HCWD1 and LWC. Along with this, each employee will receive a schedule for informational workshops. These workshops, for employees and spouses, will provide an orientation to HCWD1’s and LWC’s culture and to compensation and benefits programs.

- **Step 2, Interview and assess potential associates.** HCWD1 will send out a processing schedule to every potential new associate. The first item on this schedule will be employee interviews. In these interviews, we will discuss each employee’s personal history, job experience, and specific ideas to improve the performance of the project. This is our first opportunity to show incoming employees that we listen to their concerns. This interactive process will allow individuals to ask any specific questions that they may have regarding HCWD1 and LWC, their jobs, and compensation potential. Our goal is to eliminate employees’ uncertainty about their futures and establish a positive foundation for their careers with HCWD1 and LWC.

- **Step 3, Make offers of employment.** Each qualifying candidate selected will receive a specific job offer clearly detailing the appropriate job title, pay rate, exempt or nonexempt status, and a complete position description. HCWD1’s and LWC’s human resources and benefits specialists will provide benefits enrollment packages and assist associates in completing the enrollment.

- **Step 4, Implement contract startup and orientation.** During the startup period of the contract, new associates will work closely with their supervisors and the Transition Team members. They will be oriented to HCWD1 operating procedures and new expectations of the positions. Capitalizing on their experience and knowledge, we will develop a team to review procedures and help revise, rewrite, and implement best-of-practice site-specific standard operating procedure formats to be used in their work areas.

- **Step 5, Initiate project training program.** HCWD1 and LWC recognize and build upon the value of continuous learning and development. The project training plan will be developed and implemented, with an initial target for every new associate to receive approximately 32 hours of training within the first year and every year thereafter.

- **Step 6, Implement ongoing training and development.** HCWD1 training includes leadership skills, health and safety, operations/technical and administrative procedures, quality management, certification, and other courses designed to improve associate skills on an ongoing basis.

**I.4.2.3 Integration of Employees**

HCWD1 employees will integrate into the procedures and operating environment of Fort Knox as expeditiously as possible. In conjunction with the hiring process, HCWD1 will obtain all necessary security passes and identification required by Fort Knox. HCWD1 will develop a roster of personnel and emergency contact numbers, and provide this to the COTR and the Fort Knox DPW emergency desk.

**I.4.3 Administrative Transition**

To complete the transition of administrative functions, HCWD1 will set up and install the project accounting and financial system, set up the monthly billing, and establish the monthly reporting systems required by the RFP. HCWD1 will meet with the COR and other stakeholders as deemed appropriate by the Government, to deploy the communication procedures for client service. Procedures for requesting service (work orders), excavation permitting, and HCWD1 contact information will be disseminated. Written outlines of each of these procedures will be made available to the stakeholders.

**I.4.4 Purchasing**

The necessary tools, equipment, and vehicles will be obtained, or HCWD1’s existing equipment will be
utilized during the transition period. HCWD1 will establish and use purchasing agreements with local vendors. HCWD1 also will use existing contracts to maximize quantity discounts when possible.

I.4.5 Safety and Security
Integrating the Army facilities into existing HCWD1 safety and security practices and procedures will be a critical element of transition. The site visits conducted in August 2008 enabled the HCWD1 to formulate initial recommendations on safety and security upgrades for the Army facilities. Ground-truthing of these observations and development of safety plans still must take place during the transition period. Security must also be addressed during the transition period. Activities in the transition process related to safety and security include:

- **Conduct safety inspection/evaluation and develop priority list of changes.** In conjunction with on-site familiarization activities, HCWD1 staff will tour the acquired facilities and note specific safety issues to be corrected or addressed through operating procedures. HCWD1 will prepare a prioritized list of recommended safety changes and upgrades and review the list with the Army. For any capital upgrades needed to respond to safety issues that were not identified during the initial site visits, a determination will be made as to whether to add these projects to the Capital Upgrades Plan.

- **Review safety procedures and hold training sessions.** Safety procedures specific to the Army facilities will be developed as needed and integrated into existing HCWD1 safety plans. Staff will be trained on these procedures in sessions held at each installation.

All required safety and emergency response plans and procedures will be developed upon contract award. HCWD1 will ensure all personnel have appropriate safety and health training upon employment. A survey of all utility system facilities will be conducted early in the transition phase to identify any deficiencies.

I.4.6 Transfer of System Operations
A period of joint operation with Fort Knox personnel is desired for the water system during the transition period. HCWD1 will assume full responsibility for training employees and this is built in to the transition schedule. As part of the operational transition, HCWD1 will develop or update SOPs specific to the Fort Knox water systems. These SOPs will be a major component of the employee training program. HCWD1 will review and validate all existing data, and develop laboratory procedures and schedules. During transition, HCWD1 will develop a comprehensive Process Control Strategy and a Water Sampling and Analysis Plan. All employees will be trained to become familiar with these plans. Process control meetings will be held with employees initially on a bi-monthly basis and monthly afterward. These meetings will allow for the open discussion of current process control strategies, and allow for a high level of communication between all employees. This communication strategy will be a key element in the provision of the highest quality water and service to our Fort Knox customers.

I.4.7 Transfer of System Maintenance
Transfer of system maintenance activities will coincide with the startup of the CMMS. Job plans for maintenance activities will be developed and added to the CMMS, and work orders will be used to document maintenance activities. PM activities will be developed, and equipment repair and replacement requirements will be documented. Inventory controls will be developed and used to track spare parts and critical equipment replacement parts for high-risk water system utility components.

I.4.8 Transfer of Ownership
Transfer of ownership will occur at the end of the transition period, which is 120 days after NTP. During the transition period, HCWD1 will work closely with the COR, the Fort Knox Contracting Office, and other associated Government entities to facilitate the development, review, and execution of the necessary
Instruments to ensure a smooth and timely transfer of ownership at the end of the transition period.

1.4.9 Prepare Work Plans for Initial Capital Upgrade Projects

Work plans will be developed for the initial capital upgrade projects, including the system survey assessment project, the leak detection survey, and the hydraulic modeling project. Since many of the initial capital upgrade projects need to be completed in the first year of performance, the work plans will be used to secure the necessary resources to begin the capital upgrade projects immediately after the transition period.

1.4.10 Tasks to be Completed by the Government Prior to Transition

In order to make this transition as smooth and effective as possible, we have assumed that Fort Knox will perform the following tasks prior to the transition period:

- Complete actions required related to adversely affected staff (RIF notices).
- Review Program Objectives Manual to determine availability of funds for transition process, contract management costs, and the new utility contract costs.
- Assign COTR at Fort Knox as HCWD1’s primary contact during transition.
- Initiate modification or cancellation of existing permits and ensure transfer of existing permits.
- Modify any host-tenant agreements.
- Review real estate documents and identify explosive-safety quantity zones, airfield clearance zones, or other restrictions affecting utility operations.
- Collect relevant drawings, documents, and manuals for transfer.
- Inventory and identify Government items to be transferred.
- Identify Government equipment to be removed.
- Identify Fort Knox personnel for points of contact.
- Ensure all existing contracts for the utility systems terminate upon start of performance.
- Ensure all recurring service contracts for the utility systems terminate upon start of performance.
- Identify whether temporary transition office space will be available for HCWD1 personnel.
I.5 Financial Strength

HCWD1 is a well run utility system with a strong balance sheet and operating margins that allow it to maintain long-term financial integrity. The success of HCWD1 has been recognized by others in the industry and community through a number of awards it has won.

Established in 1952 with 125 water accounts, HCWD1 has a 56-year history of growth, financial stability, and quality customer service. Its stability is enhanced by the regulation of the KPSC, which has the responsibility to review HCWD1’s operations to be sure service meets quality standards and costs are prudently incurred. It also has the responsibility to approve HCWD1 rates that cover prudently incurred costs, thereby providing a basis for HCWD1’s strong financial integrity.

Since 2003, HCWD1 has more than tripled its capitalization, growing from $20 million in 2003 to $41 million in 2007 and an estimated $65 million in 2008. This has been accomplished through growth in native customers, as well as through acquisitions. In 2004, HCWD1 privatized the wastewater system at Fort Knox. The significant increase in 2008 reflects HCWD1’s acquisition of the City of Radcliff sanitary sewer system earlier in the year. At the same time that its capitalization was significantly increasing, HCWD1 was able to reduce dramatically its debt to capital ratio. That ratio decreased from 56 percent in 2003 to 31 percent in 2007. The ratio is projected to further decrease to only 24 percent in 2008. These changing ratios and other financial ratios requested in the RFP are provided in Exhibit I.5-1.

Exhibit I.5-1

HCWD1’s acquisition of the City of Radcliff sanitary sewer system earlier in the year. At the same time that its capitalization was significantly increasing, HCWD1 was able to reduce dramatically its debt to capital ratio. That ratio decreased from 56 percent in 2003 to 31 percent in 2007. The ratio is projected to further decrease to only 24 percent in 2008. These changing ratios and other financial ratios requested in the RFP are provided in Exhibit I.5-1.

The relative reduction in debt and build up in system equity reflected in the reduced debt to capital ratio resulted in part from operating margins. As shown in Exhibit I.5-1, interest coverage and the ratio of funds from operation (FFO) to interest have both been high over the past 5 years and are projected to continue at high levels in 2008. The particularly high FFO to interest ratio of 7.3 projected for 2008 reflects the fact that HCWD1 was granted a water rate increase at the end of 2007 and a sewer rate increase in mid 2008.

HCWD1 accesses capital for major plant investments through internally generated capital and revenue bonds. It also uses its line of credit for shorter term capital requirements. It will use these sources to fund R&R and ISDC projects at Fort Knox.

HCWD1’s latest bond issue (Series 2005, $6.860 million) was rated “Aaa” by Moody’s Investors Service. It was also the first water district in Kentucky to use variable rate, weekly indexed, tax exempt bonds. HCWD1 has used this funding instrument twice, with both issues rated “VMIG-1” by Moody’s. Moody’s description of this rating is:
VOLUME 1: Subfactor 5, Financial Strength

“This designation denotes best quality. There is present strong protection by established cash flows, superior liquidity support or demonstrated broad-based access to the market for refinancing.”

A local bank also provides a pre-approved line of credit for $2.5 million, which HCWD1 can access for any reason at any time. Finally, as a special sub-district of the Commonwealth of Kentucky, HCWD1 is also able to receive local, state, or federal grants for construction projects, from a variety of agencies and programs. Currently, HCWD1 has received approval for and is using $5 million of grants for current water construction projects.

In the event of a natural disaster, HCWD1 has the resources and capability to immediately begin restoration and sustain the restoration for timely completion and resumption of normal operations. HCWD1 has included provision for $28 million in property insurance for assets at Fort Knox beyond the insurance HCWD1 has on its existing water system and two sewer systems. In addition to our financial resources and insurance, as a Government sub-district, HCWC1 is eligible for emergency funding from the county Government, the state Government, and the federal Government through Federal Emergency Management Administration (FEMA) funding. HCWD1 has experience accessing funds from these sources to cover costs related to storms and damages, including clean-up costs.

In addition to HCWD1’s financial strength, we can bring to this contract the financial stability and competence of our two team subcontractors. HWD1 is the sole prime contractor under the submitted proposal. LWC will provide water treatment operations and water quality monitoring and expertise. This will be done under a subcontract with HCWD1. CH2M HILL will provide management of the Capital Improvement Program; this will also be accomplished under a separate subcontract with HCWD1. Both LWC and CH2M HILL will assist HCWD1 throughout the contract with capital project planning, design and administration.

Louisville Water Company

Exhibit 1.5-2 presents LWC’s financial performance indicators from the past 5 years.

LWC has low debt levels and has the capacity to quickly and efficiently raise additional funds when necessary. LWC maintains favorable debt service coverage of more than 2 times the maximum annual debt service. The bond ratings for LWC long-term debt are among the very highest in the industry: AAA for Standard and Poor’s Corporation and Aaa for Moody’s Investors Service. These ratings represent the highest from their respective rating agency. In addition, as a municipally owned utility, LWC is eligible for publicly funded grants and low-interest loans.

LWC has relatively low water rates as a result of efficient operations. LWC continues to focus on optimizing the value of water service to its customers. LWC’s average O&M cost per customer of $170 is one of the lowest in the water industry, and our rates are one of the lowest in the region.

LWC has maintained its infrastructure to meet long-term requirements. LWC uses a 5-year Capital Improvement Program (CIP) that is updated annually. The current CIP emphasis is on renewal of buried infrastructure, renovation of WTP facilities, improvements to storage and boosted pressure systems, and investments in information technology architectures. Capital improvement program plans also include significant investment in advanced treatment technology to improve water quality and ensure future regulatory compliance.

CH2M HILL

CH2M HILL’s financial strength is driven by our employee-owners’ dedication to delivering high-quality services that establish long-term client relationships. With gross revenues of $5.8 billion in 2007, CH2M HILL maintains an enviable financial position in the industry.

CH2M HILL’s steady increase in staff and annual revenues provide one of the most stable firms in the world, assuring a team with the financial responsibility, stability, and strength to integrate and package.
the full spectrum of services required for this contract. We posted our most profitable year ever in 2007. In an industry comparison of leading companies, our 0.2 debt-to-capital ratio, the leading indicator of overall financial strength, was the lowest. Our financial capacity is also proven by an annual growth rate of nearly 20 percent per year over the past 5 years.

**Exhibit I.5-2**

**LWC Financial Performance Indicators**

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<td>Operating Revenues</td>
<td>$132.1 million</td>
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<td>$34.7 million</td>
<td>$28.6 million</td>
<td>$24.6 million</td>
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<td>Capital Improvements in System</td>
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<td>$723.1 million</td>
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Volume I
Attachment I-1—Technical Assumptions
Assumptions Used for Technical Approach and Costing Purposes

The following assumptions have been made for the purpose of establishing a baseline for developing and pricing this proposal, and will be confirmed during the system characterization phase. Notes and assumptions specific to our calculations in the Price Proposal are included in the supporting documentation files and spreadsheets. This proposal was developed based on limited information to bidders during the proposal solicitation process.

General

1. Air permitting for new and existing generators will be under the Fort Knox Title V permit.
2. Any generators to be installed will be emergency generators, which are exempt sources under Clean Air Act Title V regulations. All pumps will be electric and will not require amendment of permits.
3. Given adequate notice and coordination, Army management, engineering, and operations personnel will be available for interview during site characterization regarding utility system operations, prior contamination, and environmental status.
4. Given adequate notice and coordination, the Army will provide all existing water utility information that may be reasonably requested by HCWD1. All applicable reports, correspondence, maps, drawings, and any other documentation related to the utility systems or the environmental condition of the property will be readily available to HCWD1 for review during site characterization.
5. For proposal purposes, we assume that system renovation and upgrade projects, as identified in the RFP, are still required by the Government.
6. Capital improvements proposed by HCWD1 will be included in the Government “should cost.”
7. The Government “should cost” will reflect industry standards for operation, maintenance, and recapitalization of the water system.
8. Annual/periodic studies will begin after the first 12 months of the performance period.
9. HCWD1 will accept the Government’s procedure for delayed payment of invoices.
10. Utilities, such as electricity and water, that are supplied to HCWD1 by the Government or a Government contractor will be paid directly by the Government.
11. The cost for the new facility for O&M staff is included in Volume IV Proce Proposal, Table IV-2, titled Renewal and Replacement Schedule (2008$)", page IV-14.
12. The Army will maintain an ongoing water conservation program.
13. The Army will be responsible, at no cost to or regulatory effort by HCWD1, for the disposal of any contaminated soil or groundwater encountered during excavations.

Water System

14. HCWD1 assumes that there are no issues of noncompliance in any of the water systems (not identified in the RFP), or that any current violations/noncompliance will be corrected prior to contract start.
15. Adequate flow records and level of detail are available to reasonably estimate demand, peaking factors, and system needs.
16. Under the terms of this privatization, HCWD1 will have no responsibility for the water source beyond monitoring and testing quality and capacity, and making recommendations regarding protection, expansion, and use of the water resource.

17. No cathodic protection system currently exists on the water system, other than the water tanks.

**Environmental Baseline Study**

18. The EBS will be provided to the HCWD1 by the Government during transition.

19. All pre-existing environmental conditions will remain the responsibility of the Government, and the Government will retain any liability for such conditions whether known or discovered in the future.

20. Documented restrictions on activities in areas near endangered species, streams, wetlands, etc. will be provided to HCWD1 during transition.

**Environmental Assessment (EA)**

21. For proposal purposes, no EAs will be required for the transfer of utility system assets to HCWD1 as the New Owner.

**Environmental Impact Statement (EIS)**

22. For proposal purposes, no EIS will be required for the transfer of utility system assets to HCWD1 as the New Owner.

**Staffing**

23. The Government will be responsible for any costs associated with security clearance for HCWD1 staff at Fort Knox.

24. Escorts to secure areas will be provided by the Government at no additional cost to HCWD1.
Volume I
Attachment 2—Current Projected Renewal And Replacement Schedule and Capital Improvement Plan
PARTNERSHIP AGREEMENT

This Agreement, made this 15th day of July, 2008 (hereinafter the “Effective Date”) by and between the Louisville Water Company (hereinafter “LWC”; and the HARDIN COUNTY WATER DISTRICT No. 1 (hereinafter “DISTRICT”), shall confirm the intent of the parties to coordinate and partner in the management and operation of the Fort Knox Public Water Treatment and Distribution System (hereinafter “System”) and jointly pursue a wholesale water supply for the District and Ft Knox.

WHEREAS, the United States Government Department of Defense (“Government”) operates a military base near Radcliff, Kentucky known as Fort Knox (hereinafter “Ft. Knox”) which has its own independent public water supply system; and

WHEREAS, the Defense Energy Support Center (DESC) has issued a Request for Proposals (RFP) on July 1, 2008 for the private operation and maintenance of the System; and

WHEREAS, LWC is a municipally-owned water company operating pursuant to KRS Chapter 96 and owns and operates the public water supply system throughout Jefferson County and in parts of Oldham and Bullitt Counties; and,

WHEREAS, District is a water district operating pursuant to KRS Chapter 74 and owns and operates the public water supply system for a portion of Hardin County, including the City of Radcliff on a retail basis and the City of Vine Grove and Meade County Water District on a wholesale basis, and owns and operates the sanitary sewer systems of Radcliff and Ft. Knox; and

WHEREAS, both parties have the technical, managerial and financial capacity to provide services necessary to the management and operation of the System; and

WHEREAS, the cooperation and collaboration of the parties on a joint response to the RFP (the “Project”) will likely provide the most viable option for selection by the DESC;

NOW THEREFORE, in consideration of the terms and conditions set forth below, the parties agree to the following terms and conditions which will govern their relationship during the period leading up to the executing of documents which would effectuate the Project:

I. Both parties agree that this Agreement sets forth broad parameters of the partnership. The actual scope of work may be refined over the course of the Project and subsequent negotiations with the Government. The relationship currently expects the District to assume ownership of the System, in order to provide the Government with a regulated, tariff-based proposal, with LWC providing operations of a portion of the System, and LWC providing a treated water source to the Government and to the District, and the District providing operations of other aspects of the System.

II. LWC and District agree to exclusively, collaboratively and jointly pursue an operations contract for the System, upon issuance of the privatization RFP.

A. LWC will finance the costs of developing the RFP, including selecting and hiring any additional entities it deems necessary. In the event the District-LWC proposal is
accepted, the full cost to develop the proposal will be recovered over 5 years through the monthly management fee charged to the Government. If unsuccessful, each party will pay its own external costs (i.e. its own contractual costs for engineering, construction, legal or financial analyses) associated with the project as well as their own internal labor and non-labor costs.

B. LWC will be the lead partner in preparing all documents for submission in response to the RFP. The District will assist with providing any information requested, data and information needed, and any other pertinent information that is required or would be beneficial in the preparation of the proposal documents, and to assist with authoring sections of the proposal documents as requested by LWC. The final submittal and pricing will require the mutual agreement of both parties.

III. District plans to provide operation and maintenance services for the distribution facilities (distribution pipes, hydrants, valves, and service lines). District will provide, through its own forces or future subcontractors selected by District, all GIS mapping requirements in the RFP to facilitate the mapping of the system, in a manner consistent and compatible with the existing sanitary storm sewer GIS systems of Ft. Knox, which the District has also developed. LWC will provide GIS resources where needed.

IV. LWC will provide operation and maintenance services of the production facilities (well field, water treatment plants, pumping stations, and storage tanks) for a period of at least 5 years. It is anticipated the Muldraugh Water Treatment Plant will be replaced within 3 years with a new transmission supply from LWC along Dixie Highway (Hwy 31W) at Westpoint, Kentucky. The Ft. Knox Central Water Treatment Plant will remain in operation for the foreseeable future. However, the parties may agree to expand or replace the Ft. Knox Central Water Treatment Plant in the future by mutual agreement.

V. LWC and District agree to jointly develop a capital improvement plan as required to fulfill the Ft Knox Privatization RFP.

VI. LWC and District agree to collaborate to design, construct and install a transmission main to District and the System in connection with or independent of the Ft Knox Privatization RFP. In furtherance of this objective, LWC and District agree to enter into a wholesale water supply contract to obtain from LWC a reliable, abundant and redundant source of supply from the same pipeline and facilities that LWC will deliver water to System and/or the District. The term of the wholesale supply contract will be either a standard wholesale term of 40 years or for the same time period of the Government’s privatization of the System.

VII. LWC is willing to pursue a partnership with District at a later date to facilitate various benefits to LWC, the District and the Government. It is envisioned that this partnership will provide the following benefits or services among LWC, the District and the Government.

A. The parties agree to collaborate on purchasing initiatives for the purposes of incurring lower costs for the provision of operation and maintenance services to the District and/or include but not limited to, joint fuel purchases, operations and maintenance of main breaks, main replacements or other utility operations.
B. LWC will provide additional engineering, technical, capital program management and other support services to the District for an agreed cost of service and based on LWC resource availability, for projects related to the System, or to the District's other utility systems.

VIII. All other aspects of work or tasks required by the Government and set forth in the RFP will be provided and divided between the parties at a future date, based on factors which will provide the parties with the best competitive advantage to be selected by the Government.

IX. The Term of this Agreement shall be from the Effective Date and shall expire (1) upon the successful award of the Privatization RFP to District in collaboration with LWC or upon the District not being determined as the successful respondent to the RFP; or (2) upon this Agreement being superseded by written agreements that specifically cover the activities governed herein; or (3) upon ninety (90) days' advanced written notice by either party to the other party.

X. This Agreement contains the entire agreement between the parties with regard to the intent to form a partnership for the Ft. Knox privatization RFP.

LOUISVILLE WATER COMPANY

BY: [Signature]
Mr. Gregory C. Heitzman, President

Approved as to Legality and Form:

[Signature]
Barbara K. Dickens
Vice President, General Counsel
Louisville Water Company

HARDIN COUNTY WATER DISTRICT No. 1

BY: [Signature]
Mr. William J. Rissel, Chairman

Approved as to Legality and Form:

[Signature]
Mr. David T. Wilson, III
Legal Counsel
Hardin County Water District No. 1
Volume I
Attachment I-4—Scope of Work for ISDC Projects
ISDC 1

System Survey/Assessment and Re-Map the Utility System
OBJECTIVE
Implement a fully functional Geographic Information System (GIS) of the Ft. Knox Water infrastructure. At this time all data collected, acquired and/or created will be incorporated into Hardin County Water District No. 1 (HCWD1) existing GIS, SDImaps. Full consideration will be given to the future migration to a full Enterprise GIS solution.

SCOPE OF WORK
1. Project development
   a. Determine what data is currently available on Ft. Knox and determine the current state of any existing data. The quality of this data will determine the amount of fieldwork that may be required; however, based upon the previous wastewater and stormwater project we anticipate receiving the same or similar quality data. This result would lead to a complete GPS collection of the water infrastructure.
   b. Participate in any required project meetings.

2. Develop Water dataset for Ft. Knox
   a. Provide Water dataset for use in SDImaps

3. Custom Development
   a. Existing aerial photos and topographic maps will be used and not included in this proposal.
   b. Creation of new Elevation dataset from existing Ft. Knox LIDAR data.
   c. Create Grid tool to meet J1.9.3 – E
   d. Update existing SDSFIE export utility to incorporate SDSFIE release 3.0 and allow for the exportation of all water features.

4. Data Collection and Attribution
   a. GPS Collection of all water features listed in Appendix A. The estimated number of features is 2898. The exact numbers may be adjusted if more accurate information is acquired. Attributes collected during GPS collection will be a minimum and limited to feature type, location, place details, and unique feature ID (if available).
   b. Post-Processing of all GPS data to sub-foot accuracy. Estimates are based upon the current information given above and may change if more accurate information becomes available.
c. Digitizing of all water mains. The locations of each will be based upon features collected by GPS and existing record drawings. These lines will be digitized by hand using the accompanying basemap set. It is estimated to be 171.9 miles of water main on post.
d. Digitizing of all service lines. The locations of each will be digitized by hand using the accompanying basemap set and digitized water mains. The service lines will be digitized 90° off the main and continue to the mark of demarcation as defined in J1.2.1.2 of the Potable Water Utility System Utilities Privatization – Fort Knox, Kentucky RFP. Estimates for service lines are unknown at this time; however, an estimate of 6,632 linear feet will be used. This is derived from the sum of all ¾” and 1” mains listed in Table 5 of section J1.2.1.4 of the Potable Water Utility System Utilities Privatization – Fort Knox, Kentucky RFP.
e. Coding attribute information that is gathered either in the field or from existing record drawings or other acquired information. Estimates are based upon the sum of GPS points collected in the field and the miles of main and service lines digitized.

5. Travel
   a. Current estimates are 8 weeks (40 days) for GPS collection of water infrastructure. Mileage is calculated based upon roundtrips from our Louisville Kentucky office to Ft. Knox, approximately 82 miles, plus the estimated main mileage doubled. The rates charged were acquired from the U.S. General Services Administration Per Diem for the Ft. Knox area. Current rates are 58.5 cents per mile.
   b. Per Diem and incidentals are based upon 2 people in the field for the entire collection time. The rates charged were acquired from the U.S. General Services Administration Per Diem for the Ft. Knox area. Current rates are $70 for lodging and $39 for meals and incidentals.
## Infrastructure to be mapped

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<th>Range Areas</th>
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<td><strong>2860</strong></td>
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***162.7 miles of main in Cantonment area***

***9.2 miles of main in Range area***
ISDC 2

Leak Detection Survey
ISDC #2
Leak Detection Survey

**Scope:** Perform leak detection at every valve and every connection to discharge headers, transmission mains and distribution lines in the Ft Knox water system. The cost estimate assumes the system would be surveyed for leaks by a LWC Leak Survey Technician over a 3 month period. The estimates also includes charges for LWC vehicle and equipment usage.
ISDC 3
Hydraulic Model
August 11, 2008

Mr. Daniel Clifford
Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

RE: Fort Knox Potable Water System Privatization
Hvdraulic Modeling Proposal

Dear Daniel,

We appreciate the opportunity to submit a proposal to develop and calibrate a hydraulic model of the Fort Knox Water System in accordance with RFP Section J1.3.14.

Please find attached our understanding of the water system, proposed scope and project approach for your review.

Schedule
HDR has the available modeling resources to complete all work within 90 calendar days from Notice-to-Proceed.

Resources
HDR resources available and ready to execute this project in a timely manner include Kevin Brian, Mike Agbodo, Eric Ivanovich, Brian Bradley and Kyle Guthrie.

If you have any questions or need additional information, please give me a call.

Sincerely,

Kevin J. Brian, PE
Project Manager

Copy: Brett Pyles/HCWD No. 1
Water System Background

The Fort Knox water main system includes approximately 9.2 miles of raw water mains, 162.7 miles of distribution mains (containment and range areas), two high lift stations, one booster pump station, and eight elevated water storage tanks. The water mains range in size from 1" diameter to 24-inch diameter. The distribution system includes four (4) independent systems: Basham Corner supplied by MCWD; Cantonment Area; Yano Tank Range supplied by HCWD No. 2 and Zussman Urban site supplied by LWC.

Scope of Services/Project Approach

To gain a thorough understanding of this project the RFP was reviewed and discussions were conducted with District staff. The following paragraphs describe our proposed scope of services and project approach that will be employed by HDR Engineering (HDR) to develop and calibrate a computerized hydraulic model utilizing KY Pipe 2006, in accordance with RFP Section J1.3.14.

Item #1 – Conduct Kick-Off Meeting

Immediately after execution of the work order, the HDR Project Manager, Kevin Brian, will conduct a kick-off meeting with key modeling team members and Hardin County Water District No. 1 (District) management and operations staff to review project scope and schedule, establish lines of communication, obtain GIS data and facilities information, and discuss distribution system operations. Prior to this meeting, a detailed list of information (pump curves, tank and pump station as-builts, operations procedures, trend data, etc.) needed to complete the modeling activities will be sent to the District.

Item #2 – Develop Pipe Network

The modeling and system information and reports obtained at the kick-off meeting will be reviewed. The pipe network will be built from GIS data (geodatabase MDB format) of the water system provided by the District. The District will also provide a check on connectivity of pipes, valves and fire hydrants prior to providing the data. Hydraulic data of active control valves, pump stations, tanks, interconnects and other boundary facilities will be added to the model by HDR.

Item #3 – Develop and Allocate Water Demands

Consumption records are not available since Fort Knox does not have individual meters for businesses, facilities and residential areas. Average daily usage or base demands will be estimated and assigned manually to the model nodes based on zone production, hourly pumping data and residential unit counts (via polygons in the geodatabase) provided by the District. From this data HDR will estimate and allocate base demands throughout the system.
Nodes will be added at locations of large user demand. Global demand multipliers for will be incorporated to reflect non-revenue and unaccounted for water.

Once base demands have been allocated to the model the next step is to determine how demand varies according to location and time. Seasonal and diurnal variations can be expected for the Fort Knox water system. Variations in demand will be calculated and limited to operations data obtained from District staff, records and SCADA. SCADA information provided by the District includes flows, pressures, alarms, tank levels and equipment information, such as on/off status for pumps.

Item #4 – Perform Model Calibration

C-factors are friction coefficients that relate flow to head loss in each pipe element. C-factors are a very sensitive parameter in calculating flow and pressure for higher pipe velocities. HDR will identify locations throughout the distribution system to perform c-factor tests based on pipe sizes and materials and old and new pipes. The District will conduct field tests that involve measuring flow and headloss (pressure drop) between hydrants and recording boundary conditions at the time the test is performed. Information obtained from the field test will be utilized to adjust pipe c-factors and calibrate the model for a regular steady state condition.

Item #5 – Modeling Scenarios

Once the model has been developed and calibrated as described in Items #4 and #5 scenarios will be run for average day and maximum day conditions. A maximum day will be determined by a review of production/pumpage data over the last 12 months. A fire flow simulation will be performed to estimate how much water can be delivered at various hydrants throughout the distribution.

Item #6 – Technical Memorandum (TM)

HDR will prepare a TM to document the process for developing and calibrating the model. Results of modeling scenarios will be included as an appendix to the TM. A compact disc of the Pipe 2006 input and output files and a node map of the distribution system will be provided.
February 11, 2011

Mr. Daniel Clifford
Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

RE: Fort Knox Potable Water System Privatization
Hydraulic Modeling Proposal - Confirmation

Dear Daniel,

Please allow this letter to serve as confirmation that that HDR proposal dated August 11, 2008 is still valid.

Under available resources, we will be using Sasa Tomic for QC review. Mike Agbodo and Brian Bradley are no longer with HDR. HDR has the available resources to perform the work within 90 days of receiving the GIS information.

Please call if you have any questions. Thanks

Sincerely,

Kevin J. Brian, PE
Project Manager
ISDC 5

20-inch Valves
## 20” Valve Replacement
### Preliminary Cost and Time Estimate
#### 02/11/11

### PIPE INSTALLATION

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<th>Cost</th>
<th>Rate</th>
<th>Unit</th>
<th>Days</th>
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<tbody>
<tr>
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<td>Along US 31-W</td>
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<td>lf</td>
<td>$100.00</td>
<td>$800</td>
<td>100 ft/day</td>
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<tr>
<td>20</td>
<td>In Easement</td>
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### OTHER PIPE WORK

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<tr>
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<th>Unit</th>
<th>Days</th>
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<td>ea</td>
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<td>$15,000</td>
<td>1 ea/day</td>
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<tr>
<td>Pressure Testing, Water Samples</td>
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### PROJECT COST DATA

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<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>Unit</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Construction Crew</td>
<td>$</td>
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</tr>
<tr>
<td>Contingency</td>
<td>$</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction Crew</td>
<td>$</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Pipe Footage</td>
<td>16</td>
<td></td>
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<tr>
<td>Drafting</td>
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<td>8 ft/sht</td>
<td>Total Work Days</td>
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<tr>
<td>Engineering Design</td>
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<td>12 hrs/sht</td>
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<tr>
<td>Manage Construction</td>
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<td>24 hr/mon</td>
<td>Bad Weather Days per Week</td>
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<td>Construction Inspector</td>
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<td>Total Non-Work Days</td>
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<td>20-inch Ductile Iron Pipe</td>
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<td>$/lf</td>
<td>Total Days</td>
</tr>
<tr>
<td>Fittings and Valves</td>
<td>$</td>
<td></td>
<td>Contract Period (Days)</td>
</tr>
<tr>
<td>Materials</td>
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<td>Contract Period (Months)</td>
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<td>$</td>
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<td>Contractor Cost/Work Day</td>
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<td>Total Project Cost</td>
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<td>Total Cost per Foot</td>
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<td>Prevailing Wage Rate</td>
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<tr>
<td>Labor</td>
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<td>Total</td>
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</table>
ISDCs 6, 15, 20, 21, 22, 23, 24, 25

New Raw Water Lines and Distribution Mains
Scope of Work

The pipeline unit price was estimated as a weighted average price with 75% of the trenching in an area requiring sod restoration and 25% in an area requiring roadway asphalt restoration. Unit prices presumed that pipelines 4” diameter and above would be performed with open trench excavation. Minimum 3’ cover. Medium hard excavation, partial layback, backfill compacted to 95%. Trench excavated minimum 3’ width, allowing minimum 1’ each side of pipe. Pipe laid atop 6” thick select fill bedding.

Ductile Iron pipe (DIP) is based on pressure class 350 with mechanical joints. Restrainer glands will be on all MJ fittings. Fittings will be double wrapped prior thrust block placement. Excavation in asphalt includes saw cutting, loading hauling and disposal of debris. Asphalt paving restoration to match existing, including wearing course and binder course on compacted sub-grade and stone base, includes stripping.

Valves and fittings are included in the distribution piping and raw water line unit prices. Gate valves will be installed having the same diameter as the distribution pipe.
<table>
<thead>
<tr>
<th>ISDC</th>
<th>Pipe Dia (in)</th>
<th>Pipe Length (ft)</th>
<th>Number of valves*</th>
<th>Unit Cost ($/ft)</th>
<th>Construction Cost ($)</th>
<th>Engineering / Inspection ($)</th>
<th>Total Cost ($)</th>
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<tbody>
<tr>
<td>6- Raw Water Line</td>
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<td>23- Total CIP</td>
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* based on 1 valve per 251 ft
ISDC 7

Otter Creek Pump Station
<table>
<thead>
<tr>
<th>Item</th>
<th>Est Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repair creek side erosion</td>
<td>$3,400</td>
<td>Depending on severity of erosion, solution will vary</td>
</tr>
<tr>
<td>Replace windows</td>
<td>$26,250</td>
<td>Costs are generated from recent construction costs at the District’s Pirtle Spring Water Plant renovation</td>
</tr>
<tr>
<td>Replace doors</td>
<td>$19,000</td>
<td>Costs are generated from recent construction costs at the District’s Pirtle Spring Water Plant renovation</td>
</tr>
<tr>
<td>Roof replacement</td>
<td>$2,933</td>
<td>Costs are generated from vendor quote in 08/2008</td>
</tr>
<tr>
<td>Lightning Protection</td>
<td>$2,500</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>$10,493</strong></td>
<td></td>
</tr>
</tbody>
</table>
To: Richard Stranahan
From: Tim Shemsky
Fax: (270) 332-3055
Phone: 
Date: 8/27/2008
Rec: Roof quotes
CC:

Comments

Attention: Richard - here are the numbers. I will write up a formal proposal to outline what we are doing and fax it to you later.

Otter Creek Pump House: (remove slate roof and haul away and install pre-finished 24-gauge standing seam metal roof)
ISDC 8

Muldraugh High Lift Pump Station
<table>
<thead>
<tr>
<th>Item</th>
<th>Est Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replace Windows</td>
<td>$3,500</td>
<td>Costs are generated from recent construction costs at the District’s Pirtle Spring Water Plant renovation</td>
</tr>
<tr>
<td>Replace Doors</td>
<td>$21,000</td>
<td>Costs are generated from recent construction costs at the District’s Pirtle Spring Water Plant renovation</td>
</tr>
<tr>
<td>Replace Roof</td>
<td>$31,200</td>
<td>Costs are generated from vendor quote in 08/2008</td>
</tr>
<tr>
<td>Hazardous Materials</td>
<td>$10,000</td>
<td>Project allowance for asbestos and lead-based paint materials testing and abatement</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>$97,200</strong></td>
<td></td>
</tr>
</tbody>
</table>
May 20, 2011

Hardin County Water District # 1
1400 Rogersville Road
Radcliff, KY  40160
Attn:  Mr. Bret Pyles
       Operations Manager

Ref:  Muldraugh HLP Filtration Bldg
      Roofing Replacement – Revised

Dear Mr. Pyles,

We are pleased to submit an estimated cost for the roof replacement at the Muldraugh Filtration Building. Our pricing is based upon the reduced copy of the November 19, 1935 drawing 6393-525 from the Office of the Quartermaster General noted as *Fort Knox – Kentucky Filtration Plant*.

Since the above is the only information available, we have had to make some assumptions. In our pricing we assume the following:

- Removal of the existing roofing materials to be done by industry standards (Not Corps of Engineers standard)
- Removal and disposal into standard dumpsters; no hazardous materials handling is included
- No asbestos or lead paint disposal is included
- Corps of Engineers’ specifications and/or inspections not included
- Price good for 30 days only
- Price is based upon listed materials; if a different roof system or materials are desired, pricing may need to be adjusted
- Prevailing wage rates are not included

Scope of work:

1. Tear off the present roof down to the existing light weight insulation concrete deck and haul same from premises.
2. Nail 1 ply of PP28.
3. Install ½” wood fiber and fully adhered 045 EPDM.
4. Install composition SBS base flashing to the walls and curbs.
5. Install new roof drain leads.
6. Install new aluminum coping cap.
7. Embed the gravel surface in a pouring of hot steep asphalt.
8. Re-work/replace the metal counterflashing where the lower roof butts the upper.
The lump sum price for the new roof is $31,200.00.

Please review and let us know if you have any questions.

Sincerely,

Judy Construction Company

Kista Thomas

Kista Thomas

Attachment

cc: File
    Dale Wilson

KT/lj
ISDC 9

Central Water Treatment Plant
### Item #9 – Central WTP

<table>
<thead>
<tr>
<th>Item</th>
<th>Units</th>
<th>Unit Cost</th>
<th>Total</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roof Replacement</td>
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<td>$4,357,800</td>
<td>$4,357,800</td>
<td>Quote from contractor</td>
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<tr>
<td>Hazardous Materials</td>
<td>1</td>
<td>$13,560</td>
<td>$13,560</td>
<td>Project allowance for asbestos and lead-based paint testing and abatement</td>
</tr>
</tbody>
</table>

**TOTAL:**

$5,736,000
May 20, 2011

Hardin County Water District # 1
1400 Rogersville Road
Radcliff, KY 40160
Attn: Mr. Bret Pyles
Operations Manager

Ref: Ft. Knox Filtration Plant
Roofing Replacement – Revised

Dear Mr. Pyles,

We are pleased to submit an estimated cost for the roof replacement at the Ft. Knox Filtration Building. Our pricing is based upon the reduced copy of the November 19, 1935 drawing 6393-525 from the Office of the Quartermaster General noted as Fort Knox – Kentucky Filtration Plant.

Since the above is the only information available, we have had to make some assumptions. In our pricing we assume the following:

- Removal of the existing roofing materials to be done by industry standards (Not Corps of Engineers standard)
- Removal and disposal into standard dumpsters; no hazardous materials handling is included
- No asbestos or lead paint disposal is included
- Corps of Engineers’ specifications and/or inspections not included
- Price good for 30 days only
- Price is based upon listed materials; if a different roof system or materials are desired, pricing may need to be adjusted
- Prevailing wage rates are not included

Scope of work:

1. Tear off the present roof down to the existing light weight insulation concrete deck and haul same from premises.
2. Nail 1 ply of PP28.
3. Install ½” wood fiber and fully adhered 045 EPDM.
4. Install composition SBS base flashing to the walls and curbs.
5. Install new roof drain leads.
6. Install new aluminum coping cap.
7. Embed the gravel surface in a pouring of hot steep asphalt.
8. Re-work/replace the metal counterflashing where the lower roof butts the upper.
The lump sum price for the new roof is $43,800.00.

Please review and let us know if you have any questions.

Sincerely,

Judy Construction Company

Kista Thomas

Kista Thomas

Attachment

c: File
   Dale Wilson

KT/lj
ISDC 10

Central Water Treatment Plant Clearwell
February 11, 2011
Brett Pyles
Hardin County Water District No.1
1400 Rogersville Road
Radcliff, KY 40160

RE: Central Water Treatment Plant – Clearwell No.2

Mr. Pyles,

Please find below the estimated costs to make the necessary repairs to the tanks at the Ft. Knox water system. Please note that these are estimates based on similar projects that my company has provided inspection services for. These estimates were originally generated in July of 2008 and were revised in February, 2011.

Please let me know if you have any questions.

Sincerely,

Mike Topp
Horizon QC

<table>
<thead>
<tr>
<th>Quan</th>
<th>Item</th>
<th>Unit Cost</th>
<th>Total</th>
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<tbody>
<tr>
<td>1 LS</td>
<td>Removal of existing roof</td>
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</tr>
<tr>
<td>1 LS</td>
<td>Installation of Geo-dome Roof</td>
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</tr>
<tr>
<td>1 LS</td>
<td>Installation of interior liner system on sidewalls and floor</td>
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<td></td>
</tr>
<tr>
<td>1 LS</td>
<td>Replacement of existing vents</td>
<td></td>
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</tr>
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</table>

Grand Total:
ISDC 11

Fire Hydrants
# Preliminary Fire Hydrant Cost Estimate

**Date Estimate Prepared:** 02/28/11  
**Purpose of Estimate:** Preliminary  
**Estimate Prepared By:** AFW

## A. Replace Fire Hydrant Utilizing Existing Tee

### Material Cost

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<th>Quantity</th>
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<th>Unit Price</th>
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<td>20” Polywrap : for 4”, 6”, &amp; 8” pipe</td>
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<td>Valve Box &amp; Lid</td>
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<td>Miscellaneous Items</td>
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**Material Sub-total:** $1,335  
**Sales Tax (6.0%)**  
**Material Estimate:** $1,415

### Contract Labor

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relocate Fire Hydrant</td>
<td>1</td>
<td>ls</td>
<td>1250.00</td>
<td>1,500.00</td>
</tr>
</tbody>
</table>

**Contract Labor Estimate:** $1,500

### COST SUMMARY

<table>
<thead>
<tr>
<th>Material Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Labor Estimate</td>
</tr>
<tr>
<td><strong>Project Estimate Total</strong></td>
</tr>
</tbody>
</table>

Andrew F. Williams, P.E.  
Project Engineer, Capital Planning & Hydraulics  
Louisville Water Company  
502.569.3600 x2219  Fax: 502.569.3691
ISDCs 13, 16, 17, 18, 24, 25, 26

Water Storage Tank Nos. 1, 2, 4, 5, 6, 8, 7
| ISDC# | Tank No | Location     | Size (gals) | Year Built | Last Bldg/Upgrade | HCWD1 | Complete By | End Year | $ Labor | $ Insp | $ Mtls | $ CathProt | $ SRR Val | $ G&A Cost | $ Total | Tank RR Life | Insp Interval | Rehab Interval | Replace Interval |
|-------|---------|--------------|-------------|------------|------------------|--------|-------------|---------|---------|-------|-------|---------|-----------|-----------|-----------|--------|-------------|---------------|----------------|----------------|
| 24    | 5       | Educ Ctr 1   | 250         | 1935       | 2004             | M, O, I, N, R | A, E, U | 3       | 75      | 5 yr  | 75    | Need to inspect for warranty |
| 25    | 2       | Educ Ctr 2   | 500         | 1937       | 2004             | M, O, I, N, R | A, E, U | 3       | 75      | 5 yr  | 75    | Need to inspect for warranty |
| NA    | 3       | WWTP / HRC  | 500         | 2010       | 2010             | M, O, I, N, R | A, E, U | 3       | 75      | 5 yr  | 75    | Need to inspect for warranty |
| 26    | 4       | Brave Rifles | 500         | 1941       | 2002             | A, O, I, N, R | A, E, U | 3       | 75      | 5 yr  | 75    | Need to inspect for warranty |
| 13    | 5       | Van Vothius  | 300         | 1958       | 1994             | A, L, N, R, C | E, U | 3       | 75      | 5 yr  | 75    | Need to inspect for warranty |
| 16    | 6       | Fraser/Wilson| 500         | 1995       | 1995             | A, L, N, R, C | EU    | 2       | 75      | 5 yr  | 75    | Need to inspect for warranty |
| 17    | 7       | FDOIS        | 500         | 1997       | 1997             | M, N, R, C | EU    | 2       | 75      | 5 yr  | 75    | Need to inspect for warranty |

Col G Key: M - Minor Rprs A - Acrylic
D - Overcoat E - Epoxy
S - Sandblast U - Urethane
I - Interior
N - Anodes repl F - Full re-coat
V - Rectifier repl P - Piping repl
C - Containment

**Summary:**

- Total tank work to complete in first 3 years: $1,499,382
ISDC 14

Automatic Transfer Switches
February 15, 2011

Mr. Brett Pyles  
Operations Manager  
Hardin County Water District No. 1  
1400 Rogersville Road  
Radcliff, Kentucky 40160

Re: Automatic Transfer Switch Costs

Dear Brett,

Pursuant to your email, I have generated the following cost estimates for furnishing and installing automatic transfer switches at three of your facilities. These costs use horsepower data presented in your email plus an assumed nominal amount of miscellaneous load. Each of these transfer switches are service-rated in stand alone outdoor enclosures with drawout normal and emergency switches for servicing one while the other remains in service.

Facility a
480V/1200A ATS:  
Installation:  
Start up:  
Total: 

Facility b
480V/1600A ATS:  
Installation:  
Start up:  
Total: 

Facility c
480V/1200A ATS:  
Installation:  
Start up:  
Total: 

Please let me know if you have any questions.

Sincerely,

Darryl W. Evans, P.E.

cc: Kevin Brian/HDR, P.E.

M:\Proposals\HCWD No. 1\Auto Transfer Switch Costs.doc
ISDC 19

SCADA System
<table>
<thead>
<tr>
<th>Item</th>
<th>Est Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractor</td>
<td></td>
<td>Includes engineering, installation and material</td>
</tr>
<tr>
<td>District labor, G&amp;A</td>
<td></td>
<td>Includes District labor, G&amp;A, oversight</td>
</tr>
<tr>
<td>Total:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
February 16, 2011

Curt Pickerell
Hardin County Water District #1
1400 Rogersville Road
Radcliff, KY 40160

Curt:

Please see the information below regarding Budgetary Pricing for Fort Knox Water Plant SCADA System.

ESTIMATE: PUMP STATIONS AND TANKS

<table>
<thead>
<tr>
<th>Material</th>
<th>ea</th>
<th>unit</th>
<th>cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>ControlView32-5000 tag, Dev., Linx, 1-R.T.</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ControlView32-5000 tag, Linx, 1-R.T.</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RSLLogix-500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computers / Monitors????</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tank telemetry equipment</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump station telemetry equipment</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water plant telemetry equipment</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Engineering (incl. DWgs)

<table>
<thead>
<tr>
<th>Item</th>
<th>Hrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programming</td>
<td>80</td>
</tr>
<tr>
<td>HMI Screen programming</td>
<td>120</td>
</tr>
<tr>
<td>Shop Test</td>
<td>30</td>
</tr>
<tr>
<td>Install</td>
<td>24</td>
</tr>
<tr>
<td>Startup</td>
<td>24</td>
</tr>
<tr>
<td>T &amp; V</td>
<td>16</td>
</tr>
<tr>
<td>Training</td>
<td>24</td>
</tr>
<tr>
<td>On-Site Assistance and Remote Support</td>
<td>80</td>
</tr>
</tbody>
</table>

Grand Total for Remote Sites as listed

Thank you for this opportunity,

Allan Sewell
Sewell Industrial Electronics, Inc.
ISDC 27

West Point Well Field
May 16, 2011

Mr. Brett Pyles  
Hardin County Water District No.1  
1400 Rogersville Road  
Radcliff, KY 40160  

RE: Ft. Knox Well Platforms  

Mr. Pyles,  

Please find below the estimated costs to make the necessary repairs to the well field platforms in the Ft. Knox well fields near West Point, KY. Please note that these are estimates based on similar projects that my company has provided coating inspection services for. These estimates were originally generated in July of 2008 and to the best of my knowledge, should still be accurate estimates.

Please let me know if you have any questions.

Sincerely,  

Mike Topp  
Horizon QC

- Well Platforms (13)

Repairs: Surface Preparation – SSPC SP 3 Power Tool Cleaning on all corrosion spots.  
Spot prime epoxy mastic 4.0 – 6.0 mils dft.  
Finish coating UV compatible coating 3.0–4.0 mils dft.
ISDC 28

Van Voohis Pump Station
February 11, 2011

Mr. Brett Pyles
Hardin County Water District No.1
1400 Rogersville Road
Radcliff, KY 40160

RE: Van Voorhis Pump House

Mr. Pyles,

Please find below the estimated costs to make the necessary repairs to the Van Voorhis Pump House in the Ft. Knox water system. Please note that these are estimates based on similar projects that my company has provided coating inspection services for. These estimates were originally generated in July of 2008 and to the best of my knowledge, should still be accurate estimates.

Please let me know if you have any questions.

Sincerely,

Mike Topp
Horizon QC

---

- **VanVoorhis Pump House**

Repairs: Surface Preparation – SSPC SP 3 Power Tool Cleaning on all corrosion spots. Spot prime epoxy mastic 4.0 – 6.0 mils dft. Finish coating - compatible coating 3.0–4.0 mils dft.
ISDC 29

Decommission Muldraugh Water Treatment Plant
General Project Description

The client for this project is Fort Knox. The location of the project is in Muldraugh, KY. The project will include demolition of an existing treatment plant on the Fort Knox Military Reserve. Demolition will include two buildings which house equipment for the treatment facility, one garage, one clarifier tank, one sludge holding tank, two settling tanks, dirt to back fill the facility sites, and ground restoration of the existing facilities.

Scope of Work

The scope includes:

<table>
<thead>
<tr>
<th>Item</th>
<th>Length (ft)</th>
<th>Width (ft)</th>
<th>Diameter (ft)</th>
<th>Volume (yd$^3$)</th>
<th>Unit Cost</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarifier Tank</td>
<td></td>
<td></td>
<td>50</td>
<td>300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sludge Holding Tank</td>
<td>40</td>
<td>40</td>
<td></td>
<td>200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garage</td>
<td>60</td>
<td>30</td>
<td></td>
<td>300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Settling Tank</td>
<td>60</td>
<td>50</td>
<td></td>
<td>400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building (Above Grade)</td>
<td>160</td>
<td>35</td>
<td></td>
<td>1400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building (Basement)</td>
<td>160</td>
<td>35</td>
<td></td>
<td>700</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building (Above Grade)</td>
<td>80</td>
<td>40</td>
<td></td>
<td>800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building (Basement)</td>
<td>80</td>
<td>40</td>
<td></td>
<td>400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Settling Tank</td>
<td>100</td>
<td>60</td>
<td></td>
<td>700</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fine Grade &amp; Seed</td>
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<td></td>
<td></td>
<td>0.20</td>
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<td>Asbestos testing and abatement</td>
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<tr>
<td>Lead Testing and Abatement</td>
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<tr>
<td>Fill Material</td>
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<tr>
<td>Total Hauling</td>
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<td></td>
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<td>5200</td>
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</tbody>
</table>

Subtotal $424,000
Engineer/Admin/Inspection $63,600
Total $487,600
ISDCs 30, 31, 32, 33, 34

Muldraugh Water Treatment Plant Operation

Years 1 - 5
## Base - LABOR & EXPENSES - Water Treatment (Muldraugh Only) - Years 1 - 5

<table>
<thead>
<tr>
<th>Labor Category</th>
<th># of Emps</th>
<th>U/M</th>
<th>Labor Rate</th>
<th>Year 1</th>
<th>Year 2-5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Treatment Operator</td>
<td>4</td>
<td>Hr</td>
<td>8,736</td>
<td>8,736</td>
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<tr>
<td>Electrician/I&amp;C</td>
<td>0.5</td>
<td>Hr</td>
<td>1,092</td>
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<td>-</td>
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<tr>
<td>Plant Mechanic</td>
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<td>2,184</td>
<td>2,184</td>
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<tr>
<td><strong>TOTAL RAW LABOR (Raw + Fringe)</strong></td>
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<td>12,012</td>
<td>12,012</td>
<td>-</td>
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</table>

**Fringe LWC Benefits Rate 68.5%**

### EXPENSES

<table>
<thead>
<tr>
<th>U/M</th>
<th>Unit Rate</th>
<th>QTY</th>
<th>$</th>
<th>QTY</th>
<th>$</th>
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<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Bulk Lime</td>
<td>Ton</td>
<td>456</td>
<td>-</td>
<td>456</td>
<td>-</td>
</tr>
<tr>
<td>Carbon Dioxide</td>
<td>lb</td>
<td>374,746</td>
<td>-</td>
<td>374,746</td>
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<tr>
<td>Alum</td>
<td>lb</td>
<td>287,474</td>
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<td>287,474</td>
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<tr>
<td>Fluoride</td>
<td>lb</td>
<td>15,742</td>
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<td>15,742</td>
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<tr>
<td>Chlorine</td>
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<td>30,912</td>
<td>-</td>
<td>30,912</td>
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<tr>
<td>Telephone</td>
<td>Month</td>
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<td>-</td>
<td>12</td>
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<tr>
<td>Tools</td>
<td>Lot</td>
<td>12</td>
<td>-</td>
<td>12</td>
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<tr>
<td>Lab Supplies</td>
<td>Month</td>
<td>12</td>
<td>-</td>
<td>12</td>
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<tr>
<td>Fuel</td>
<td>Monthly</td>
<td>12</td>
<td>-</td>
<td>12</td>
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<tr>
<td>Training and Tuition</td>
<td>Monthly</td>
<td>12</td>
<td>-</td>
<td>12</td>
<td>-</td>
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<tr>
<td>Safety Supplies</td>
<td>Monthly</td>
<td>12</td>
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<tr>
<td>Vehicle Repair and Maintenance</td>
<td>Monthly</td>
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<td>-</td>
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<tr>
<td>Repair Parts</td>
<td>Monthly</td>
<td>12</td>
<td>-</td>
<td>12</td>
<td>-</td>
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<tr>
<td>CO2 Lease</td>
<td>Month</td>
<td>12</td>
<td>-</td>
<td>12</td>
<td>-</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OUTSIDE SERVICES / SUBCONTRACTS / PURCHASES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uniforms</td>
<td>5.5 Month</td>
<td>12</td>
<td>-</td>
<td>12</td>
<td>-</td>
</tr>
<tr>
<td>Contract Lab Services</td>
<td>Month</td>
<td>12 $</td>
<td>-</td>
<td>12 $</td>
<td>-</td>
</tr>
<tr>
<td>Cell Phones/Pagers</td>
<td>Month</td>
<td>12 $</td>
<td>-</td>
<td>12 $</td>
<td>-</td>
</tr>
<tr>
<td>Sludge Hauling Disposal</td>
<td>Tons</td>
<td>4,318 $</td>
<td>-</td>
<td>4,318 $</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL LABOR AND EXPENSES</strong></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

This page contains unprotected data and proprietary analytical methods that shall not be disclosed outside the Government and shall not be duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data and analytical methods to the extent provided in the resulting contract. This restriction does not limit the Government’s right to use information contained in this data if it is obtained from another source without restriction.
Volume I
Attachment I-5—Meter Renewal and Replacement
Scope of Work
Meter Renewal and Replacement Scope of Work

Type and Size:

<table>
<thead>
<tr>
<th>Meter Type</th>
<th>No.</th>
<th>Vault Size (outside)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/4” Positive Displacement</td>
<td>9</td>
<td>18” x 24” round corrugated box</td>
</tr>
<tr>
<td>1” Positive Displacement</td>
<td>13</td>
<td>18” x 24” round corrugated box</td>
</tr>
<tr>
<td>2” Turbine</td>
<td>18</td>
<td>36” x 36” round corrugated box</td>
</tr>
<tr>
<td>4” Turbine</td>
<td>6</td>
<td>7’ x 14’ x 6’ concrete vault</td>
</tr>
<tr>
<td>6” Compound</td>
<td>1</td>
<td>7’ x 14’ x 6’ concrete vault</td>
</tr>
<tr>
<td>6” Turbine</td>
<td>1</td>
<td>7’ x 14’ x 6’ concrete vault</td>
</tr>
<tr>
<td>8” Turbine</td>
<td>1</td>
<td>7’ x 14’ x 6’ concrete vault</td>
</tr>
<tr>
<td>10” Mag Meter</td>
<td>1</td>
<td>7’ x 14’ x 6’ concrete vault</td>
</tr>
</tbody>
</table>

Small Meter Replacement Procedures (5/8”, 3/4”, 1”)

- Kentucky Public Service Regulation requires small meters, which are used for customer billing, to be tested every 10 years to verify accuracy is between 98.5% and 101.5%. While the District would not be required to test meters in the Ft. Knox system, this will determine when the meters need to be replaced and to maintain accurate metering.
- Verify meter size and if required meter and other materials are in stock.
  - Verify if meter setter (with double check backflow preventer) is present.
  - If setter is not present, locate curb stop or other cut-off valve.
  - Verify service line size on both sides of the meter.
- Notify proper FK personnel and building residents 24 hours in advance of meter replacement and schedule water service to be shut-off.
  - NOTE: Notify and schedule with Knox Hills if in “residential area”.

Page 1 of 2
If excavation is required, notify KY 811 (Before U Dig) and non-member utilities, to locate underground utilities, 48 hours prior to excavation.

Day of repair/maintenance, notify building occupants (or residents) that water service is being shut-off for repairs.

Proceed with meter replacement (and setter installation, if needed).

- **NOTE**: If meter setter is not present, service line between meter and structure would be plugged/capped to prevent hot water heater(s) from draining and possibly causing damage to the heater.

After repairs are completed, flush service line from nearest outside faucet.

Notify occupants that repair/maintenance has been completed.

Note date and description of maintenance/repairs in the maintenance database.

**Medium (1.5” & 2”) and Large Meter Replacement Procedures (3”, 4” and 6” and larger)**

Kentucky Public Service Regulation requires 1.5” and 2” meters, which are used for customer billing, to be tested every 4 years to verify accuracy, 3” and 4” meters every 2 years, 6” and larger annually. Accuracy ranges are dependent on the type of meter (i.e. Positive Displacement, Turbine, Mag Meter, etc.). While the District would not be required to test meters in the Ft. Knox system, this will determine when the meters need to be replaced and to maintain accurate metering.

Verify meter size and if required meter and other materials are in stock.

- Assess condition of meter vault (replace/rebuild as needed).
- Verify if meter setter (with double check backflow preventer) is present, for 1.5” and 2” meters.
- Verify if by-pass piping is present for 3” and larger.
- Locate and verify isolation valves.
- Verify service line size on both sides of the meter.

Notify proper FK personnel and building occupants (or residents) 24 hours in advance of meter replacement and schedule water service to be shut-off (if by-pass piping is not present).

- **NOTE**: Notify and schedule with Knox Hills if in “residential area”.
- If excavation is required, notify KY 811 (Before U Dig) and non-member utilities, to locate underground utilities, 48 hours prior to excavation.

Day of repair/maintenance, notify building occupants (or residents) that water service is being shut-off for repairs.

Proceed with meter replacement (and setter or vault installation, if needed).

- **NOTE**: If meter setter or by-pass piping is not present, service line between meter and structure would be plugged/capped to prevent hot water heater(s) from draining and possibly causing damage to hot water heaters or boilers.

After repairs are completed, flush service line from nearest outside faucet.

Notify occupants that repair/maintenance has been completed.

Note date and description of maintenance/repairs in the maintenance database.
June 1, 2011

Mr. Brian J. Koessel
Branch Chief/Contracting Officer
DLA Energy - EF
8725 John J. Kingman Road, Suite 3937
Fort Belvoir, Virginia 22060-6222

Subject: Final Proposal Revision - Solicitation No.: SP0600-08-R-0803
Privatization of the Potable Water Utility System at Fort Knox Army Installation, Kentucky

Mr. Koessel:

The Hardin County Water District No. 1 (HCWD1) is pleased to submit our revised, Final Proposal Revision (FPR) for assuming the ownership and operation of the Fort Knox potable water system. HCWD1 is the agency designated to provide utility services in the northern part of Hardin County, around Fort Knox and also provides ownership and operations of the privatized Fort Knox sanitary and storm sewer systems on post as well as owning and operating the Radcliff sanitary sewer system. Although many of HCWD1’s staff have water experience, we have formed a team of professionals to handle the ownership transition, immediate system improvements, and operation of the water distribution system which has included the Louisville Water Company (LWC) and CH2M HILL, Inc.

As a regulated utility by the Kentucky Public Service Commission, HCWD1 serves over 10,000 residential and commercial customers and acts as a regional water supplier to two other water systems. The transfer of the utilities at Fort Knox is an unprecedented opportunity for Hardin County and one that would follow the trend of Fort Knox and the local government working together toward well planned and managed water and sewer utilities.

In response to DLA’s May 13, 2011 Negotiation Message #4, our team and carefully reviewed and updated our proposal, with emphasis to address all the Government’s latest issues and concerns. We have also reviewed the Government’s comments and issues we received during the December, 2010 negotiation session, and other interim conference calls. We believe our FPR offers long-term economic benefit and reduction in costs, accomplishing specific goals identified in the Solicitation.

This Proposal remains a valid offer until December 31, 2011, and we are prepared to work with you to extend this period should it be required. As you proceed with your final assessment and review of our FPR, I invite you to contact me should you have any questions or need any additional information.

Thank You

Jim Bruce, General Manager

Encl.
Volume II. Past Performance

Prepared by:

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

Hardin County Water District No. 1 agrees with all terms, conditions, and provisions included in the solicitation except as highlighted in Volume III, Contract Documentation and agrees to furnish any or all items upon which prices are offered by Hardin County Water District No. 1 in this proposal at the price set opposite each item.

This proposal includes data that shall not be disclosed outside the Government.

**Person(s) Authorized to Negotiate:** Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

**Person(s) Authorized to Sign Proposal:** Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are clearly marked with the proprietary legend in the side margin of the page.
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- Louisville Water Company  
- CH2M HILL
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# List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUD</td>
<td>Augusta Utilities Department</td>
</tr>
<tr>
<td>AWWA</td>
<td>American Water Works Association</td>
</tr>
<tr>
<td>CIP</td>
<td>Capital Improvement Project</td>
</tr>
<tr>
<td>CO</td>
<td>Contracting Officer</td>
</tr>
<tr>
<td>COR</td>
<td>Contracting Officer’s Representative</td>
</tr>
<tr>
<td>COTR</td>
<td>Contracting Officer’s Technical Representative</td>
</tr>
<tr>
<td>EPA</td>
<td>U.S. Environmental Protection Agency</td>
</tr>
<tr>
<td>FAR</td>
<td>Federal Acquisition Regulations</td>
</tr>
<tr>
<td>GIS</td>
<td>Geographic Information System</td>
</tr>
<tr>
<td>gpm</td>
<td>gallon per minute</td>
</tr>
<tr>
<td>HBCU/MI</td>
<td>Historically Black College or University/Minority Institution</td>
</tr>
<tr>
<td>HCWD1</td>
<td>Hardin County Water District No. 1</td>
</tr>
<tr>
<td>I&amp;I</td>
<td>Inflow and Infiltration</td>
</tr>
<tr>
<td>KPDES</td>
<td>Kentucky Pollutant Discharge Elimination System</td>
</tr>
<tr>
<td>Kva</td>
<td>Kilovolt-ampere</td>
</tr>
<tr>
<td>KYDOW</td>
<td>Kentucky Division of water</td>
</tr>
<tr>
<td>LF</td>
<td>Linear Feet</td>
</tr>
<tr>
<td>LWC</td>
<td>Louisville Water Company</td>
</tr>
<tr>
<td>mgd</td>
<td>million gallons per day</td>
</tr>
<tr>
<td>NOV</td>
<td>Notice of Violation</td>
</tr>
<tr>
<td>O&amp;M</td>
<td>Operations and Maintenance</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>---------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>OSHA</td>
<td>Occupational Safety and Health Administration</td>
</tr>
<tr>
<td>POC</td>
<td>Point of Contact</td>
</tr>
<tr>
<td>PPE</td>
<td>Personal Protective Equipment</td>
</tr>
<tr>
<td>PSC</td>
<td>Public Service Commission</td>
</tr>
<tr>
<td>QA/QC</td>
<td>Quality Assurance/Quality Control</td>
</tr>
<tr>
<td>SB</td>
<td>Small Business</td>
</tr>
<tr>
<td>SBA</td>
<td>Small Business Administration</td>
</tr>
<tr>
<td>SCADA</td>
<td>Supervisory Control and Data Acquisition</td>
</tr>
<tr>
<td>SDB</td>
<td>Small Disadvantaged Business</td>
</tr>
<tr>
<td>WBE</td>
<td>Woman-owned Business Enterprise</td>
</tr>
<tr>
<td>WOSB</td>
<td>Woman-owned Small Business</td>
</tr>
<tr>
<td>WTP</td>
<td>Water Treatment Plant</td>
</tr>
<tr>
<td>WWTP</td>
<td>Wastewater Treatment Plant</td>
</tr>
</tbody>
</table>
## Volume II - Cross Reference Matrix

<table>
<thead>
<tr>
<th>Description/Specifications, Section L of RFP</th>
<th>Proposal Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past Performance Information – J39</td>
<td>Attachment 1</td>
</tr>
<tr>
<td>Past Performance References</td>
<td>II.1 and Attachment 1</td>
</tr>
<tr>
<td>System Acquisitions</td>
<td>II.2 and Attachment 2</td>
</tr>
<tr>
<td>Subcontractor References</td>
<td>II.3 and Attachment 1</td>
</tr>
<tr>
<td>Status with Independent Federal, State, or Local Regulatory Authority</td>
<td>II.4</td>
</tr>
</tbody>
</table>
Volume II: Past Performance

The privatization of the water system serving the Fort Knox Army Installation in Kentucky is a project that presents many challenges, as well as many opportunities. A project such as this demands the expertise of a utility services provider that understands the local community, environment, and regulations, and one with an established reputation of quality service. It also demands an understanding of the privatization process, and a team with a proven record of performance in the operation, maintenance, management, and ownership of water utilities. These are the reasons that the Hardin County Water District No. 1 (HCWD1), in partnership with Louisville Water Company (LWC) as HCWD1’s water treatment subcontractor, and CH2M HILL, as HCWD1’s subcontractor for managing the capital improvements program, provides the best choice in terms of forming a long-term partnership of privatization of the water facilities at Fort Knox.

HCWD1 is recognized for the exceptional quality and value that we have provided during delivery of more than 50 years of operations in Kentucky. The HCWD1 team includes LWC and CH2M HILL. HCWD1 is the sole prime contractor under the submitted proposal. LWC will provide water treatment operations and water quality monitoring and expertise. This will be done under a subcontract with HCWD1. CH2M HILL will provide management of the Capital Improvement Program; this will also be accomplished under a separate subcontract with HCWD1. Both LWC and CH2M HILL will assist HCWD1 throughout the contract with capital project planning, design, and administration.

This team brings Kentucky-owned and operated companies that currently provide utility-related services to Fort Knox, as well as Fort Campbell, Fort Irwin, and Fort Gordon. Our team members are intimately familiar with nuances of the installation and mission requirements of the military community. A key indicator of our success is past performance, and our clients attest to the customer-focused and cost-effective services we provide. Throughout this section, we demonstrate the team’s strong performance record on similar projects. In response to the request for proposals (RFP) Section L.5, HCWD1 is providing the following information:

- II.1 Past Performance References
- II.2 System Acquisitions
- II.3 Subcontractor References
- II.4 Status with Independent Regulatory Authorities

The HCWD1 team has selected representative projects that demonstrate our direct experience in all areas required by the RFP and that are anticipated. The similarities and relevant attributes are highlighted in Exhibit II-1. The past performance information for each of these projects is provided as attachments to this volume.
Hardin County Water District No. 1

HCWD1 is a special state government sub-district, organized under Kentucky Revised Statutes Chapter 74 and is regulated by the Kentucky Public Service Commission (PSC).

HCWD1 was established in 1952 and currently has over 240 miles of main water lines, a 3-million-gallons-per-day (mgd) water treatment plant (WTP) and provides quality drinking water to over 30,000 people daily. As the Government selected HCWD1 to own and operate its sanitary and storm sewer systems, HCWD1 also now owns the 6-mgd Fort Knox Wastewater Treatment Plant (WWTP) on Post. HCWD1 also has wholesale connections with four other surrounding water systems. HCWD1 also owns a 5.2-mgd water pump station with a 1.25-million-gallon water tank on base, from which it is able to purchase Fort Knox water and pump into our system, and to several other consecutive systems in the region.

The City of Radcliff turned over ownership and operations of their sanitary sewer system to HCWD1 in April 2008. This provides another 4-mgd WWTP, which is within 4 miles of the Fort Knox WWTP and may provide future combined treatment capabilities, saving both the Government and the City residents from large, expensive plant expansion expenditures.

HCWD1 is very familiar with the laws and regulations associated with U.S. Government privatization contracts to include the Federal Acquisition Regulations (FAR), Small Business Set-asides, as well as the base environmental requirements, security requirements, and contractual obligations and protocol.

HCWD1 was founded 50 years ago to provide water supply service to the northern and northwestern part of Hardin County, which is the area surrounding the Fort Knox Army Installation. HCWD1 is locally owned and operated, and our Board is made up of members of the community. Several of our Board members have strong ties to the Army and Fort Knox, and serve and volunteer their time in many ways to improve relations between the community and the base.

HCWD1 has also been a key catalyst in promoting Regional Water Planning. In 1995, Fort Knox saw the need to encourage and move the County toward regional planning, and it was HCWD1 that took the first step in closing one of our water plants and entering into a long-term Water Purchase Agreement with Fort Knox. Later, HCWD1, as a part of the Hardin County Regional Water Group, entered into an Inter-Local Agreement between Fort Knox and the three other entities. This agreement resulted in a long-term report, the Regional Water Feasibility Study.

EXHIBIT II-1
HCWD1 has selected Past Performance Projects that are of Similar Complexity and Type as That Required by the RFP

<table>
<thead>
<tr>
<th>Demand/Capacity Flow</th>
<th>Population Served</th>
<th>Type of Service</th>
<th>Type of Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Knox</td>
<td>Water – mgd</td>
<td>23,000</td>
<td>Water</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Military, Residential, Industrial, Commercial</td>
</tr>
<tr>
<td>HCWD1 Projects</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project 1.</td>
<td>2.1 mgd</td>
<td>23,000</td>
<td>Wastewater and Stormwater Collection and Treatment</td>
</tr>
<tr>
<td>Fort Knox Wastewater and Stormwater Privatization</td>
<td></td>
<td></td>
<td>Military, Residential, Industrial, Commercial</td>
</tr>
<tr>
<td>Project 2.</td>
<td>6 mgd</td>
<td>22,000</td>
<td>Wastewater collection and treatment</td>
</tr>
<tr>
<td>City of Radcliff, KY Wastewater System</td>
<td></td>
<td></td>
<td>Residential, Industrial, Commercial</td>
</tr>
</tbody>
</table>

Team Subcontractor Projects (LWC and CH2M HILL will be subcontracted to HCWD1 and we are therefore providing Past Performance information for each firm)
**EXHIBIT II-1**

HCWD1 has selected Past Performance Projects that are of Similar Complexity and Type as That Required by the RFP

<table>
<thead>
<tr>
<th></th>
<th>Demand/Capacity Flow</th>
<th>Population Served</th>
<th>Type of Service</th>
<th>Type of Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>LWC Project 1: Goshen Utilities</td>
<td>1.2 mgd</td>
<td>4,500</td>
<td>Water treatment and distribution</td>
<td>Residential, Industrial, Commercial</td>
</tr>
<tr>
<td>LWC Project 2: Kentucky Turnpike Water Districts No. 1 and No. 2</td>
<td>6 mgd</td>
<td>15,000</td>
<td>Water treatment and distribution</td>
<td>Residential, Industrial, Commercial</td>
</tr>
<tr>
<td>CH2M HILL Project 1: Fort Campbell, KY</td>
<td>4 mgd – water 4 mgd – wastewater</td>
<td>35,000</td>
<td>Water and wastewater treatment, storage, and distribution</td>
<td>Military, Residential, Industrial, Commercial</td>
</tr>
<tr>
<td>CH2M HILL Project 2: Fort Gordon, GA</td>
<td>2.5 mgd – water 2.5 mgd - wastewater</td>
<td>30,000</td>
<td>Water and wastewater treatment, storage, and distribution</td>
<td>Military, Residential, Industrial, Commercial</td>
</tr>
</tbody>
</table>

**Louisville Water Company**

LWC has provided water service to the Louisville community continuously since 1860. Although originally formed as a private company, LWC has been solely owned by Louisville Metro since 1906. LWC is a nationally recognized utility with demonstrated competence in all areas of water utility operations and management. LWC is an industry leader in customer satisfaction, water quality and treatment research, drinking water regulatory compliance, infrastructure renewal, and geographic information systems. Currently, LWC water quality exceeds all regulatory standards for drinking water.

LWC owns, operates, and maintains two WTPs that draw water from the Ohio River, a virtually unlimited source. Finished treated water from these facilities meets all current and anticipated regulations established by the U.S. Environmental Protection Agency (EPA) and administered by the Kentucky Division of Water (KYDOW). The production facilities have a firm capacity of 240 mgd, with an average daily production of 134 mgd and a historic maximum production day of 205 mgd. In addition to the treatment facilities, LWC operates and maintains over 3,900 miles of water main, 22,440 fire hydrants, 35 booster pumping facilities, and 36 storage tanks to supply drinking water to 283,608 service connections.

As a neighbor utility, LWC maintains excellent working relationships with Hardin County water providers, including Fort Knox and HCWD1. LWC is familiar with water supply issues in the region and the challenges the Fort Knox base realignment will pose to water supplies and water service providers. In the past, LWC has participated in county-wide water resource planning performed by the Lincoln Trail Water Supply Commission and conducted several discussions with Fort Knox personnel on opportunities for LWC to supply wholesale water and contract operation services. Currently, LWC provides wholesale water supplies to the Fort Knox Urban Warfare Training Center and Wilcox Digitized Training Center. Recently, LWC has entered into discussions with Hardin County Water District No. 2 to supply wholesale water through transmission connections along Interstate 65.

LWC provides retail service in Jefferson County and parts of Oldham and Bullitt counties. In addition to selling water to retail customers, LWC sells water to seven wholesale water utility customers, resulting in service to about 850,000 people. Annual water sales exceeded 40 billion gallons in 2007, with annual operating revenue of $132 million. LWC water rates are one of the lowest in the region, with a typical residential customer monthly bill of $19.78 for 6,000 gallons.
In addition to serving Metro Louisville, LWC has a proven track record in acquiring, owning, and operating water systems in other communities. The most recent water utility mergers and acquisitions by LWC include the following:

- City of Shepherdsville Water – 2002
- Goshen Utilities – 2002
- Kentucky Turnpike Water District No. 1 – 2000
- Kentucky Turnpike Water District No. 2 – 2000
- Oldham County Water District No. 1 – 1995
- West Oldham Utilities – 1995
- Jeffersontown Water – 1990

LWC’s success in past acquisitions has been the result of our investment in system infrastructure improvements, our retention of system employees, and building effective relationships with the community.

**CH2M HILL**

As the nation’s top ranked engineering firm (*Engineering News-Record, 2008*), CH2M HILL’s experience in utility privatization projects provides unique capabilities to support the HCWD1 team. CH2M HILL has experience with both Army and Navy bases that none of its competitors can equal:

<table>
<thead>
<tr>
<th>Location</th>
<th>Role Description</th>
<th>Contract Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Campbell</td>
<td>CH2M HILL as prime contractor. CH2M HILL owns, operates, and maintains water</td>
<td>June 2003</td>
</tr>
<tr>
<td></td>
<td>and wastewater utilities.</td>
<td></td>
</tr>
<tr>
<td>Fort Irwin</td>
<td>CH2M HILL as prime contractor. CH2M HILL owns, operates, and maintains water</td>
<td>Sept 2004</td>
</tr>
<tr>
<td></td>
<td>utilities.</td>
<td></td>
</tr>
<tr>
<td>Fort Gordon</td>
<td>CH2M HILL is subcontractor to Augusta Utility Department (AUD) in a role similar</td>
<td>to AUD in Sept 2007</td>
</tr>
<tr>
<td></td>
<td>to that proposed for Fort Knox, where it will be under subcontract to HCW1 to</td>
<td></td>
</tr>
<tr>
<td></td>
<td>provide management of capital improvements</td>
<td></td>
</tr>
</tbody>
</table>

CH2M HILL’s discussions with Army personnel have enhanced their understanding of industry requirements for successful privatization, as well as helped ensure that they include all appropriate costs of current ownership for the Government.

**CH2M HILL has more than 60 years of demonstrated excellence in delivering water projects. From completing its first project in 1946 to delivering award-winning projects today, CH2M HILL has built a reputation as an industry leader and continues to provide top-quality services to its clients.**

CH2M HILL has also developed approaches to system maintenance and enhancement that the Army has accepted as providing quality service, a high level of systems reliability, and best practice technology for long-term performance.
II.1 Past Performance References

Collectively, our team serves a customer base located near Fort Knox, which represents a population of over 880,000 people. We have compiled the list in Exhibit II-2 of recent projects that represent some of our larger customers and are similar in type and complexity to Fort Knox. The highlighted projects are presented in the format provided in Section L, Attachment J39 of the RFP. These project descriptions are provided at the end of this volume following the Attachments tab.

II.2 System Acquisitions

Information requested in Section L.5 of the RFP on the system acquisitions is provided in Exhibit II-3.

EXHIBIT II-2
References for HCWD1

<table>
<thead>
<tr>
<th>Project</th>
<th>Customer Contact Name, Address, and Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Knox Wastewater and Stormwater Privatization</td>
<td>Benita Jackson, Defense Energy Support Center, 703-767-9407</td>
</tr>
<tr>
<td>City of Radcliff, KY</td>
<td>Mayor Shelia Enyart, City of Radcliff, 270-351-4144</td>
</tr>
</tbody>
</table>
## EXHIBIT II-3

**HCWD1 Team System Acquisition Experience**

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>City of Radcliff, KY Wastewater System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>HCWD1 acquired this system from the City of Radcliff to operate and maintain the wastewater collection and treatment systems.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>City of Radcliff wastewater system was transferred to HCWD1.</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2008 - ongoing</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Jim Bruce, HCWD 1, 270-352-3222; and Mayor Shelia Enyart, City of Radcliff, 270-351-4144</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Fort Knox Wastewater and Stormwater Collection and Treatment Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>HCWD 1 acquired the wastewater and stormwater collection and treatment facilities during the privatization of the systems by the Army in 2005.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>$73,746,920</td>
</tr>
<tr>
<td>Period of performance</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Jim Bruce, HCWD 1, 270-352-3222; and Benita Jackson, Defense Energy Support Center, 703-767-9407</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Goshen Utilities Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>LWC purchased this utility from AquaSource, Inc. and owns and operate the water system.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>$3.6 million</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2002 – Ongoing</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Jon E. Evans, Vice President, AquaSource, 412-261-1600; Greg Heitzman, 502-569-3681; and Jim Smith, LWC, 502-569-3687</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Kentucky Turnpike Water Districts No. 1 and No. 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>LWC merged with Kentucky Turnpike Water District No. 1 and No. 2, adding 6,500 retail customers to LWC’s service area.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>N/A</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2000–2011</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Dan Thobodeaux, 502-955-7567; Melanie Roberts, 502-543-2262; Jim Smith, 502-569-3687; Greg Heitzman, 502-569-3686</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Fort Campbell, KY, Water and Wastewater Privatization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>CH2M HILL owns and operates the water and wastewater facilities at Fort Campbell.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>$700,000,000</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2003–2053</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Jeanne Shykes, Directorate of Contracting, Fort Campbell, 270-798-3985</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Acquisition or Project</th>
<th>Fort Irwin, CA, Water and Wastewater Privatization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of contract or subcontract</td>
<td>CH2M HILL owns and operates the water and wastewater facilities at Fort Irwin.</td>
</tr>
<tr>
<td>Total contract value</td>
<td>$420,000,000</td>
</tr>
<tr>
<td>Period of performance</td>
<td>2002–2052</td>
</tr>
<tr>
<td>Principal parties involved and telephone numbers</td>
<td>Sharon Butler, Contracting Office, U.S. Army Engineering and Support Center, 256-895-1440</td>
</tr>
</tbody>
</table>
“The Hardin County Water District No. 1 is one of the leading water utilities in the state. HCWD1 uses best management practices, technology, and quality customer service methods in all areas of operations. Our association depends on District employees to assist with training and presenting at our training conferences. Several District employees have also graduated from the Utility Management Institute, which is provided by Western Kentucky University and KRWA. The District is poised and able to provide excellent utility services to other surrounding systems in or near its area”.

Gary Larimore, Executive Director, Kentucky Rural Water Association

### II.3 Subcontractor References

HCWD1 has named two team subcontractors for support in water utility services. References for both LWC and CH2M HILL are provided in Exhibit II-4. Past performance forms have been provided following HCWD1 projects in Attachment 1.

#### II.4 Status with Independent Federal, State, or Local Regulatory Authority

HCWD1 team members are in good standing with federal, state, and local authorities over all utility services included in this proposal. Any violations, penalties, or other enforcement actions taken against HCWD1 within the last 5 years are discussed below.

Primary regulatory agencies with jurisdiction over HCWD1 and LWC are listed in Exhibit II-5.

#### EXHIBIT II-4

References for HCWD1 Team Subcontractors (LWC and CH2M HILL will be under subcontract to HCWD1 under this contract and therefore we are providing references for each firm).

<table>
<thead>
<tr>
<th>Project</th>
<th>Customer Contact Name, Address, and Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>LWC: Goshen Utilities/AquaSource, Inc.</td>
<td>Oldham County Deputy Judge Executive, Paula Gish, 100 W. Jefferson St., LaGrange, KY 40031, 502-222-9357</td>
</tr>
<tr>
<td>LWC: Kentucky Turnpike Water Districts No. 1 and No. 2</td>
<td>Bullitt County Judge Executive Melanie Roberts, P.O. Box 768, Shepherdsville, KY 40165, 502-543-2262</td>
</tr>
<tr>
<td>CH2M HILL: Fort Campbell, KY</td>
<td>Jeanne Shykes, Directorate of Contracting, Fort Campbell, 270-798-3985</td>
</tr>
<tr>
<td>CH2M HILL: Fort Gordon, GA</td>
<td>Drew Goins, Director, AUD, 706-312-4123</td>
</tr>
</tbody>
</table>

#### EXHIBIT II-5

Regulatory Agencies

<table>
<thead>
<tr>
<th>Entity</th>
<th>Regulatory Agency</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCWD1</td>
<td>Kentucky PSC</td>
<td>Gerald Wuetcher</td>
</tr>
<tr>
<td></td>
<td></td>
<td>502-564-3940</td>
</tr>
<tr>
<td></td>
<td>Kentucky Division of Water</td>
<td>Cindy Smith, KDOW</td>
</tr>
<tr>
<td></td>
<td></td>
<td>502-425-4671</td>
</tr>
<tr>
<td>LWC</td>
<td>Kentucky PSC</td>
<td>Brent Kirtley, Tariff Division</td>
</tr>
<tr>
<td></td>
<td></td>
<td>502-564-3940, x269</td>
</tr>
<tr>
<td></td>
<td>Kentucky Division of Water</td>
<td>Julie Roney</td>
</tr>
<tr>
<td></td>
<td></td>
<td>502-564-3410, x535</td>
</tr>
</tbody>
</table>

CH2M HILL is in excellent standing with the state and regulatory agencies associated with our services on the Fort Campbell, Kentucky, Water and Wastewater Privatization project. There are no violations, penalties, or enforcement actions associated with the project within the last 5 years. The associated regulatory agencies are:

- Tennessee Dept of Environment and Conservation
- Kentucky Natural Resources and Environmental Protection Cabinet
- EPA Region 4
- OHSA
- Fort Campbell Directorate of Public Works
- Fort Campbell Public Safety

#### NOVs

HCWD1 has received NOVs as shown in Exhibit II-6:
## Exhibit II-6

### NOV

<table>
<thead>
<tr>
<th>Date of NOV</th>
<th>Utility</th>
<th>Description of NOV</th>
<th>Root Cause</th>
<th>Action Plan/Response</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-04</td>
<td>Water Distribution</td>
<td>Exceeded MCL for Nitrates (Department for Environmental Protection)</td>
<td>Exceeded MCL for Nitrates (HAAS)</td>
<td>Adjustments in the distribution system</td>
<td>Closed</td>
</tr>
<tr>
<td>Jun-04</td>
<td>Water Distribution</td>
<td>MCL Exceedance</td>
<td>Exceeded MCL for Nitrates (HAAS)</td>
<td>Adjustments in the distribution system</td>
<td>Closed</td>
</tr>
<tr>
<td>Nov-04</td>
<td>Water Treatment</td>
<td>Reporting violation</td>
<td>Consumer Confidence Report (CCR) certification included a copy of the CCR instead of an original</td>
<td>An original was sent from CCR instead of a copy</td>
<td>Closed</td>
</tr>
<tr>
<td>Feb-05</td>
<td>Water Distribution</td>
<td>Reporting violation</td>
<td>Contract laboratory failed to submit analytical results for Total Organic Carbon (TOC)</td>
<td>Results were submitted by contract laboratory and completed public notification requirements</td>
<td>Closed</td>
</tr>
<tr>
<td>Apr-05</td>
<td>Ft. Knox WWTP</td>
<td>NPDES permit violation for fecal coliform bacteria (Department for Environmental Protection)</td>
<td>NPDES permit violation for fecal coliform bacteria (Department for Environmental Protection)</td>
<td>NPDES permit violation for fecal coliform bacteria (Department for Environmental Protection)</td>
<td>Closed</td>
</tr>
<tr>
<td>Sep-06</td>
<td>Ft. Knox WWTP</td>
<td>NPDES permit violation for fecal coliform bacteria (Department for Environmental Protection)</td>
<td>NPDES permit violation for fecal coliform bacteria (Department for Environmental Protection)</td>
<td>NPDES permit violation for fecal coliform bacteria (Department for Environmental Protection)</td>
<td>Closed</td>
</tr>
<tr>
<td>Nov-06</td>
<td>Water Distribution</td>
<td>Reporting violation</td>
<td>Contract laboratory failed to submit adequate number of detection by-product testing results</td>
<td>The District took the necessary action</td>
<td>Closed</td>
</tr>
<tr>
<td>Dec-07</td>
<td>Ft. Knox WWTP</td>
<td>NPDES permit violation for total Ammonia Nitrogen (Department for Environmental Protection)</td>
<td>NPDES permit violation for total Ammonia Nitrogen (Department for Environmental Protection)</td>
<td>NPDES permit violation for total Ammonia Nitrogen (Department for Environmental Protection)</td>
<td>Closed</td>
</tr>
<tr>
<td>Nov-08</td>
<td>Ft. Knox WWTP</td>
<td>MDA violation due to low dissolved oxygen levels while switching oxidation devices</td>
<td>MDA violation due to low dissolved oxygen levels while switching oxidation devices</td>
<td>Corrected TIE and cause of failure was not determined (DOE)</td>
<td>Closed</td>
</tr>
<tr>
<td>Jun-09</td>
<td>Ft. Knox WWTP</td>
<td>MDA violation due to low dissolved oxygen levels while switching oxidation devices</td>
<td>MDA violation due to low dissolved oxygen levels while switching oxidation devices</td>
<td>Corrected TIE and cause of failure was not determined (DOE)</td>
<td>Closed</td>
</tr>
<tr>
<td>Aug-09</td>
<td>Ft. Knox WWTP</td>
<td>MDA violation due to low dissolved oxygen levels while switching oxidation devices</td>
<td>MDA violation due to low dissolved oxygen levels while switching oxidation devices</td>
<td>Corrected TIE and cause of failure was not determined (DOE)</td>
<td>Closed</td>
</tr>
</tbody>
</table>
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
Hardin County Water District No. 1, Radcliff, Kentucky

B. PROGRAM TITLE:
Fort Knox Wastewater and Stormwater Systems Privatization

C. CONTRACT SPECIFICS:
1. Contract Number W9124D-05-C-0017
2. Contract Type Regulated Tariff
3. Period of Performance July 1, 2005 to August 31, 2055
4. Original Contract $ Value $73,746,920
5. Current Contract $ Value same

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference.

D. BRIEF DESCRIPTION OF EFFORT AS __PRIME OR X SUBCONTRACTOR.
Owner and operator of the wastewater and storm water system at Fort Knox, Kentucky

E. COMPLETION DATE:
1. Original Contractual Date: 30 September 2004
2. Current Schedule: 50 Years
3. Estimated Date of Completion: 31 August 2055
4. How Many Times Changed: 20 Contract Modifications
5. Primary Causes of Change: All modifications were requested by Fort Knox and most had to do with changing account numbers, allocating funds, etc.

F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:
(Please provide current information on all individuals)

1. Program Manager:
   Name: Kenny Muse
   Office: Director of Public Works
   Address: Bldg. 1110B RM 310, 125 6th Ave. St. 320, Fort Knox, KY. 40121
   Telephone: (502) 624-5830
   E-mail: Kenny.Muse@knox.army.mil
   Fax: (502) 624-3679

2. PCO:
   Name: Benita C. Jackson
   Office: Defense Energy Support Center
   Address: 8725 John J. Kingman Road, Suite 3830, Ft. Belvoir, VA 22060
   Telephone: (703) 767-9407
   E-mail: Benita.Jackson@dia.mil
   Fax: (703) 624-7165
3. ACO:
Name: Stephanie Bowman
Office: Directorate of Contracting, MICC Center - Knox
Address: Bldg. 1109B Ste 250, 199 6th Ave., Fort Knox, KY. 40121
Telephone: (502) 624-4947
E-mail: stephanie.bowman@us.army.mil
Fax: (502) 624-7165

4. COR:
Name: Robert Ender
Contracting Officer
Office: Directorate of Public Works
Address: ATZK-OSO Bldg. 1205 Water Street, Fort Knox, KY. 40121
Telephone: (502) 624-5252
E-mail: robert.ender@knox.army.mil
Fax: (502) 624-5251

G. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.

- Continuing revision and update of the GIS map for the sanitary sewer system, which was originally completed in 2005, continues to refine and update the system as buried and/or new lines and manholes are determined. At present, the GIS system has identified 432,210 linear feet (lf) of line and 2,058 manholes; these figures exclude lateral lines, which will be added over time. The system includes a manhole and line segment numbering system, which will allow information to be tracked both on the GIS system and in the work order system.

- Continuing revision and update of the storm water GIS map, which currently identifies 200,969 lf of line, 1,441 culverts and 2,463 drop boxes.

- Sewer System Evaluation Study was completed for the entire sanitary sewer system, with emphasis on Basins II and VIII.

- Numerous major maintenance items have been completed at the wastewater treatment plant, collection system, stormwater collection system, and lift stations.

- Numerous major maintenance items were completed on the stormwater collection system, including:
  - Repaired/Cleaned 890 catchbasins.
  - Repaired/Cleaned 39 culverts (1,698 lf cleaned).
  - Repaired/Cleaned 96 headwalls.
  - Repaired/Cleaned 94 concrete ditches (7980 lf cleaned).

- Numerous capital projects were completed and designed on the wastewater collection system during 2007. These items included:
  - Muldraugh RR Spur (1392 linear feet of new line and 5 new manholes)
  - SCADA Design and installation at 8 major lift stations
  - Design of new sewer lines to service the IBCT facilities
  - Dietz lift station study
  - Chaffee lift station preliminary design
  - Twin 15’s sewer line replacement preliminary design
VOLUME II: Past Performance – Project Descriptions

- Godman Airfield storm line rehab design
- Design on new equipment building at the Fort Knox WWTP
- Design of the Pressler Grove sewer line re-route
- Final design of the twin 15’s sewer line replacement
- Annual CIPP contract bid
- Annual manhole rehab project bid

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.

Contractual Personnel:
Jim Bruce, General Manager – Provides overall guidance, financial planning, long-range planning, policy implementation, contract administration, primary POC for the US Government.

William J. Rissel, Chairman of the Board – Presides over all meetings of the Commission and exercises general supervision and control over the business of the commission, subject to the direction of the Board.

Operational Personnel:
Brett Pyles, Operations Manager – Oversees the day-to-day operations, capital planning & implementation, liaison to contract operator and US Government, assists with budgetary functions, assists with financial planning, contract administration.

Daniel Clifford, GIS & Planning Specialist – Oversees development of GIS mapping program, provides QA/QC for GIS.

I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.
Problems are addressed according to Service Interruption Response Plan, as necessary, and/or are addressed at monthly meeting with Contracting Officer and Contracting Officer Representatives.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.
HCWD1 has an approved Subcontracting Plan for Fort Knox. HCWD1 is meeting all SB/SDB plan goals except SDB and HBCU/MI. HCWD1 has recently had its Subcontracting Plan revised and updated to ensure that subcontracting opportunities are equally available to all businesses. In addition, HCWD1 has completed a project with North Carolina A&T State University, a certified HBCU/MI.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.
HCWD1 staff has extensive knowledge of the Fort Knox Post, personnel, and operations and has been involved in many construction projects, both during the planning and implementation phases. HCWD1 staff has a very good relationship with both civilian and military personnel.

GENERAL
1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer.
Indicate if the systems were located on the customer’s site.
Provide the information requested below for each type of utility operated as part of this project:

**Water System**

1. What is the average daily flow (gallons per day) for the referenced customer? N/A
2. What type of treatment occurs at the Water Treatment Plant? N/A
3. What type of storage tanks are operated/maintained (ground/elevated, capacity)? N/A
4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time ____ (yrs) $ ____

**Wastewater System**

1. What is the average daily flow (gallons per day) for the referenced system? 2.1 mgd
2. What is the capacity of the WWTP? 6MGD
3. What is the capacity of the Industrial WWTP? N/A
4. How many pump stations are operated/maintained? 28
5. How many linear feet of sewage lines are maintained? 504,733 feet
6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?

Time 3 (yrs) $4,046,705

7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer?

Capital Improvements $3,000,000 Inflow/Infiltration Reduction 19.7 (%)

**Electrical System**

1. What is the voltage of the system you operate/maintain? N/A
2. How many facilities are served by the system you operate/maintain? N/A
3. What is the length (linear feet) of the overhead distribution system you operate/maintain?  N/A
4. What is the length (linear feet) of the underground distribution system you operate/maintain?  N/A
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?  N/A

Time_____ (yrs) $_____

**Natural Gas System**
1. What is the length (linear feet) of the distribution system you own/operate?  N/A
2. How many meters are on the system you own/operate?  N/A
3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?  N/A
Time_____ (yrs) $_____
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
Hardin County Water District No. 1, Radcliff, Kentucky

B. PROGRAM TITLE:
City of Radcliff Wastewater System Acquisition

C. CONTRACT SPECIFICS:
1. Contract Number: NA
2. Contract Type: NA
3. Period of Performance: NA
4. Original Contract $ Value: NA
5. Current Contract $ Value: NA

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference.

D. BRIEF DESCRIPTION OF EFFORT AS X PRIME OR __SUBCONTRACTOR.
Municipally owned (City of Radcliff) wastewater system was sold to HCWD1 in April, 2008 after 2 years of negotiations.

E. COMPLETION DATE:
1. Original Contractual Date: February 8, 2008
2. Current Schedule: NA
3. Estimated Date of Completion: NA
4. How Many Times Changed: NA
5. Primary Causes of Change: NA

F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:
(Please provide current information on all individuals)

1. City Representative:
Name: Mayor Sheila Enyart
Office: City of Radcliff
Address: P.O. Box 519, Radcliff, KY 40159-0519
Telephone: 270-351-4714
E-mail: mayor@radcliff.org

G. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.
The Radcliff system has 8,900 sewer connections and a 4 mg/d wastewater treatment plant. It also has over 50 lift stations. This was a complete system acquisition.

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.
Management Personnel:
Jim Bruce, General Manager – Provides overall guidance, financial planning, long-range planning, policy implementation, contract administration, primary POC.
William J. Rissel, Chairman of the Board – Presides over all meetings of the Commission and exercises general supervision and control over the business of the commission, subject to the direction of the Board.
Operational Personnel:

Brett Pyles, Operations Manager – Oversees the day-to-day operations, capital planning & implementation, liaison to contract operator, assists with budgetary functions, assists with financial planning, and contract administration.

I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.

1. Lincoln trail Odor Control project – We are currently gathering information. Some of the activities include: a) Measuring the H2S levels to determine the source of the problem; b) Customer Observation Survey – We passed out forms to businesses in the area to record and track the time of day and to what degree was the odor observed.

2. Significant inflow and infiltration (I&I) problem in sections of the collection system – Contracted with HDR to flow monitor and study to formulate a detailed solution.

3. The SCADA was not operating properly; all systems are functioning properly.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.

No. This is not a Government contract, so FARs do not apply. However, HCWD1 purchases supplies and services from SBs whenever possible.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU Provided ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.

This was a complete system acquisition. Veolia Water, North America, operates the system for HCWD1. Veolia assisted in doing a complete financial model, and future looking asset management plan to make sure the acquisition, at current sewer rates, was financially feasible for HCWD1. The Radcliff City Council voted to transfer ownership of the system to HCWD1. HCWD1 entered into an 18-year operations contract with Veolia Water, who is also its operator of the Fort Knox Sewer systems, which HCWD1 now owns.

General

1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer.

Indicate if the systems were located on the customer’s site.

<table>
<thead>
<tr>
<th>System</th>
<th>Own</th>
<th>Operate</th>
<th>Maintain</th>
<th>Onsite</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewer Lines</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Pump Stations</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>WWTP</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Industrial WWTP</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Water Lines</td>
<td>N/A</td>
<td>N/A</td>
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<td>N/A</td>
</tr>
<tr>
<td>Water Storage Tanks</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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</tr>
<tr>
<td>Water Treatment Plants</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Above Ground Electrical Distribution System</td>
<td>N/A</td>
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<td>N/A</td>
</tr>
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<td>Below Ground Electrical Distribution System</td>
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<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Power Generation Facility</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Substations</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Gas Distribution System</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Provide the information requested below for each type of utility operated as part of this project:

**Water System**
1. What is the average daily flow (gallons per day) for the referenced customer? N/A
2. What type of treatment occurs at the Water Treatment Plant? N/A
3. What type of storage tanks are operated/maintained (ground/elevated, capacity)? N/A
4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time_____ (yrs) $_____

**Wastewater System**
1. What is the average daily flow (gallons per day) for the referenced system? 2 mgd
2. What is the capacity of the WWTP? 4 mgd
3. What is the capacity of the Industrial WWTP? N/A
4. How many pump stations are operated/maintained? 57
5. How many linear feet of sewage lines are maintained? 143 miles of sewer line and 2,861 manholes
6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?

Time _<1_ (yrs) $150,000

7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer? Projects are in the process of being identified; will be added to the Annual Capital Plan.

Capital Improvements $_____ Inflow/Infiltration Reduction_____(%)  

**Electrical System**
1. What is the voltage of the system you operate/maintain? N/A
2. How many facilities are served by the system you operate/maintain? N/A
3. What is the length (linear feet) of the overhead distribution system you operate/maintain? N/A
4. What is the length (linear feet) of the underground distribution system you operate/maintain? N/A
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time_____ (yrs) $_____

**Natural Gas System**
1. What is the length (linear feet) of the distribution system you own/operate? N/A
2. How many meters are on the system you own/operate? N/A
3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A

Time_____ (yrs) $_____

Use of this sheet is subject to the restriction on the title page of this proposal.
A. Offeror Name (Company/Division) and Location (City/State):
Louisville Water Company, Louisville, Kentucky

B. Program Title:
Kentucky Turnpike Water Districts 1 and 2 Water Systems Merger

C. Contract Specifics:
1. Contract Number: N/A
2. Contract Type: Merger
3. Period of Performance: 2000 to Present
4. Original Contract $ Value: $ N/A
5. Current Contract $ Value: $ N/A

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference.

D. Brief Description of Effort As Prime Or Subcontractor.
Prior to Louisville Water Company merging with Kentucky Turnpike Water Districts #1 and #2 in 2000, LWC operated KT#1 via a lease agreement executed in 1968. In addition, KT#2 purchased 100% of their water from LWC. In 2000, LWC merged with KT#1 and #2, adding about 6,500 retail customers to the LWC service area. In consideration of the execution of the merger LWC agreed to install certain system improvements in the Kentucky Turnpike Water District service areas in Bullitt County. The system improvements are known as the Bullitt County Water Improvement Program, and include the following:

- I-65 Transmission Main System and System Growth Improvements. LWC has invested $5 million in a Transmission Main System, including pumping and storage facilities, along I-65. Other System Growth Improvements include grid ties, valve upsizing, booster pump stations and related facilities.

- Kentucky Turnpike Water District System Improvements. LWC agreed to install fire hydrants, grid ties, valves and replace water mains to bring the existing water systems up to urban water standards. These improvements were funded by the Bullitt County Water Reserve.

- Bullitt County Extension Program. LWC gave property owners the opportunity to join with their neighbors to petition LWC to initiate a water extension project along their roadway. LWC allows the property owner to pay their portion of the installation costs, that are capped at a cost not to exceed $5,450, over 20 years at a fixed rate. These improvements are funded primarily from the Bullitt County Water Reserve.

The Bullitt County Water Reserve was created as part of the merger. The reserve contains monies from the rate capacity differential from KT #1 and #2 customers, grants, loans, and any other fees collected. KT customer rates were frozen upon acquisition, and the difference between LWC and KT customer rates is the differential deposited into the reserve.

Since completing the merger in 2000, LWC has successfully installed:
- More than 100 miles of water main, making water service available to nearly 1,400 customers,
- More than 540 new fire hydrants, and over 240 gate valves on the existing system,

The new water main extensions have allowed the private development of 45 new subdivisions, making service available to an additional 1,100 customers.
E. Completion Date:
1. Original Contractual Date: 2000
2. Current Schedule: N/A
3. Estimated Date of Completion: 2011
4. How Many Times Changed: N/A
5. Primary Causes of Change: N/A

F. Primary Government or Equivalent Points Of Contact:
(Please provide current information on all individuals)
Name: Bullitt County Advisory Board
Office: N/A
Address: 3396 Burkland Blvd., Shepherdsville, KY 40165
Telephone: N/A
E-mail: N/A
Fax: N/A

2. Client Representative:
Name: Bullitt County Judge Executive Melanie Roberts
Office: Bullitt County Judge
Address: P.O. Box 768, Shepherdsville, KY 40165
Telephone: (502) 543-2262
E-mail: mroberts@bcky.com
Fax: (502) 543-1577

G. Address Any Technical (Or Other) Area About This Program Considered Unique.
The former Kentucky Turnpike Water Districts #1 and #2 service area contained extensive unserved service areas. LWC determined there were over 142 miles of roadways that did not contain water mains. The original estimated cost to serve these areas was $28 million. LWC installed critical infrastructure, and put into place a petitioning and funding mechanism for the property owners in these areas to obtain potable water service at an affordable cost.

The former Kentucky Turnpike Water Districts #1 and #2 were primarily rural systems in a service area experiencing urban growth along the I-65 corridor. As an emerging urban area, the existing infrastructure was inadequate to serve projected growth and much of the existing customer base was underserved with inadequate customer water pressure and inadequate fire flows.

H. Specify By Name Any Key Individual(s) Who Participated In This Program And Is/Are Proposed To Support The Instant Acquisition. Also, Indicate Their Contractual Roles For Both Acquisitions.
Jim Smith – Responsible for O&M of water treatment, pumping, and storage facilities, and ensuring and maintaining reliability of all facilities.
Mr. Horrell is in charge of producing and delivering water to customers, which includes operating all storage tanks, pumping equipment, and monitoring system hydraulic conditions, to ensure an adequate supply of safe, reliable, high
quality drinking water at sufficient pressure and volume to meet customer expectations, regulations, and fire protection needs.

Dr. Song is in charge of performing production and distribution water quality analysis, providing required water quality and water production reports, and ensuring overall water quality compliance, and technical support to operations.

I. Address Problems Encountered On This Contract And Your Solutions To Those Problems.

The former Kentucky Turnpike Water Districts #1 and #2 were primarily rural systems in a service area experiencing urban growth along the I-65 corridor. As an emerging urban area, the existing infrastructure was inadequate to serve projected growth and the much of the existing customer base was underserved with inadequate customer water pressure and inadequate fire flows. Additionally, the Kentucky Turnpike Water Districts contained extensive unserved areas, many remote and sparsely populated, with over 142 miles of roadways that did not contain water mains.

LWC advanced construction of a backbone transmission, storage and booster pumping system to provide the needed water supplies to the area to address growth needs, customer service issues and upgrade fire flow to urban standards. LWC established a petitioning and funding mechanism for the property owners in these areas to obtain potable water service at an affordable cost. Construction of the backbone supply system ensured the necessary infrastructure was available when individual routes and subdivisions petitioned LWC to provide potable water.

J. Identify If A Small Business Or Disadvantaged Business Plan Or Goal Was Required. If So, Identify In Terms Of A Percentage Of The Planned Versus Achieved Goal During The Contract. If Goals Were Not Met, Please Explain.

Since this is not a Government project, the FARs do not apply. However, LWC is committed to increasing the effective use of certified small businesses. LWC has a Minority and Women Business Enterprise Program that is used to ensure compliance with any project goals.

K. Describe/Discuss The Relevancy Of The Services You Provided On Your Referenced Contract To These Questions As They May Pertain To The Specific Utility.

LWC merged with Kentucky Turnpike Districts 1 and 2, successfully transitioned staff and customers, and now operates and maintains the water and distribution facilities.

General

1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer. Indicate if the systems were located on the customer’s site.

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</table>
Provide the information requested below for each type of utility operated as part of this project:

**Water System**
1. What is the average daily flow (gallons per day) for the referenced customer?  
   About 6 mgd per day.
2. What type of treatment occurs at the Water Treatment Plant?  These areas are retail customers, and are served from the LWC treatment facilities.
3. What type of storage tanks are operated/maintained (ground/elevated, capacity)?
   - Zoneton Tank – 150,000 Gallon Elevated Tank
   - Peaceful Valley Tank – 235,000 Gallon Ground Level Tank
   - Cedar Grove Tank – 500,000 Gallon Ground Level Tank
   - Martin Hill Road Tank – 250,000 Gallon Elevated Tank
   - Phelps Knob Tank – 500,000 Gallon Ground Level Tank
   - Brooks Hill Road Tank - 300,000 Gallon Ground Level Tank
   - Weavers Run Tank – 150,000 Gallon Elevated Tank
   - Gap-In-Knob Tank – 350,000 Gallon Ground Level Tank
4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?  
   Time **8** (yrs) $**46.5 Million**

**Wastewater System**
1. What is the average daily flow (gallons per day) for the referenced system?  N/A
2. What is the capacity of the WWTP?  N/A
3. What is the capacity of the Industrial WWTP?  N/A
4. How many pump stations are operated/maintained?  N/A
5. How many linear feet of sewage lines are maintained?  N/A
6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?  N/A
   Time_____ (yrs) $_____
7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer?  
   Capital Improvements $_____ Inflow/Infiltration Reduction_____ (%)  

**Electrical System**
1. What is the voltage of the system you operate/maintain?  N/A
2. How many facilities are served by the system you operate/maintain?  N/A
3. What is the length (linear feet) of the overhead distribution system you operate/maintain?  N/A
4. What is the length (linear feet) of the underground distribution system you operate/maintain?  N/A
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?

Time _____ (yrs) $_____  

Natural Gas System
1. What is the length (linear feet) of the distribution system you own/operate?  N/A  
2. How many meters are on the system you own/operate?  N/A  
3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?  N/A  
   Time _____ (yrs) $_____
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
Louisville Water Company, Louisville, Kentucky

B. PROGRAM TITLE:
City of Goshen Water System Acquisition

C. CONTRACT SPECIFIC S:
1. Contract Number: N/A
2. Contract Type: Stock Purchase Agreement
3. Period of Performance: July 2002 – ongoing
4. Original Contract $ Value: $3.6 million
5. Current Contract $ Value: _____________________________ $3.6 million

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference.

D. BRIEF DESCRIPTION OF EFFORT AS ___PRIME OR ___SUBCONTRACTOR.

Prior to the Stock Purchase Agreement, Goshen Utilities, Inc purchased wholesale water from LWC for a small portion of their system, and operated their own water treatment system for the remainder. Their water treatment system consisted of three groundwater wells, one operational and two standby wells. Their treatment consisted of a chlorine system and a fluoride system, all in fair to poor condition.

Upon completion of the Stock Purchase Agreement, LWC immediately assumed responsibility for operating all water treatment facilities, storage tanks, pressure reducing stations, pumping equipment, monitoring system hydraulic conditions, and required plant operation regulatory reporting, as well as began preventative maintenance and repairs to the equipment listed above. LWC began sampling, monitoring the distribution water quality, and all required reporting.

LWC operated the Goshen Utilities, Inc water treatment system for about 3 months, until such time as improvements could be completed in the distribution system, allowing the wells and associated facilities to be decommissioned. In the interim, LWC immediately converted the chlorine feed system from a gaseous chlorine system to aqueous chloramine system, installed telemetry remote operation, rehabilitated power distribution systems, and established sampling and reporting protocol until such time as this system could be integrated with the remaining LWC distribution system.

E. COMPLETION DATE:
1. Original Contractual Date: July 2002
2. Current Schedule: N/A
3. Estimated Date of Completion: N/A
4. How Many Times Changed: N/A
5. Primary Causes of Change: N/A
F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:
(Please provide current information on all individuals)

1. Client Representative:
   Name:          Paula Gish
   Office         Deputy Judge Executive
   Address       100 W. Jefferson St., LaGrange, KY 40031
   Telephone     (502) 222-9357
   E-mail        NA
   Fax           (502) 222-3210

G. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.
   The Goshen Utilities, Inc water treatment system consisted of a 500 GPM well that supplied a 750,000 gallon ground level storage tank, where chlorine and fluoride were added. There were also two older and smaller standby wells located near the primary well. The chlorine system used a gaseous chlorine drawn from 150 lb. cylinders by injectors. The chlorine room had no scrubbers. The fluoride system used fluorosilic acid. All of these facilities were in fair to poor condition. There was no backup generator system at the treatment plant or pumping system, little backup equipment installed on any of the systems, and little inventory of repair parts or replacement equipment. Power distribution systems did not comply with the current code or normal safety standards. The condition of facilities and equipment and the lack of reliability and redundancy caused frequent system outages. Additionally, fire flows did not meet urban water supply standards.

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.
   Jim Smith – Responsible for overall planning and management. Oversees contracts, compliance, and O&M of the facilities.
   John Azzara – Responsible for planning, implementation, and direction of maintenance project and resources to ensure reliable, cost-effective operation of water facilities.
   Kent Horrell – Responsible for producing and delivering water to customers, which includes operating all storage tanks, pumping equipment, and monitoring system hydraulic conditions, to ensure an adequate supply of safe, reliable drinking water at sufficient pressure and volume.
   Rengao Song – Responsible for production and distribution water quality analysis, providing required water quality and water production reports, and ensuring overall water quality compliance, and technical support to operations.

I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.
   All of the Goshen Utilities, Inc water treatment and supply facilities were in fair to poor condition. The well field showed signs of contamination, and the finished water delivered to the customers was of a high hardness, resulting in many of the customers having water softeners. The customers suffered from other water quality issues such as taste and odor problems, discolored water and service interruptions. Storage tank elevations were inadequate to provide acceptable customer water pressures and fire flows in the area were constrained, due to inadequately sized lines.
   Upon execution of the purchase agreement, LWC converted the Goshen customers from a free chlorine to a chloramine system, to reduce taste and odor, and discolored water complaints. Additionally, grid ties to the LWC system were completed for LWC water supplies to be the primary system source water to improve water quality and reliability. LWC constructed a new 1 MG elevated storage facility to raise system pressures. Distribution system
facilities were assessed and a repair and replacement program initiated to increase fire flow and system reliability to this area. LWC has spent nearly 6 million dollars in this area for infrastructure improvements.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.

Since this is not a Government project, the FARs do not apply. However, LWC is committed to increasing the effective use of certified small businesses. LWC has a Minority and Women Business Enterprise Program that is used to ensure compliance with any project goals.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.

LWC acquired Goshen Utilities, Inc., successfully transitioned staff and customers, and now operates and maintains the water treatment and distribution facilities.

General

1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer. Indicate if the systems were located on the customer’s site.

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Provide the information requested below for each type of utility operated as part of this project:

Water System

1. What is the average daily flow (gallons per day) for the referenced customer?  Approx. 1.2 mgd.
2. What type of treatment occurs at the Water Treatment Plant?  These areas are retail customers, and are served from the LWC treatment facilities.
3. What type of storage tanks are operated/maintained (ground/elevated, capacity)?
   Goshen Standpipe – ground level, .75 mgd
   Goshen Tank – elevated – 1 mgd
4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time _6_ (yrs) $5 million
Wastewater System
1. What is the average daily flow (gallons per day) for the referenced system? N/A
2. What is the capacity of the WWTP? N/A
3. What is the capacity of the Industrial WWTP? N/A
4. How many pump stations are operated/maintained? N/A
5. How many linear feet of sewage lines are maintained? N/A
6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A
   Time____(yrs) $_____
7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer?
   Capital Improvements $_____ Inflow/Infiltration Reduction_____(%)

Electrical System
1. What is the voltage of the system you operate/maintain? N/A
2. How many facilities are served by the system you operate/maintain? N/A
3. What is the length (linear feet) of the overhead distribution system you operate/maintain? N/A
4. What is the length (linear feet) of the underground distribution system you operate/maintain? N/A
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A
   Time____(yrs) $_____

Natural Gas System
1. What is the length (linear feet) of the distribution system you own/operate? N/A
2. How many meters are on the system you own/operate? N/A
3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered? N/A
   Time____(yrs) $_____

Use of this sheet is subject to the restriction on the title page of this proposal.
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
CH2M HILL, Denver, Colorado

B. PROGRAM TITLE: Fort Campbell, Kentucky, Water and Wastewater Privatization

C. CONTRACT SPECIFICS:
1. Contract Number: Fort Campbell, Kentucky, Water and Wastewater Privatization/ DACA87-00-D-0043
2. Contract Type: Utility Privatization
3. Period of Performance: June 2003, 50-year contract
4. Original Contract $ Value: $700,000,000
5. Current Contract $ Value: $700,000,000

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference

D. BRIEF DESCRIPTION OF EFFORT AS __X__ PRIME OR __SUBCONTRACTOR.

This contract conveyed ownership, operation and maintenance of the Government-owned water and wastewater systems at Fort Campbell, Kentucky to CH2M HILL. CH2M HILL furnishes all facilities, labor, materials, tools, and equipment necessary to operate, maintain, repair, expand, upgrade, and improve the distribution systems and to provide safe, reliable, adequate, and dependable water and wastewater services to each existing or future connection within the serviced premises, consistently, 24 hours a day, 365 days per year.

Fort Campbell currently treats water taken from Boiling Springs with Red River as the backup source. The raw water pumping station located on Boiling Springs has a pumping capacity of approximately 15.1 mgd with three raw water pumps that pump the water through two 18-inch mains to the water treatment facility. These three 3,500-gallon per minute (GPM) pumps are equipped with 300-horsepower motors. The Red River raw water facility includes an intake pumping station, a diversion structure/intake structure, and a 16-inch pipeline from the station to the water treatment plant. The station has a capacity of 2.5 mgd. Our contract includes water resources responsibilities, which include studies to locate alternative backup water sources.

Fort Campbell distributes the treated water through the Main Cantonment Area via approximately 751,000 feet of water distribution lines ranging from less than 2 to 20 inches in diameters.

The total storage capacity of the water storage tanks is approximately 2.0 million gallons. These tanks provide potable water storage for normal use, fire protection, and emergency uses.

The potable water treatment plant was initially constructed in the 1940s. It is believed that the sedimentation and coagulation basins, two new filters, and additional clearwell storage were added in the 1950s. The current rated capacity of the plant is 7.6 mgd.

Fort Campbell’s existing wastewater treatment plant was initially constructed in the 1940s, with major upgrades occurring in 1976 and 1997. The wastewater treatment plant is capable of treating an average daily flow of 4 mgd. The treatment works include inlet structure with bar screen, grit chamber, primary clarifier, four trickling filters, secondary clarifiers, ultra-violet disinfection system, digester, and sludge drying beds. Treated effluent is disinfected and discharged to Little West Fork Creek.

On June 9, 2003, Task Order 4 was issued for CH2M HILL to assume ownership of the system. Following a 60-day transition period, CH2M HILL successfully assumed full ownership responsibility, including O&M and all services. This work includes:

- Providing day-to-day system operations and continuity of service
- Coordinating routine work (scheduled maintenance, testing, and placement or retirement/removal of system components) with the Public Works Business Center
- Conducting service and trouble calls via a 24-hour service number
• Performing connections and disconnections to the utility systems as needed to support ongoing missions
• Designing and constructing all expansions and improvements to the utility systems, including RCI housing utility coordination and improvements
• Providing all environmental, regulatory, and engineering support

E. COMPLETION DATE:

6. Original Contractual Date: June 2003
7. Current Schedule: June 2053
8. Estimated Date of Completion: June 2053
9. How Many Times Changed: 0
10. Primary Causes of Change: N/A

F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:
(Please provide current information on all individuals)

1. Program Manager
Name: N/A
Office:
Address:
Telephone:
E-mail:
Fax:

2. PCO
Name: Jeanne Shykes, Directorate of Contracting
Office: ACA Fort Campbell
Address: Bldg 2174, 13 ½ Street
Fort Campbell Kentucky 42223-1100
Telephone: (270) 798-3985
E-mail: Jeanne.shykes@campbell.army.mil
Fax: (270) 798-7820

3. ACO
Name: Sharon Butler
Office: Huntsville Engineering and Support Center
Address: 4820 University Square Blvd
Huntsville AL 35816
Telephone: (256) 895-1440
E-mail: sharon.h.butler@hnd01.usace.army.mil
G. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.

Under this contract, CH2M HILL is funding and implementing capital investments necessary to meet operational and regulatory requirements. The projects are typically financed over 10 years; however, the Government may elect to fund projects upfront or buy down the financed principle if money is available. A reversion clause in the contract allowed for the lowest possible financing rate.

The contract includes defined metrics that our performance is measured against. The goal is to measure success at delivering continuous service to the Government in the most efficient manner and with the highest degree of customer satisfaction. Metrics include water and wastewater compliance, safety, customer satisfaction, response time, and asset management.

To ensure quality, 60 percent of the fee for this contract is in the form of an award fee and is based on performance against the metrics. Performance metrics are tracked and reported monthly and our award fee calculation and distribution occurs twice a year. Award fees received to date reflect scores of 91 and 93 percent.

Other unique aspects include:

- CH2M HILL does not own the water rights, but is responsible for the capacity and quality of the water source for Fort Campbell.
- Responsible for funding and implementing any capital investments necessary to meet operational requirements in accordance with applicable local, state, and federal codes.
- Provide manned telephone 24 hours/day, 365 days/year that the Government may call to report utility system problems and outages.
- Respond within 45 minutes upon notification of a problem (i.e., we will be onsite with equipment/supplies necessary to assess and make repairs).
- Emergency Operations Plan in place for operations in case of damage from a storm or disaster is widespread.

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.

Key individuals on the Fort Campbell project remain actively engaged on that effort and are unavailable for the APG project.
I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.

Problem: Unanticipated procurements required during a 60-day transition (window air conditioning units, eye wash stations, roll off dumpsters, etc.) to replace equipment on government hand-receipts. Solution: The project manager engaged the entire project team and support from the program office to organize and prioritize purchases. Basic ordering agreements and relationships with local vendors helped streamline the process.

Problem: Major unplanned improvements (new infrastructure for privatized housing) identified during the transition. Solution: The project manager prioritized the projects with customers and engaged the engineering/design staff to expedite improvement planning. Weekly teleconference or face-to-face meetings were held with the housing management team to ensure schedules were met.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.

A Small Business Subcontracting Plan was not required for this contract. However, subcontracts (to small business concerns) to date are $8,989,268 for total small business subcontract expenditures, and 39.8 percent to small businesses.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.

CH2M HILL has accepted full ownership and liability for the Government-owned water and wastewater utility systems at Fort Campbell. Work was implemented in two phases.

CH2M HILL completed Phase I, which required the following activities prior to ownership transfer:

- System Characterization Studies
  - System Inventory, Valuation, Condition Assessment, and Deficiency Identification
  - Environmental Baseline Survey
  - GIS mapping of water valves and meters, fire hydrants, pipes, manholes, lift stations, and grease pits
- Plans and Scope of Work specifications for O&M Activities
  - System Upgrade Plan (short and long term)
  - Annual Service Plan
  - Operations Facility Requirements Plan
  - Safety and Health Plan
  - Staffing Plan
  - Performance Measurement and Verification Plan
  - Quality Assurance and Surveillance Plan
- Regulatory agency notification/submittals for ownership transfer
- Finalization of all easements, licenses, and rights-of-way necessary for system O&M

Phase II consists of ownership transfer and full O&M and capital improvement responsibility for the utility systems. This phase is currently underway and includes follow-on studies of the systems, the results of which will define and quantify improvements needed in the systems.

General

11. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer. Indicate if the systems were located on the customer’s site.
# Water System

1. **What is the average daily flow (gallons per day) for the referenced customer?** Average 4 mgd.
   - 3.69 Average Day Demand (July)
   - 4.34 Maximum Day Demand (July)

2. **What type of treatment occurs at the Water Treatment Plant?**
   - Aeration/rapid chemical mix/flocculation/sedimentation/filtration/clearwell/high service pumping
   - 7.6 mgd capacity

3. **What type of storage tanks are operated/maintained (ground/elevated, capacity)?**
   - WTP (below grade) = 1.5 MG
   - Elevated #2 = 0.5 MG
   - Elevated #3 = 0.5 MG
   - (note: new 1.25 MG tank under construction will replace tank #2 and 3)
   - Elevated #4 = 1.0 MG
   - Destiny Ground Storage Tank=0.5 MG
   - Sabre Ground Storage Tank=0.75 MG

4. **What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?**
   - Time_____ (yrs) $_____
   - W001 – WTP headworks = $303k
   - W003 – Handrail Upgrade+$429
   - W016 – Rate of Flow Controllers = $261k
   - W017 – Chlorine Gas Safety = $1.1M
   - W018 – Office Space Code Compliance = $190k
W019 – Elevated Storage Tank (under construction)
W020 – Fire Protection/ph 1B and 2 = $906k
W021 – Security Improvements = $577k
W022 – CH2M HILL Building (under construction)

Wastewater System

1. What is the average daily flow (gallons per day) for the referenced system?
   From Robert Neath:  2.08 mgd Average Daily Flow (July)
   3.01 mgd Max Daily Flow (July)

2. What is the capacity of the WWTP?
   NPSDES= 4 mgd
   Fine screen/ grit removal/ primary clarification/ trickling filter/ secondary clarification/ UV disinfection/ cascade aerator/ anaerobic sludge digestion/ contract dewatering and hauling

3. What is the capacity of the Industrial WWTP? N/A

4. How many pump stations are operated/maintained?
   84 lift Stations in collection system

5. How many linear feet of sewage lines are maintained?
   504673 as presented in 2008 Award Fee Metrics

6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time 1.25 (yrs) $4.5 million (under construction)
   WW001 Secondary Clarifier Rehab = $1.4 M
   WW002 Primary Screening & Scum =$706k
   WW003 – Washracks = $960k (collection system)
   WW004 - Mainline Sewer, Point Repairs, Rehab, Heavy Cleaning = $1.55M (collection system)

7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer?
   Capital Improvements $4 million Inflow/Infiltration Reduction____(%)
   %I/I reduction not calculated

Electrical System

1. What is the voltage of the system you operate/maintain?
   N/A

2. How many facilities are served by the system you operate/maintain?
   N/A

3. What is the length (linear feet) of the overhead distribution system you operate/maintain?
   N/A

4. What is the length (linear feet) of the underground distribution system you operate/maintain?
VOLUME II: Past Performance – Project Descriptions

N/A

5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time_____ (yrs) $_____  

N/A

Natural Gas System

6. What is the length (linear feet) of the distribution system you own/operate?
   N/A

7. How many meters are on the system you own/operate?
   N/A

8. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time_____ (yrs) $_____  

N/A
A. OFFEROR NAME (COMPANY/DIVISION) AND LOCATION (CITY/STATE):
CH2M HILL, Denver, Colorado

B. PROGRAM TITLE: Fort Gordon, Georgia Army Installation Water and Wastewater Utility Systems Privatization

C. CONTRACT SPECIFICS:
1. Contract Number: SP0600-07-C-8259
2. Contract Type: Utility Privatization
3. Period of Performance: September 2007 - September 2057
4. Original Contract $ Value: $202,518,190
5. Current Contract $ Value: $202,518,190

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference

D. BRIEF DESCRIPTION OF EFFORT AS __PRIME OR ____SUBCONTRACTOR.

In September 2007, the Defense Logistics Agency Defense Energy Support Center awarded the City of Augusta (the City) a contract for the Utilities Privatization of Potable Water Distribution and Wastewater Collection Systems at Fort Gordon, GA. This contract conveyed ownership, operation and maintenance of the Government-owned utility infrastructures (water distribution system and wastewater collection system) at Fort Gordon Army Installation, Fort Gordon, Georgia to the City. The City furnishes all necessary labor, management, supervision, permits, equipment, supplies, materials, transportation, and any other incidental services for the complete ownership, operation, maintenance, repair, upgrades, and improvements to these utility systems. The City owns, finances, and manages the utility system and is responsible for providing capital investments and all other resources to provide reliable and dependable service to the Government and tenant connections within the service area, 24 hours a day, 365 days a year.

The City’s utilities department, Augusta Utilities Department (AUD), is responsible for operating and maintaining the utility systems, particularly the potable water distribution and wastewater collection systems.

CH2M HILL assists the City and AUD with the utility system privatization as a subcontractor. CH2M HILL provides engineering and operations and maintenance (O&M) services for the pump stations and the wastewater treatment plant (WWTP). In addition, we also assist the City with financing of the privatization through a multi-year Capital Improvement contract.

The Fort Gordon Water System comprises all appurtenances physically connected to the system and within its demarcated service area including storage tanks, distribution piping, hydrant valves, backflow preventors, and appurtenances. The water treatment plant is not included in this contract, as it will be taken out of service once a reliable connection is established with AUD for water supply. The current water supply, an 84-acre reservoir fed by Butler Creek, is not being privatized and the Government maintains water rights.

The Fort Gordon Wastewater System comprises all appurtenances physically connected to the system and within its demarcated service area, including lift stations and pumps, collection piping, manholes, and appurtenances. It’s 4.0 MGD WWTP and its emergency generator are not included in the contract and will be taken out of service once reliable connection is established to AUD for wastewater conveyance and treatment.

CH2M HILL’s services to Fort Gordon range from water system conditions assessments to assistance with demolition of some existing structures to control system upgrades. Anticipated projects at Fort Gordon include the following:

Water Systems
- WICU1 - Water Meter Installations
- WICU2 - Water System Condition Assessment
- WICU3 - Water System Capacity Analysis
WICU4 - Water System Master Plan
WICU5 – Demolish Water Treatment Plant
WRR1 – Elevated Tank Installation and Demolition
WRR2 – Initial Replacement of Water Pipe

Wastewater System Projects

• WWICU1 - Fort Gordon Rec Area WWTF
• WWICU2 - Wastewater System Condition Assessment
• WWICU3 - Wastewater System Capacity Analysis
• WWICU4 - Wastewater System Master Plan
• WWICU5 - Lift Station Monitoring System 208 days? Mon 1/1/07
• WWICU6 - Select Wet Well Capacity Upgrades 264 days? Mon 10/16/06
• WWICU7 - Spring Loaded Check Valve Installation 194 days? Mon 10/23/06
• WWICU8 - Demolish Wastewater Treatment Plant 180 days? Mon 11/6/06
• WWRR1 - Lift Station control Panel 187 days? Mon 2/5/07
• WWRR2 - Lift Station Chopper Pump Installation

E. COMPLETION DATE:

6. Original Contractual Date: September 2057
7. Current Schedule: September 2057
8. Estimated Date of Completion: September 2057
9. How Many Times Changed: None
10. Primary Causes of Change: N/A

F. PRIMARY GOVERNMENT OR EQUIVALENT POINTS OF CONTACT:
(Please provide current information on all individuals)

1. Program Manager (Prime Contractor)

Name: Drew Goins
Office: Augusta Utilities Department
Address: 360 Bay Street, Suite 180, Augusta, GA 30901
Telephone: (706) 312-4154
E-mail: dgoins@augustaga.gov
Fax: (706) 312-4123
2. PCO
Name: Martha Gray, Contracting Specialist
Address: 8725 John J. Kingman Road, Fort Belvoir, VA, 22060-6222
Telephone: (703) 767-9415
E-mail: Martha.Gray@dla.mil
Fax: (703) 767-2382

3. ACO
Name: Jordan Salata, Contracting Specialist
Address: 8725 John J. Kingman Road, Fort Belvoir, VA, 22060-6222
Telephone: (703) 767-8131
E-mail: Jordan.Salata@dla.mil
Fax: (703) 767-2382

4. COR:
Name: Glenn Stubblefield Jr./Chief, Operations & Maintenance
Office: DPWL, Bldg 14600
IMA Garrison: IMSE-GOR-PWO
Address: 15th & Barnes Avenue
Fort Gordon, Georgia 30905-5040
Telephone: (706) 791-6180
Email: Glenn.Stubblefield@us.army.mil
Fax: (706) 791-4222

G. ADDRESS ANY TECHNICAL (OR OTHER) AREA ABOUT THIS PROGRAM CONSIDERED UNIQUE.
A unique aspect of this program is that concurrent to the privatization contract, Fort Gordon has contracts with AUD to connect to AUD’s water supply and sewer systems. The water and wastewater treatment plants at Fort Gordon will be abandoned once reliable connections have been established. These connection contracts are outside the scope of privatization, and have had delays affecting the staffing support requirements for the privatization contract because the treatment plants are still operational and the contract for the previous operations contractor has ended. AUD and CH2M HILL have worked with Fort Gordon to provide the necessary operations support and CH2M HILL has been working with AUD to construct the connections and oversee the transition.

H. SPECIFY BY NAME ANY KEY INDIVIDUAL(S) WHO PARTICIPATED IN THIS PROGRAM AND IS/ARE PROPOSED TO SUPPORT THE INSTANT ACQUISITION. ALSO, INDICATE THEIR CONTRACTUAL ROLES FOR BOTH ACQUISITIONS.
Key individuals on the Fort Gordon project remain actively engaged on that effort and are unavailable for the Fort Knox project.
I. ADDRESS PROBLEMS ENCOUNTERED ON THIS CONTRACT AND YOUR SOLUTIONS TO THOSE PROBLEMS.

Problem: Unanticipated operations staffing requirements to staff water and wastewater treatment plants which were supposed to have been abandoned by start of contract.

Solution: The project manager engaged CH2M HILL to provide AUD with operations personnel to keep treatment plants operating.

Problem: Due to the length of the procurement process and the changing needs of the base, Fort Gordon requested changes to the scope of the Initial Capital Upgrade projects.

Solution: CH2M HILL is performing a series of studies to assess the capacity and condition of the water and sewer systems and to develop a Master Plan for both systems. This Master Plan will address the revised requirements which AUD will work with the government to implement.

Problem: Significant changes to the inventory were discovered during the revisions of the GIS and mapping as well as the due diligence performed during transition. In addition, Fort Gordon requested that AUD add additional scope items into the contract after the contract has started.

Solution: The AUD project manager is assembling a proposal for the government to revise the staffing plan to accommodate the changing needs of the base using CH2M HILL as advisors.

J. IDENTIFY IF A SMALL BUSINESS OR DISADVANTAGED BUSINESS PLAN OR GOAL WAS REQUIRED. IF SO, IDENTIFY IN TERMS OF A PERCENTAGE OF THE PLANNED VERSUS ACHIEVED GOAL DURING THE CONTRACT. IF GOALS WERE NOT MET, PLEASE EXPLAIN.

The Fort Gordon project was issued under an unrestricted procurement and did not require a Small Business Subcontracting Plan to meet restriction-related goals. However, the AUD has been committed to increasing opportunities for local community, including small businesses. Currently there is one subcontract for which a small business firm has been recommended. That contract is currently pending award and its value has not been determined.

K. DESCRIBE/DISCUSS THE RELEVANCY OF THE SERVICES YOU PROVIDED ON YOUR REFERENCED CONTRACT TO THESE QUESTIONS AS THEY MAY PERTAIN TO THE SPECIFIC UTILITY.

CH2M HILL is assisting the City of Augusta and the Augusta Utilities Department to accept full ownership and liability for the Government-owned potable water distribution and wastewater collections systems at Fort Gordon. CH2M HILL provides O&M and Bond CIP Program Management services at Fort Gordon and will serve in a similar capacity on the Fort Knox, KY project.

General

1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer. Indicate if the systems were located on the customer’s site.

The answers below reflect CH2M HILL’s role as a subcontractor to the City of Augusta.

<table>
<thead>
<tr>
<th></th>
<th>Own</th>
<th>Operate</th>
<th>Maintain</th>
<th>On Site</th>
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</thead>
<tbody>
<tr>
<td>Sewer Lines</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Yes</td>
</tr>
<tr>
<td>Pump Stations</td>
<td>N/A</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>WWTP</td>
<td>N/A</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Industrial WWTP</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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</tr>
<tr>
<td>Water Storage Tanks</td>
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<td>N/A</td>
<td>N/A</td>
<td>Yes</td>
</tr>
<tr>
<td>Water Treatment Plants</td>
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<td>N/A</td>
<td>N/A</td>
<td>Yes</td>
</tr>
<tr>
<td>Above Ground Electrical Distribution System</td>
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<td>N/A</td>
<td>Yes</td>
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<tr>
<td>Below Ground Electrical Distribution System</td>
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<td>N/A</td>
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<tr>
<td>Power Generation Facility</td>
<td>N/A</td>
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<td>Substations</td>
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</tr>
<tr>
<td>Gas Distribution System</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Water System**

1. What is the average daily flow (gallons per day) for the referenced customer?
   - 2.56 MGD.

2. What type of treatment occurs at the Water Treatment Plant?
   - The treatment plant consists of a flash mixer, two upflow clarifiers, four anthracite/sand filters, a clearwell, and four high service pumps. Sludge from the upflow clarifiers is sent to a decant tank. The decant water is sent to the wastewater treatment plant along with the filter backwash, and the sludge is sent to drying beds. The plant is in the process of being abandoned as Fort Gordon is connecting to the AUD water supply.

3. What type of storage tanks are operated/maintained (ground/elevated, capacity)?
   - There is a 2.25 MG standpipe and a 500,000-gallon elevated storage tank on Post, both constructed in 1942.

4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   - Time: 0.5(yrs) $800,000
   - System characterization studies are in progress to verify the condition and capacity of the system.

**Wastewater System**

1. What is the average daily flow (gallons per day) for the referenced system?
   - 2.5 MGD.

2. What is the capacity of the WWTP?
   - 4.0 MGD. The WWTP will be abandoned shortly and Fort Gordon will connect to the AUD sewer system.

3. What is the capacity of the Industrial WWTP? N/A

4. How many pump stations are operated/maintained?
   - 44 sewer lift stations

5. How many linear feet of sewage lines are maintained?
   - 317,177 lf.

6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   - Time: 0.5(yrs) $800,000
   - System Characterization Studies are in progress to verify the condition and capacity of the system.

7. Have capital improvements been completed that directly or indirectly reduced the amount of Inflow/Infiltration for the system serving the referenced customer? No.
Capital Improvements $__________ Inflow/Infiltration Reduction_____ (%)  N/A

Electrical System
1. What is the voltage of the system you operate/maintain?
   N/A
2. How many facilities are served by the system you operate/maintain?
   N/A
3. What is the length (linear feet) of the overhead distribution system you operate/maintain?
   N/A
4. What is the length (linear feet) of the underground distribution system you operate/maintain?
   N/A
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time_____ (yrs) $_____
   N/A

Natural Gas System
1. What is the length (linear feet) of the distribution system you own/operate?
   N/A
2. How many meters are on the system you own/operate?
   N/A
3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?
   Time_____ (yrs) $_____
   N/A
June 1, 2011

Mr. Brian J. Koessel
Branch Chief/Contracting Officer
DLA Energy - EF
8725 John J. Kingman Road, Suite 3937
Fort Belvoir, Virginia 22060-6222

Subject: Final Proposal Revision - Solicitation No.: SP0600-08-R-0803
Privatization of the Potable Water Utility System at Fort Knox Army Installation, Kentucky

Mr. Koessel:

The Hardin County Water District No. 1 (HCWD1) is pleased to submit our revised, Final Proposal Revision (FPR) for assuming the ownership and operation of the Fort Knox potable water system. HCWD1 is the agency designated to provide utility services in the northern part of Hardin County, around Fort Knox and also provides ownership and operations of the privatized Fort Knox sanitary and storm sewer systems on post as well as owning and operating the Radcliff sanitary sewer system. Although many of HCWD1’s staff have water experience, we have formed a team of professionals to handle the ownership transition, immediate system improvements, and operation of the water distribution system which has included the Louisville Water Company (LWC) and CH2M HILL, Inc.

As a regulated utility by the Kentucky Public Service Commission, HCWD1 serves over 10,000 residential and commercial customers and acts as a regional water supplier to two other water systems. The transfer of the utilities at Fort Knox is an unprecedented opportunity for Hardin County and one that would follow the trend of Fort Knox and the local government working together toward well planned and managed water and sewer utilities.

In response to DLA’s May 13, 2011 Negotiation Message #4, our team and carefully reviewed and updated our proposal, with emphasis to address all the Government’s latest issues and concerns. We have also reviewed the Government’s comments and issues we received during the December, 2010 negotiation session, and other interim conference calls. We believe our FPR offers long-term economic benefit and reduction in costs, accomplishing specific goals identified in the Solicitation.

This Proposal remains a valid offer until December 31, 2011, and we are prepared to work with you to extend this period should it be required. As you proceed with your final assessment and review of our FPR, I invite you to contact me should you have any questions or need any additional information.

Thank You

Jim Bruce, General Manager

Encl.
Volume III. Contract Documentation

Prepared by:

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

Hardin County Water District No. 1 agrees with all terms, conditions, and provisions included in the solicitation except as highlighted in Volume III, Contract Documentation and agrees to furnish any or all items upon which prices are offered by Hardin County Water District No. 1 in this proposal at the price set opposite each item.

This proposal includes data that shall not be disclosed outside the Government.

Person(s) Authorized to Negotiate: Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

Person(s) Authorized to Sign Proposal: Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government’s right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are clearly marked with the proprietary legend in the side margin of the page.
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Attachment 1: Copy of SF 33 (original SF33 submitted in separate envelope), SF30, and Representations and Certifications
Attachment 2: Small Business Subcontracting Plan
Attachment 3: Negotiation Message 4
### List of Exhibits

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<thead>
<tr>
<th>Exhibit</th>
<th>Description</th>
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</tr>
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<tbody>
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<td>Signature Authority</td>
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</tr>
<tr>
<td>III-2</td>
<td>Planned Range of Services, Supplies, and Other Support to be Provided by SB</td>
<td>III-8</td>
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<tr>
<td>III-3</td>
<td>Pool of Potential Subcontractors for This Contract</td>
<td>III-9</td>
</tr>
<tr>
<td>III-4</td>
<td>Subcontract Goals Meet Government Goals</td>
<td>III-10</td>
</tr>
</tbody>
</table>

Use of this sheet is subject to the restrictions on the title page of this proposal.
List of Acronyms

CAS       Cost Accounting Standards
DCMC      Defense Contract Management Command
EPA       U.S. Environmental Protection Agency
FAR       Federal Acquisition Regulations
GAAP      Generally Accepted Accounting Principles
GIS       Geographic Information System
HBCUs/MI  Historically Black College or University/Minority Institution
HCWD1     Hardin County Water District No. 1
HUBZone   Historically Underutilized Business

LWC       Louisville Water Company
MBE       Minority Business Enterprise
NARUC     National Association of Regulatory Commissioners
PSC       Public Service Commission
RFP       Request for Proposal
SB        Small Business
SDB       Small Disadvantaged Business
VOSB      Veteran-owned Small Business
WBE       Woman-owned Business Enterprise
### Volume III - Cross Reference Matrix

<table>
<thead>
<tr>
<th>Description/Specifications, Section L of RFP</th>
<th>Proposal Section</th>
</tr>
</thead>
</table>
| L.6.1 SF 33 and Representations and Certifications | III.1 and Attachment 1  
Original SF 33 submitted in separate envelope |
| L.6.2 Alternate Proposals and Exceptions to Terms and Conditions | III.2 |
| L.6.2.1 CAS Waiver | III.2.1 |
| L.6.2.2 FAR Part 31 Deviation | III.2.2 |
| L.6.3 Other Required Information | III.3 |
| L.6.3.1 Authorized Personnel | III.3.1 |
| L.6.3.2 Subcontracting Plan | III.3.2 and Attachment 2 |
| L.6.3.3 Socioeconomic Plan | III.3.3 |
This Contract Documentation Proposal was developed by Hardin County Water District No. 1 (HCWD1) in response to Request for Proposal (RFP) No.SP0600-08-R-0803 for the Privatization of Potable Water Utility Systems at Fort Knox, Kentucky. This submittal describes the HCWD1’s relevant contract documentation to support provision of water treatment and distribution to Fort Knox through privatization.

HCWD1 will be the prime contractor with Louisville Water Company (LWC), who will provide water treatment, as a subcontractor to HCWD1 and CH2M HILL, who will provide capital improvements management, as the second subcontractor to HCWD1.

How the Contract Documentation Volume is Organized

For this submittal, HCWD1 is the proposed owner, financier, operator, and manager of all of the Fort Knox water system. HCWD1 has prepared this volume in accordance with Section L.6 of the RFP.

The following sections specifically address each of the required volume documents:

1. Standard Form 33 & Representations and Certifications
2. Alternate Proposals and Exceptions to Terms and Conditions
3. Other Required Information

III.1: Standard Form 33 & Representations and Certifications—HCWD1 has provided a completed, signed, and dated SF33 and SF30 in Attachment 1. We have also included in Attachment 1 completed, signed, and dated Representations and Certifications as well as the online submittal as required by the RFP.

III.2: Exceptions to Terms and Conditions—HCWD1 takes no exceptions to the terms and conditions to the proposal and has provided the relevant assumptions made in the development in this proposal. All assumptions are provided in Volumes I and IV and for the provision of the services offered in this proposal, HCWD1 is exempt from Cost Accounting Standards (CAS) based on the fact that all prices offered in this proposal will be regulated by the Kentucky Public Service Commission (PSC) through a tariff rate.

Section III.2.1 is the Waiver of Applicability of Cost Accounting Standards and Deviations from Specific Parts of Federal Acquisition Regulation (FAR) Part 31.
III.3: Other Required Information—The HCWD1 team has provided a listing of authorized personnel that can obligate each company contractually. We have also prepared Small Business and Socioeconomic Plans that describe the extent of participation of small business throughout the life of this contract.

Attachment 2 is the Small Business Subcontracting Plan.
III.1 Standard Form 33 & Representations and Certifications

III.1.1 Standard Form 30 and Standard Form 33

In response to Section L.6.1 of the RFP, HCWD1 has included the original and completed SF33 under a separate cover of this volume. Copies have been provided and are bound within this proposal. HCWD1 has also provided completed and signed SF33s for the following:

- Amendment 001 – September 17, 2008
- Amendment 002 – December 15, 2009
- Amendment 003 – May 13, 2011

III.1.2 Section K, Representations and Certifications

The completed Section K, Representations and Certifications follow the copies of the SF33 forms.
Exceptions to Terms and Conditions

HCWD1 takes no exceptions to the terms and conditions set forth under the RFP. We have provided the assumptions which our proposal was developed in Volumes I (Technical Proposal) and IV (Price Proposal).

III.2.1 Waiver of Applicability of Cost Accounting Standards and Deviations from Specific Parts of Federal Acquisition Regulation (FAR) Part 31

For the provision of the services offered in this proposal, HCWD1 is exempt from CAS. The basis for this exemption is the fact that all prices offered in this proposal will be regulated by the Kentucky PSC through a tariff rate. As such, the CAS exemption specified in 48 CFR Part 9903.201-1 (b) (5) applies. Specifically, because, under the proposed contract, “the price is set by law or regulation,” HCWD1 is “exempt from all CAS requirements.”

HCWD1 will maintain its books and records in accordance with Generally Accepted Accounting Principles (GAAP) using the National Association of Regulatory Commissioner’s (NARUC) Uniform System of Accounts. The NARUC system was developed to bring conformity and comparability to utility accounting and it is the standard for utility accounting in the United States.

HCWD1 will have its financial statements audited annually by an independent certified public accountant.
III.3 Other Required Information

III.3.1 Authorized Personnel

In Exhibit III-1, we are providing a listing of the company representatives that can obligate HCWD1 contractually and can negotiate with the Government.

<table>
<thead>
<tr>
<th>Name/Title</th>
<th>Authority to</th>
<th>Telephone No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Bruce,</td>
<td>Obligate Company Resources,</td>
<td>270-351-3222</td>
</tr>
<tr>
<td>General Manager</td>
<td>Negotiations,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>and Signature</td>
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</table>

III.3.2 Subcontracting Plan

HCWD1 is committed to supporting and developing small businesses (SBs) and will meet or exceed each of the goals in our Subcontracting Plan. This section specifically addresses planned subcontracting dollars and percentages of total contract amount to be awarded to SBs, veteran-owned small businesses (VOSBs), historically underutilized business zone small businesses (HUBZone SBs), small disadvantaged businesses (SDBs), Historically Black Colleges and Universities/Minority Institutions (HBCUs/MIs), and women-owned small businesses (WOSBs).

In response to this section, we have developed a Small Business Subcontracting Plan (Attachment 2) in accordance with FAR 52-219-9. We have highlighted the method used for developing our goals, the types of work we plan to subcontract, and a list of subcontractors we plan to work with to exceed the goals. Should our Alternate Proposal be accepted, we will revise the Small Business Subcontracting Plan accordingly.

III.3.2.1 HCWD1’s Small Business Subcontracting History

HCWD1 is exceeding contract plan goals in every category with the exception of small disadvantaged business and HBCU/MI for the current contract for the ownership and operations of the Fort Knox wastewater and stormwater systems. However, steps have been taken to improve and HCWD1 has recently completed a project with North Carolina A&T State University, a registered HBCU. HCWD1 has recently updated its subcontracting plan to ensure that all available subcontractors are given equitable opportunities.

In 2006 and 2007, LWC was awarded Corporation of the Year Public Sector for outstanding procurements with local women- and minority-owned businesses.
III.3.2.1 LWC’s Small and Minority Business Subcontracting History

LWC is committed to increasing the effective use of certified small business enterprises. Our Minority and Women Business Enterprise Program Requirements help us define and plan for utilization of all capable subcontractors. LWC requires bidders for utility work to demonstrate good faith efforts to utilize MBEs and WBEs when seeking contracts with the water system. LWC itself will commit to seeking out and hiring qualified small business concerns for work on the Fort Knox water system privatization contract.

In 2003, we achieved membership in the Million Dollar Club for minority purchasing and participation (Kentucky and Minority Business Council).

III.3.2.3 CH2M HILL’s Small and Minority Business Subcontracting History

CH2M HILL has an excellent reputation for consistently exceeding small business goals. In the past 5 years, CH2M HILL’s proven commitment has placed $410.4 million into the SB community, with $85.2 million to SDBs, and $60.6 million to WOSBs on the firm’s federal projects alone.

Our achievements in SB subcontracting are attributed to:

- “Top-down” corporate philosophy to support the SB community
- Dedication to meaningful Mentor-Protégé Programs
- Practice of providing meaningful and challenging scopes of work to SB concerns
- Procurement systems and policies driven by “SBs first” approach
- Aggressive community outreach efforts
- Local “site-specific” SB workshops
- E-commerce/e-procurement SB links to the SBA’s Dynamic Automated Small Business Source System

Awards and Recognition

In addition to our successful past performance, further proof of CH2M HILL’s commitment has been the recognition CH2M HILL has received for our small business program as well as several distinguished awards. The Dwight D. Eisenhower Award for Excellence, a highly coveted national procurement award, was presented to CH2M HILL by the U.S. Small Business Administration in Washington, D.C., on May 9, 2001. The award is presented to large business prime contractors that have excelled in the utilization of Small Business Concerns.

Small Business of Distinction Award. The U.S. Small Business Administration has honored CH2M HILL with a national Award of Distinction. Created in 1985, the award recognizes large federal contractors that have exceptional subcontracting programs designed to include small and small-disadvantaged businesses on major projects and procurements. “Fewer than two percent of large prime federal contractors attain this award; it is truly a unique and inspirational accomplishment,” said John Bateman, SBA Area Director.

Nunn-Perry Award. CH2M HILL was awarded the 1999 Nunn-Perry Award recognizing exceptionally successful Mentor-Protégé partnerships. The award was given jointly to CH2M HILL and its DoD protégé Wendy Lopez & Associates. The criteria for the award are quantitative program results, level and type of technical assistance to the protégé, and protégé development.

EPA Administrator’s Award. CH2M HILL subcontracting efforts have received national recognition and were used as a model by U.S. Environmental Protection Agency’s (EPA’s) Management Advisory Group. CH2M HILL has won the EPA Administrator’s Award for outstanding prime contractor accomplishments in furthering the Agency’s socioeconomic program goals and objectives on five separate occasions.

CH2M HILL is confident in our performance record and our ability to achieve SB goals. We have a highly decorated SB program that has received numerous national and regional awards and recognition. Our commitment to SB initiatives is affirmed by the DoD Defense Contract Management Command’s (DCMC’s) review and approval of our SB Program with the highest rating possible—Outstanding—for
10 consecutive years. Because of these consecutively high ratings, SBA and DCMC-Denver have determined that CH2M HILL’s SB program does not require a program review each year. Therefore, our program was not reviewed for 2000 and 2002. We are one of only a handful of firms granted this status in the implementation of the SB program.

Based on CH2M HILL’s high standing in the consulting and industrial communities, many HBCU/MIs welcome the opportunity to provide services to CH2M HILL, including Florida International University, New Mexico State University, Clark Atlanta University, and Prairie View A&M University.

III.3.3 Socioeconomic Plan

The information requested in Section L.6.3.3 of the RFP is provided as our Socioeconomic Plan and includes the following information:

- A description of the efforts the Offeror will make to assure that SBs and/or HBCUs/MIs will have equal opportunity to compete for subcontracts under any resulting contract.
- A description of the Offeror’s current and planned proposed range for services, supplies, and any other support that will be provided by SBs and/or HBCUs/MIs.
- The specific names of subcontractors to the extent they are known.
- A description of any future plans the Offeror has for developing additional subcontracting opportunities for SBs and/or HBCUs/MIs during the contract period.
- Identification of the portion of the Offeror’s proposal, as a percentage of dollars that will be subcontracted to SBs and/or HBCUs/MIs.
- The type of performance data the Offeror would accumulate and provide to the Contracting Officer regarding its support of SBs and/or HBCUs/MIs during the period of contract performance.
- The name and title of the individual principally responsible for ensuring company support to such firms.

III.3.3.1 Efforts HCWD1 Will Make to Assure that SBs and/or HBCUs/MIs Will have Equal Opportunity to Compete for Subcontracts

The HCWD1 team encourages the meaningful involvement in its operations of all citizens, particularly those who are members of minority or other traditionally disadvantaged groups. In fact, it is policy to ensure the equitable participation of all socioeconomic concerns in providing goods and services to the Government.

For this project, we have identified services that will be potentially contracted out in the future effort and have matched them up with local SB, SDB, WOSB, VOSB including service disabled veteran-owned small businesses, HUBZone, and other SB concerns. This is detailed in the following sections.

As work becomes identified as potential subcontracted work, HCWD1 will prepare competitive bid packages and identify qualified businesses to provide estimates for the work. Sources of qualified bidders will be retained in HCWD1’s existing subcontractor database and will be obtained from various sources such as the Small Business Administration’s Dynamic Small Business Search and local contacts, the National Minority Supplier Development Council, National Minority Purchasing Council Vendor Information, trade associations, and local small business conferences.

III.3.3.2 Services, Supplies, and any Other Support that will be Provided by SBs and/or HBCUs/MIs.

We have developed a list of services that will be subcontracted out for the duration of the contract. Exhibit III-2 shows these potentially subcontracted services by business category.

III.3.3.3 Specific Names of Subcontractors to the Extent They are Known

HCWD1 will be the prime contractor for this contract, with Louisville Water Company as a subcontractor to HCWD1 providing water treatment. CH2M HILL, as
the second subcontractor to HCWD1, will provide capital improvements planning and implementation. We will also use local subcontractors for selected work and support to the extent it is practical and provides the best value to the Army. We intend to compete all other subcontracted work to get the best price for the Army and to make the work available to the maximum number of qualified small business concerns in the local area. Subcontractors will be used on an as-needed basis as material suppliers and for specialty services including, but not limited to:

- General Contractors
- Trucking
- Engineering
- Geotechnical
- Chemical Supply

### III.3.3.4 Description of any Future Plans
HCWD1 has for Developing Additional Subcontracting Opportunities for SBs and/or HBCUs/MIs During the Contract Period

Following the operational transition period, any identified services required will be managed through HDR/Quest, who has been contracted to manage the small business program for HCWD1. HCWD1 will make a good faith effort to effectively implement our socioeconomic plan to the extent consistent with efficient contract performance.

By utilizing the methods described in the Socioeconomic Plan, we have identified a pool of potential SB contractors for this contract which is presented as Exhibit III-3. This listing will be updated frequently to include new businesses that may come to the Louisville area or additional services that have been identified during contract performance.

**EXHIBIT III-2**
Planned Range of Services, Supplies, and Other Support to be Provided by SB

<table>
<thead>
<tr>
<th>Service Area</th>
<th>SB</th>
<th>VOSB and SDVOSB</th>
<th>HUB Zone</th>
<th>SDB</th>
<th>WOSB</th>
<th>HBCU/MI</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Contractors (construction, concrete, excavation, etc.)</td>
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<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td></td>
</tr>
<tr>
<td>Plumbing, Piping Contractors</td>
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<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td></td>
</tr>
<tr>
<td>Electrical</td>
<td></td>
<td>★</td>
<td></td>
<td></td>
<td>★</td>
<td></td>
</tr>
<tr>
<td>Trucking, Hauling</td>
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<td></td>
<td></td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>Surveying (Civil, GPS, etc.)</td>
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<td>★</td>
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<td>Water System Maintenance, Instrumentation</td>
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<td>★</td>
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<tr>
<td>Printing</td>
<td></td>
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<td></td>
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<td>★</td>
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<tr>
<td>Geotechnical Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>Supplies/Equipment</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
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<tr>
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<td>Communications</td>
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## EXHIBIT III-3
Pool of Potential Subcontractors for This Contract

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<thead>
<tr>
<th>Supplier Name</th>
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<th>SDB</th>
<th>WOSB</th>
<th>HUB</th>
<th>VOSB</th>
<th>HBCU</th>
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<tbody>
<tr>
<td><strong>General Contractors &amp; Construction Support</strong></td>
<td></td>
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<tr>
<td>J&amp;R Construction Services</td>
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<td>Rangaswamy and Associates</td>
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<td></td>
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<tr>
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<td><strong>GIS/Surveying</strong></td>
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<tr>
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<tr>
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<tr>
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<tr>
<td>Beckmar Environmental Lab</td>
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<tr>
<td>McCoy &amp; McCoy, Inc.</td>
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<tr>
<td><strong>Plumbing</strong></td>
<td></td>
<td>⚫</td>
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<td>Springfield Plumbing</td>
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<tr>
<td>Clem’s Plumbing</td>
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</table>
EXHIBIT III-3
Pool of Potential Subcontractors for This Contract

<table>
<thead>
<tr>
<th>Supplier Name</th>
<th>Small</th>
<th>SDB</th>
<th>WOSB</th>
<th>HUB</th>
<th>VOSB</th>
<th>HBCU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pro Touch LLC</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>XTK Cleaning</td>
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<td></td>
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<td>★</td>
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<tr>
<td>Finishing Touch, LLC</td>
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<td></td>
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</tr>
<tr>
<td>Hubbard Trucking</td>
<td></td>
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<tr>
<td>Liberty Transportation</td>
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<td></td>
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<tr>
<td>MP Dump Trucking</td>
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<tr>
<td>Communications</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>★</td>
</tr>
</tbody>
</table>

III.3.3.5 Identification of the Portion of HCWD1’s Proposal, as a Percentage of Dollars, that will be Subcontracted to SBs and/or HBCUs/MIs.

HCWD1 will meet the minimum goals set forth by statutory requirements for large businesses as highlighted below in Exhibit III-4.

EXHIBIT III-4
Subcontract Goals Meet Government Goals

<table>
<thead>
<tr>
<th>Business Concern</th>
<th>Percentage of Total Subcontracting Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Small Business</td>
<td>25%</td>
</tr>
<tr>
<td>Of the 23%, the following percentages will be awarded to specific categories of small businesses:</td>
<td></td>
</tr>
<tr>
<td>Veteran-owned Small Business (including Service Disabled Veteran-owned Small Business)</td>
<td>7%</td>
</tr>
<tr>
<td>HUBZone Small Business</td>
<td>5%</td>
</tr>
<tr>
<td>Small Disadvantaged Business</td>
<td>5%</td>
</tr>
<tr>
<td>Women-owned Small Business</td>
<td>5%</td>
</tr>
</tbody>
</table>

III.3.3.6 Type of Performance Data HCWD1 Would Accumulate and Provide to the Contracting Officer Regarding its Support of SBs and/or HBCUs/MIs During the Period of Contract Performance

HCWD1 will submit such periodic reports and cooperate in any studies or surveys as may be required by the contracting agency or the Small Business Administration in order to determine the extent of support provided during the period of contract performance. HCWD1 can use the “Subcontracting Report for Individual Contracts”, SF 294, and “Summary Subcontract Report”, SF 295, as the model for reporting on an annual basis.

III.3.3.7 Name and Title of the Individual Principally Responsible for Ensuring Support to Such Firms

As of this proposal submittal, this role is being filled by HDR/Quest.

Name: Patty Vanvooren, HDR/Quest
Title: Administrative Manager
Volume III
Attachment III-1—SF 33, SF 30, and Representations and Certifications
SOLICITATION, OFFER AND AWARD

1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 7900)

2. CONTRACT NUMBER
SP0600-08-R-0803

3. SOLICITATION NUMBER
SP0600

4. TYPE OF SOLICITATION
☐ SEALED BID (FB)
☒ NEGOTIATED (RFP)

5. DATE ISSUED
July 1, 2008

6. REQUISITION/PURCHASE NUMBER

7. ISSUED BY
DEFENSE ENERGY SUPPORT CENTER
2230 JOHN J. KINGMAN ROAD, SUITE 3330
FT. BELVOIR, VA 22060-6222
OFFICE SYMBOL: Lottie Platter/EA (703) 767-9416
FAX: (703) 767-2330 Email: Lottie.Platter@dla.mil

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder".

SOLICITATION

9. Sealed offers in original and 4 CD copies for furnishing the supplies or services in the Schedule will be received at the place specified in item 8, or if hand-carried, in the depository located in ROOM 3830 until 3:00 PM local time October 9, 2008.

CAUTION - LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL:
Lottie Platter
703-765-9416 Lottie.Platter@dla.mil

11. TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>(X) SEC.</th>
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<th>(X) SEC.</th>
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<td>X M</td>
<td>EVALUATION FACTORS FOR AWARD</td>
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OFFER (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within 300 calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT
(See Section I, Clause No. 52.232-8)

14. ACKNOWLEDGMENT OF AMENDMENTS
(The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated):

<table>
<thead>
<tr>
<th>AMENDMENT NO.</th>
<th>DATE AMENDMENT NO.</th>
<th>DATE</th>
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<td>003</td>
</tr>
<tr>
<td>002</td>
<td>12/09/2009</td>
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15A. NAME AND ADDRESS OF OFFER-OR
Hardin County Water District No. 1
1400 Rogersville Rd.
Radcliff, KY 40160

15B. TELEPHONE NUMBER
AREA CODE 270 NUMBER 351 EXT. 3222

16. NAME AND THE TITLE OF PERSON AUTHORIZED TO SIGN OFFER
Type or print
Jim Bruce, General Manager
Fax # 270-352-3055

17. SIGNATURE

18. OFFER DATE
June 01, 2011

AWARD (To be completed by Government)

19. ACCEPTED AS TO ITEMS

20. AMOUNT

21. ACCOUNTING AND APPROPRIATION

22. AUTHORITY FOR USING OTHER THAN FULL OPEN COMPETITION:
☐ 10 U.S.C. 2304 (c) 41 U.S.C. 253 (c)

23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified)

24. ADMINISTERED BY (If other than Item 7)

25. PAYMENT WILL BE MADE BY

26. NAME OF CONTRACTING OFFICER

27. UNITED STATES OF AMERICA

28. AWARD DATE

AUTHORIZED FOR LOCAL REPRODUCTION

STANDARD FORM 33 (REV. 9-97)
Prescribed by GSA - Far (48 CFR) 53.214 (c)

Previous edition is unusable
AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

2. AMENDMENT/MODIFICATION NO. 0001
3. EFFECTIVE DATE 17 September 2008
4. REQUISITION/PURCHASE REQ. NO. SP0600-08-I-1258
5. PROJECT NO. (If applicable)

6. ISSUED BY CODE SP0600
   DEFENSE ENERGY SUPPORT CENTER
   8725 JOHN J. KINGMAN ROAD, SUITE 3830
   FT. BELVOIR, VA 22060-6222
   BUYER/SYMBOL: Brian Koessel/DESC-EA
   PHONE: (703) 767-1595 E-MAIL: Brian.Koessel@dla.mil

7. ADMINISTERED BY CODE (If other than item 6)

8. NAME AND ADDRESS OF CONTRACTOR (NO. street, city, county, State, and ZIP Code)
   HARDIN COUNTY WATER DISTRICT NO. 1
   1400 ROBERTSVILLE ROAD
   RA-DCLIFF KY 40160

9a. AMENDMENT OF SOLICITATION NO. SP0600-08-R-0803
9b. DATED (SEE ITEM 11) 1 July 2008
10a. MODIFICATION OF CONTRACT/ORDER NO.
10b. DATED (SEE ITEM 13)

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS
   [X] The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers
   is not extended

   Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following
   methods: (a) By completing Item 8 and 15, and returning 2 copy of the amendment; (b) By acknowledging receipt of this amendment on each
   copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers.
   FAILURE TO ACKNOWLEDGE RECEIPT OF THIS AMENDMENT MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire
to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the
solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)
   Not Applicable.

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS,
    IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.
   A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority)
   B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in
      award, procurement, appropriation date etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b)
   C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR 43.01
   OTHER (Specify type of modification and authority)

   IMPORTANT: Contractor [ ] is not, [X] is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

Utility Privatization of the Potable Water Utility System Infrastructure at Fort Knox, KY

See Additional Pages for Further Details.

15A. NAME AND TITLE OF SIGNER (Type or print)
   JAMES BRUCE, GENERAL MANAGER
   (Signature of person authorized to sign)
15B. NAME OF CONTRACT OFFEROR
   [signature]
15C. DATE SIGNED 10-3-08

16A. NAME OF CONTRACTING OFFICER (Type or print)
   ANGELA E. MATTOX
   (Signature of Contracting Officer)
16B. UNITED STATES OF AMERICA
16C. DATE SIGNED

NSN 7540-01-152-8070
Previous Edition Unusable

STANDARD FORM 30 (REV. 10-83)
Prescribed by GSA FAR (48 CFR) 53.243
### AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

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<td>FT. BELVOIR, VA 22060-6222</td>
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<td>BUYER/SYMBOL: Taina Rivera/DESC-EF</td>
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<tr>
<td>PHONE: (703) 767-8130 E-MAIL: <a href="mailto:Taina.Rivera@dla.mil">Taina.Rivera@dla.mil</a></td>
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| 8a. NAME AND ADDRESS OF CONTRACTOR (NO. street, city, county, State, and ZIP Code) |
|---------------------------------|-----------------|
|                                  |

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**11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS**

[X] The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended. [X] is not extended. Offerors must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _ _ _ _ copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

**12. ACCOUNTING AND APPROPRIATION DATA (If required)**

Not Applicable.

**13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.**

A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority)

   THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b)

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF FAR 43.31

**OTHER** (Specify type of modification and authority)

E. IMPORTANT: Contractor[ ] is not [X] is required to sign this document and return _ _ _ _ copies to the issuing office.

**14. DESCRIPTION OF AMENDMENT/MODIFICATION** (Organized by UCP section headings, including solicitation/contract subject matter where feasible.)

Utility Privatization of the Potable Water Utility System Infrastructure at Fort Knox, KY

See Additional Pages for Further Details.

<table>
<thead>
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<tr>
<td>JAMES BRUCE, GENERAL MANAGER, HWD</td>
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<table>
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<th>15B. NAME OF CONTRACTING OFFICER (Type or print)</th>
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<tr>
<td>ANGELA E. MATTOX</td>
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**STANDARD FORM 30 (REV. 10-83)**

Previous Edition Unusable

Prescribed by GSA FAR (48 CFR) 53.203
## 1. CONTRACT ID CODE

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## 8. NAME AND ADDRESS OF CONTRACTOR

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<th>8. NAME AND ADDRESS OF CONTRACTOR (NO., street, city, county, State, and ZIP Code)</th>
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<td>HARDIN COUNTY WATER DISTRICT NO. 1</td>
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<td>1400 ROBESVILLE ROAD</td>
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<td>RADCLIFF KY 40160</td>
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## 9. AMENDMENT OF SOLICITATION NO.

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## 11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

[X] The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [ ] is extended, [X] is not extended. Offerors must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning 1 copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

## 12. ACCOUNTING AND APPROPRIATION DATA (If required)

Not Applicable.

## 13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b)

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR 43.01 OTHER (Specify type of modification and authority)

## 14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

Utility Privatization of the Potable Water Utility System Infrastructure at Fort Knox, KY

See Additional Pages for Further Details.

## 15. NAME AND TITLE OF SIGNER (Type or print)

<table>
<thead>
<tr>
<th>15A. NAME AND TITLE OF SIGNER (Type or print)</th>
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<tbody>
<tr>
<td>JAMES BRUCE, GENERAL MANAGER</td>
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## 16. NAME OF CONTRACTING OFFICER (Type or print)

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<th>16A. NAME OF CONTRACTING OFFICER (Type or print)</th>
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<tbody>
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<td>BRIAN J. KOESSEL</td>
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## 15B. NAME OF CONTRACTOR/OFFEROR

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## 16C. DATE SIGNED

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(Signature of person authorized to sign)

### STANDARD FORM 30 (REV. 10-83)

Prescribed by GSA FAR (48 CFR) 53.243
Certification for: HARDIN COUNTY WATER DISTRICT 1
DUNS: 130402811
Certification Validity:
From: 05/18/2011 10:57:01 AM (EST)
To: 05/18/2012 10:57:01 AM (EST)

By submitting this certification, I, James Bruce, am attesting to the accuracy of the representations and certifications contained herein. I understand that I may be subject to penalties if I misrepresent HARDIN COUNTY WATER DISTRICT 1 in any of the above representations or certifications to the Government.

READ ONLY
☐ Vendor will provide information with specific offers to the Government.
☒ I certify that I have read and understand the provision.

52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
(Sept 2007)

(a) Definitions. As used in this provision—"Lobbying contact" has the meaning provided at 2 U.S.C. 1602(8). The terms "agency," "influencing or attempting to influence," "officer or employee of an agency," "person," "reasonable compensation," and "regularly employed" are defined in the FAR clause of this solicitation entitled "Limitation on Payments to Influence Certain Federal Transactions" (52.203-12).

(b) Prohibition. The prohibition and exceptions contained in the FAR clause of this solicitation entitled "Limitation on Payments to Influence Certain Federal Transactions" (52.203-12) are hereby incorporated by reference in this provision.

(c) Certification. The offeror, by signing its offer, hereby certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on its behalf in connection with the awarding of this contract.

(d) Disclosure. If any registrants under the Lobbying Disclosure Act of 1995 have made a lobbying contact on behalf of the offeror with respect to this contract, the offeror shall complete and submit, with its offer, OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the registrants. The offeror need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made.

(e) Penalty. Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by 31 U.S.C. 1352. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure required to be filed or amended by this provision, shall be subject to a civil penalty of not less than $10,000, and not more than $100,000, for each such failure.

(End of Provision)

READ ONLY
☐ Vendor will provide information with specific offers to the Government.
☒ I certify that I have read and understand the provision.

52.222-38 Compliance with Veterans' Employment Reporting Requirements (Sep 2010)

By submission of its offer, the offeror represents that, if it is subject to the reporting requirements of 38 U.S.C. 4212(d) (i.e., if it has any contract containing Federal Acquisition Regulation clause 52.222-37, Employment Reports on Veterans), it has submitted the most recent VETS-100A Report required by that clause.
Vendor will provide information with specific offers to the Government.
I certify that I have read and understand the provision.

52.223-1 Biobased Product Certification (Dec 2007)

(a) As required by the Farm Security and Rural Investment Act of 2002 and the Energy Policy Act of 2005 (7 U.S.C. 8102(c)(3)), the offeror certifies, by signing this offer, that biobased products (within categories of products listed by the United States Department of Agriculture in 7 CFR part 2902, subpart B) to be used or delivered in the performance of the contract, other than biobased products that are not purchased by the offeror as a direct result of this contract, will comply with the applicable specifications or other contractual requirements.

(End of Provision)

Vendor will provide information with specific offers to the Government.
I certify that I have read and understand the provision.


(a) Definitions. As used in this provision—
“Business operations” means engaging in commerce in any form, including by acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, or any other apparatus of business or commerce.
“Marginalized populations of Sudan” means—
(1) Adversely affected groups in regions authorized to receive assistance under section 8(c) of the Darfur Peace and Accountability Act (Pub. L. 109-344) (50 U.S.C. 1701 note); and
(2) Marginalized areas in Northern Sudan described in section 4(9) of such Act.
“Restricted business operations” means business operations in Sudan that include power production activities, mineral extraction activities, oil-related activities, or the production of military equipment, as those terms are defined in the Sudan Accountability and Divestment Act of 2007 (Pub. L. 110-174). Restricted business operations do not include business operations that the person (as that term is defined in Section 2 of the Sudan Accountability and Divestment Act of 2007) conducting the business can demonstrate—
(1) Are conducted under contract directly and exclusively with the regional government of southern Sudan;
(2) Are conducted pursuant to specific authorization from the Office of Foreign Assets Control in the Department of the Treasury, or are expressly exempted under Federal law from the requirement to be conducted under such authorization;
(3) Consist of providing goods or services to marginalized populations of Sudan;
(4) Consist of providing goods or services to an internationally recognized peacekeeping force or humanitarian organization;
(5) Consist of providing goods or services that are used only to promote health or education; or
(6) Have been voluntarily suspended

(b) Certification. By submission of its offer, the offeror certifies that the offeror does not conduct any restricted business operations in Sudan.

(End of Provision)

Vendor will provide information with specific offers to the Government.
I certify that I have read and understand the provision.

52.225-25 Prohibition on Engaging in Sanctioned Activities Relating to Iran—Certification. (Sep 2010)

(a) Definition.
"Person"—
(1) Means-
   (i) A natural person;
   (ii) A corporation, business association, partnership, society, trust, financial institution, insurer, underwriter, guarantor, and any other business organization, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise; and
   (iii) Any successor to any entity described in paragraph (1)(ii) of this definition; and
(2) Does not include a government or governmental entity that is not operating as a business enterprise.

(b) Certification. Except as provided in paragraph (c) of this provision or if a waiver has been granted in accordance with FAR 25.703-2(d), by submission of its offer, the offeror certifies that the offeror, or any person owned or controlled by the offeror, does not engage in any activities for which sanctions may be imposed under section 5 of the Iran Sanctions Act of 1996. These sanctioned activities are in the areas of development of the petroleum resources of Iran, production of refined petroleum products in Iran, sale and provision of refined petroleum products to Iran, and contributing to Iran's ability to acquire or develop certain weapons.

(c) Exception for trade agreements. The certification requirement of paragraph (b) of this provision does not apply if—
   (1) This solicitation includes a trade agreements certification (e.g., 52.225-4, 52.225-11 or comparable agency provision); and
   (2) The offeror has certified that all the offered products to be supplied are designated country end products or designated country construction material.

(End of Provision)

READ ONLY
☐ Vendor will provide information with specific offers to the Government.
☒ I certify that I have read and understand the provision.

52.227-6 Royalty Information (Apr 1984)

(a) Cost or charges for royalties. When the response to this solicitation contains costs or charges for royalties totaling more than $250, the following information shall be included in the response relating to each separate item of royalty or license fee:
   (1) Name and address of licensor.
   (2) Date of license agreement.
   (3) Patent numbers, patent application serial numbers, or other basis on which the royalty is payable.
   (4) Brief description, including any part or model numbers of each contract item or component on which the royalty is payable.
   (5) Percentage or dollar rate of royalty per unit.
   (6) Unit price of contract item.
   (7) Number of units.
   (8) Total dollar amount of royalties.

(b) Copies of current licenses. In addition, if specifically requested by the Contracting Officer before execution of the contract, the offeror shall furnish a copy of the current license agreement and an identification of applicable claims of specific patents.

(End of provision)

Alternate I (Apr 1984)

Substitute the following for the introductory portion of paragraph (a) of the basic clause: When the response to this solicitation covers charges for special construction or special assembly that contain costs or charges for royalties totaling more than $250, the following information shall be included in the response relating to each separate item of royalty or license fee:

52.203-2 Certificate of Independent Price Determination (Apr 1985)

(a) The offeror certifies that-
   (1) The prices in this offer have been arrived at independently, without, for the purpose of restricting
(i) Those Prices
(ii) The intention to submit an offer; or
(iii) The methods or factors used to calculate the prices offered.

(2) The prices in this offer have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and

(3) No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

(b) Each signature on the offer is considered to be a certification by the signatory that the signatory-

(1) Is the person in the offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this provision; or

(2)(i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this provision

Jim Bruce, General Manager

(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) of this provision have not participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this provision; and

(iii) As an agent, has not personally participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this provision.

(c) If the offeror deletes or modifies paragraph (a)(2) of this provision, the offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

(End of Provision)

52.204-3 Taxpayer Identification (Oct 1998)

(a) Definitions

"Common parent," as used in this provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the offeror is a member.

"Taxpayer Identification Number (TIN)," as used in this provision, means the number required by the Internal Revenue Service (IRS) to be used by the offeror in reporting income tax and other returns. The TIN may be either a Social Security Number or an Employer Identification Number.

(b) All offerors must submit the information required in paragraphs (d) through (f) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the IRS. If the resulting contract is subject to the payment reporting requirements described in Federal Acquisition Regulation (FAR) 4.904, the failure or refusal by the offeror to furnish the information may result in a 31 percent reduction of payments otherwise due under the contract.

(c) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.

(d) Taxpayer Identification Number (TIN).

- TIN on file with CCR.
- TIN has been applied for.
- TIN is not required because:
  - Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;
  - Offeror is an agency or instrumentality of a foreign government;
  - Offeror is an agency or instrumentality of the Federal Government.

(e) Type of organization.

- sole proprietorship;
52.204-5 Women-Owned Business (Other Than Small Business) (May 1999)

(a) Definition. "Women-owned business concern," as used in this provision, means a concern that is at least 51 percent owned by one or more women; or in the case of any publicly owned business, at least 51 percent of its stock is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

(b) Representation. [Complete only if the offeror is a women owned business concern and has not represented itself as a small business concern in paragraph (b)(1) of FAR 52.219-1, Small Business Program Representations, of this solicitation.] The offeror represents that it is a women-owned business concern.

(End of Provision)

52.209-5 Certification Regarding Responsibility Matters (Apr 2010)

(a) (1) The Offeror certifies, to the best of its knowledge and belief, that-
   (i) The Offeror and/or any of its Principals-
   (A) Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;
   (B) Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property (if offeror checks "have", the offeror shall also see 52.209-7, if included in this solicitation);
   (C) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph (a)(1)(i)(B) of this provision.
   (D) Have not, within a three-year period preceding this offer, been notified of any delinquent Federal Taxes in an amount that exceeds $3,000 for which the liability remains unsatisfied.

(1) Federal taxes are considered delinquent if both of the following criteria apply:
   (i) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.
   (ii) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.

(2) Examples:
   (i) The taxpayer has received a statutory notice of deficiency, under I.R.C. § 6212, which entitles the taxpayer to seek Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights and the liability is finally determined.

(End of Provision)
The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. § 6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals contesting the lien filing, and to further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability because the taxpayer has had no prior opportunity to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

The taxpayer has entered into an installment agreement pursuant to I.R.C. § 6159. The taxpayer is making timely payments and is in full compliance with the agreement terms. The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.

The taxpayer has filed for bankruptcy protection. The taxpayer is not delinquent because enforced collection action is stayed under 11 U.S.C 362 (the Bankruptcy Code).

(ii) The Offeror has □ has not □, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

(2) "Principals," for the purposes of this certification, means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a division or business segment; and similar positions).

This Certification Concerns a Matter Within the Jurisdiction of an Agency of the United States and the Making of a False, Fictitious, or Fraudulent Certification May Render the Maker Subject to Prosecution Under Section 1001, Title 18, United States Code.

(b) The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.

(d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

(End of Provision)

52.212-3 Offeror Representations and Certifications –Commercial Items (Alternate 1 & 2) (Apr 2011)

An offeror shall complete only paragraph (b) of this provision if the offeror has completed the annual representations and certifications electronically at http://orca.bpn.gov. If an offeror has not completed the annual representations and certifications electronically at the ORCA website, the offeror shall complete only paragraphs (c) through (o) of this provision.

(a) Definitions. As used in this provision:

"Economically disadvantaged women-owned small business (EDWOSB) concern" means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States and who are economically disadvantaged in accordance with 13 CFR part 127. It automatically qualifies as a women-owned small business eligible for the WOSB Program.

"Forced or indentured child labor" means all work or service-

(1) Exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or

(2) Performed by any person under the age of 18 pursuant to a contract the enforcement of which can be
"Inverted domestic corporation" means a foreign incorporated entity which is treated as an inverted domestic corporation under 6 U.S.C. 395(b), i.e., a corporation that used to be incorporated in the United States, or used to be a partnership in the United States, but now is incorporated in a foreign country, or is a subsidiary whose parent corporation is incorporated in a foreign country, that meets the criteria specified in 6 U.S.C. 395(b), applied in accordance with the rules and definitions of 6 U.S.C. 395(c).

"Manufactured end product" means any end product in Federal Supply Classes (FSC) 1000-9999, except—

1. FSC 5510, Lumber and Related Basic Wood Materials;
2. Federal Supply Group (FSG) 87, Agricultural Supplies;
3. FSG 88, Live Animals;
4. FSG 89, Food and Related Consumables;
5. FSC 9410, Crude Grades of Plant Materials;
6. FSC 9430, Miscellaneous Crude Animal Products, Inedible;
7. FSC 9440, Miscellaneous Crude Agricultural and Forestry Products;
8. FSC 9610, Ores;
9. FSC 9620, Minerals, Natural and Synthetic; and
10. FSC 9630, Additive Metal Materials.

"Place of manufacture" means the place where an end product is assembled out of components, or otherwise made or processed from raw materials into the finished product that is to be provided to the Government. If a product is disassembled and reassembled, the place of reassembly is not the place of manufacture.

"Restricted business operations" means business operations in Sudan that include power production activities, mineral extraction activities, oil-related activities, or the production of military equipment, as those terms are defined in the Sudan Accountability and Divestment Act of 2007 (Pub. L. 110-174). Restricted business operations do not include business operations that the person (as that term is defined in Section 2 of the Sudan Accountability and Divestment Act of 2007) conducting the business can demonstrate—

1. Are conducted under contract directly and exclusively with the regional government of southern Sudan;
2. Are conducted pursuant to specific authorization from the Office of Foreign Assets Control in the Department of the Treasury, or are expressly exempted under Federal law from the requirement to be conducted under such authorization;
3. Consist of providing goods or services to marginalized populations of Sudan;
4. Consist of providing goods or services to an internationally recognized peacekeeping force or humanitarian organization;
5. Consist of providing goods or services that are used only to promote health or education; or
6. Have been voluntarily suspended.

"Service-disabled veteran-owned small business concern"—

1. Means a small business concern-
   (i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and
   (ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a service-disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

2. Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

"Small business concern" means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR part 121 and size standards in this solicitation.

"Veteran owned small business concern" means a small business concern—

1. Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and
2. The management and daily business operations of which are controlled by one or more veterans.

"Women-owned business concern" means a concern which is at least 51 percent owned by one or more women; or in the case of any publicly owned business, at least 51 percent of its stock is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

"Women-owned small business concern" means a small business concern—

1. That is at least 51 percent owned by one or more women; or, in the case of any publicly owned
business, at least 51 percent of the stock of which is owned by one or more women; and
(2) Whose management and daily business operations are controlled by one or more women. "Women-owned small business (WOSB) concern eligible under the WOSB Program" (in accordance with 13 CFR part 127), means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States.

(b)

(1) **Annual Representations and Certifications.** Any changes provided by the offeror in paragraph (b)(2) of this provision do not automatically change the representations and certifications posted on the Online Representations and Certifications Application (ORCA) website.

(2) The offeror has completed the annual representations and certifications electronically via the ORCA website at http://orca.bpn.gov. After reviewing the ORCA database information, the offeror verifies by submission of this offer that the representations and certifications currently posted electronically at FAR 52.212-3, Offeror Representations and Certifications—Commercial Items, have been entered or updated in the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201), except for paragraphs ____________.

[Offeror to identify the applicable paragraphs at (c) through (o) of this provision that the offeror has completed for the purposes of this solicitation only, if any. These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer.]

Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted on ORCA.

(c) Offerors must complete the following representations when the resulting contract is to be performed inside the United States or its outlying areas. Check all that apply.

(1)* Small business concern. The offeror represents as part of its offer that it [ ] is, [ ] is not a small business concern. (See below)

| NAICS: 924110 | Description: ADMINISTRATION OF AIR AND WATER RESOURCE AND SOLID WASTE MANAGEMENT PROGRAMS | Small Business Concern (Yes/No): No |

(2)* Veteran-owned small business concern. The offeror represents as part of its offer that it [ ] is, [ ] is not a veteran-owned small business concern. (See Below)

| NAICS: 924110 | Description: ADMINISTRATION OF AIR AND WATER RESOURCE AND SOLID WASTE MANAGEMENT PROGRAMS | Veteran-Owned Small Business Concern (Yes/No): No |

(3)* Service-disabled veteran-owned small business concern. The offeror represents as part of its offer that it [ ] is, [ ] is not a service-disabled veteran-owned small business concern. (See Below)

| NAICS: 924110 | Description: ADMINISTRATION OF AIR AND WATER RESOURCE AND SOLID WASTE MANAGEMENT PROGRAMS | Service-Disabled Veteran-Owned Small Business Concern (Yes/No): No |

(4) Small disadvantaged business concern. The offeror represents, for general statistical purposes, that it [ ] is, [ ] is not a small disadvantaged business concern as defined in 13 CFR 124.1002.

(5)* Women-owned small business concern. The offeror represents that it [ ] is, [ ] is not a women-owned small business concern. (See Below)

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<tr>
<th>NAICS:</th>
<th>Description:</th>
<th>Women-Owned Small Business Concern (Yes/No):</th>
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<tbody>
<tr>
<td>924110</td>
<td>ADMINISTRATION OF AIR AND WATER RESOURCE AND SOLID WASTE MANAGEMENT PROGRAMS</td>
<td>No</td>
</tr>
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</table>
(6) Women-owned small business (WOSB) concern eligible under the WOSB Program. [Complete only if the offeror represented itself as a women-owned small business concern in paragraph (c)(6) of this provision] The offeror represents that:

(i) It is, is not a WOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and

(ii) It is, is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (c)(6)(i) of this provision is accurate in reference to the WOSB concern or concerns that are participating in the joint venture. [The offeror shall enter the name or names of the WOSB concern or concerns that are participating in the joint venture: ] Each WOSB concern participating in the joint venture shall submit a separate signed copy of the WOSB representation.

(7) Economically disadvantaged women-owned small business (EDWOSB) concern. [Complete only if the offeror represented itself as a WOSB concern eligible under the WOSB Program in (c)(6) of this provision.] The offeror represents that:

(i) It is, is not an EDWOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and

(ii) It is, is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (c)(7)(ii) of this provision is accurate in reference to the EDWOSB concern or concerns that are participating in the joint venture. [The offeror shall enter the name or names of the EDWOSB concern or concerns that are participating in the joint venture: ] Each EDWOSB concern participating in the joint venture shall submit a separate signed copy of the EDWOSB representation.

Note: Complete paragraphs (c)(8) and (c)(9) only if this solicitation is expected to exceed the simplified acquisition threshold.

(8) Women-owned business concern (other than small business concern). [Complete only if the offeror is a women-owned business concern and did not represent itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents that it is a women-owned business concern.

(9) Tie bid priority for labor surplus area concerns. If this is an invitation for bid, small business offerors may identify the labor surplus areas in which costs to be incurred on account of manufacturing or production (by offeror or first-tier subcontractors) amount to more than 50 percent of the contract price:

<table>
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<th>State</th>
<th>Eligible Labor Surplus:</th>
<th>Civil Jurisdictions Included:</th>
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(10) (i) General. The offeror represents that either-

(A) is not certified by the Small Business Administration as a small disadvantaged business concern and identified, on the date of this representation, as a certified small disadvantaged business concern in the CCR Dynamic Small Business Search database maintained by the Small Business Administration, and that no material change in disadvantaged ownership and control has occurred since its certification, and, where the concern is owned by one or more individuals claiming disadvantaged status, the net worth of each individual upon whom the certification is based does not exceed $750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); or

(B) It has not submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted.

(ii) Joint Ventures under the Price Evaluation Adjustment for Small Disadvantaged Business Concerns. The offeror represents, as part of its offer, that it is a joint venture that complies with the requirements in 13 CFR 124.1002(f) and that the representation in paragraph (c) (10)(i) of this provision is accurate for the small disadvantaged business concern that is participating in the joint venture [The offeror shall enter the name of the small disadvantaged business concern that is
(11) HUBZone small business concern. The offeror represents, as part of its offer, that-
  
  (i) It is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material change in ownership and control, principal office, or HUBZone employee percentage has occurred since it was certified in accordance with 13 CFR part 126; and
  
  (ii) It is not a HUBZone joint venture that complies with the requirements of 13 CFR part 126, and the representation in paragraph (c)(11)(i) of this provision is accurate for each HUBZone small business concern participating in the HUBZone joint venture. [The offeror shall enter the names of each of the HUBZone small business concerns participating in the HUBZone joint venture: .] Each HUBZone small business concern participating in the joint venture shall submit a separate signed copy of the HUBZone representation.

(d) Representations required to implement provisions of Executive Order 11246-

(1) Previous contracts and compliance. The offeror represents that-
  
  (i) It has not participated in a previous contract or subcontract subject to the Equal Opportunity clause of this solicitation; and
  
  (ii) It has not filed all required compliance reports.

(2) Affirmative Action Compliance. The offeror represents that-
  
  (i) It has developed and has on file, It has not developed and does not have on file, at each establishment, affirmative action programs required by rules and regulations of the Secretary of Labor (41 cfr parts 60-1 and 60-2), or
  
  (ii) It has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

(e) Certification Regarding Payments to Influence Federal Transactions (31 U.S.C. 1352). (Applies only if the contract is expected to exceed $150,000.) By submission of its offer, the offeror certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the award of any resultant contract. If any registrants under the Lobbying Disclosure Act of 1995 have made a lobbying contact on behalf of the offeror with respect to this contract, the offeror shall complete and submit, with its offer, OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the registrants. The offeror need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made.

(f) Buy American Act Certificate. (Applies only if the clause at Federal Acquisition Regulation (FAR) 52.225-1, Buy American Act-Supplies, is included in this solicitation.)

(1) The offeror certifies that each end product, except those listed in paragraph (f)(2) of this provision, is a domestic end product and that for other than COTS items, the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The offeror shall list as foreign end products those end products manufactured in the United States that do not qualify as domestic end products, i.e., an end product that is not a COTS item and does not meet the component test in paragraph (2) of the definition of “domestic end product.” The terms “commercially available off-the-shelf (COTS) item,” “component,” “domestic end product,” “end product,” “foreign end product,” and “United States” are defined in the clause of this solicitation entitled “Buy American Act—Supplies.”

(2) Foreign End Products:

<table>
<thead>
<tr>
<th>Description</th>
<th>Country of Origin</th>
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(3) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.

(g) (1) Buy American Act-Free Trade Agreements-Israeli Trade Act Certificate. (Applies only if the clause at FAR 52.225-3, Buy American Act- Free Trade Agreements-Israeli Trade Act, is included in this solicitation.)

(i) The offeror certifies that each end product, except those listed in paragraph (g)(1)(ii) or (g)(1)(iii) of this provision, is a domestic end product and that for other than COTS items, the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The terms “Bahrainian, Moroccan, Omani, or Peruvian end product,” “commercially available off-the-shelf (COTS) item,” “component,” “domestic end product,” “end product,” “foreign end product,” “Free Trade Agreement country,” “Free Trade Agreement country end product,” “Israeli end product,” and “United States” are defined in the clause of this solicitation entitled “Buy American Act–Free Trade Agreements-Israeli Trade Act.”

(ii) The offeror certifies that the following supplies are Free Trade Agreement country end products (other than Bahrainian, Moroccan, Omani, or Peruvian end products) or Israeli end products as defined in the clause of this solicitation entitled “Buy American Act— Free Trade Agreements—Israel Trade Act—Free Trade Agreement country end product.”
(iii) The offeror shall list those supplies that are foreign end products (other than those listed in paragraph (g)(1)(ii) of this provision) as defined in the clause of this solicitation entitled “Buy American Act—Free Trade Agreements—Israeli Trade Act.” The offeror shall list as other foreign end products those end products manufactured in the United States that do not qualify as domestic end products, i.e., an end product that is not a COTS item and does not meet the component test in paragraph (2) of the definition of “domestic end product.”

Other Foreign End Products:

<table>
<thead>
<tr>
<th>Description:</th>
<th>Country of Origin:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(iii) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.</td>
<td></td>
</tr>
</tbody>
</table>

(2) Buy American Act—Free Trade Agreements-Israeli Trade Act Certificate, Alternate I. If Alternate I to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products as defined in the clause of this solicitation entitled "Buy American Act—Free Trade Agreements-Israeli Trade Act":

Canadian End Products:

<table>
<thead>
<tr>
<th>Description:</th>
<th>Country of Origin:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3) Buy American Act—Free Trade Agreements-Israeli Trade Act Certificate, Alternate II. If Alternate II to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:</td>
<td></td>
</tr>
</tbody>
</table>

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act-Free Trade Agreements-Israeli Trade Act":

Canadian or Israeli End Products:

<table>
<thead>
<tr>
<th>Description:</th>
<th>Country of Origin:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(4) Trade Agreements Certificate. (Applies only if the clause at FAR 52.225-5, Trade Agreements, is included in this solicitation.)</td>
<td></td>
</tr>
</tbody>
</table>

(i) The offeror certifies that each end product, except those listed in paragraph (g)(4)(ii) of this provision, is a U.S.-made, or designated country, end product, as defined in the clause of this solicitation entitled "Trade Agreements."

(ii) The offeror shall list as other end products those end products that are not U.S.-made, or designated country, end products.

Other End Products:

<table>
<thead>
<tr>
<th>Description:</th>
<th>Country of Origin:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(iii) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25. For line items covered by the WTO GPA, the Government will evaluate offers of U.S.-made, or designated country, end products without regard to the restrictions of the Buy American Act. The Government will consider for award only offers of U.S.-made, or designated country, end products unless the Contracting Officer determines that there are no offers for such products or that the offers for such products are insufficient to fulfill the requirements of the solicitation.</td>
<td></td>
</tr>
</tbody>
</table>

(h) Certification Regarding Responsibility Matters (Executive Order 12689). (Applies only if the contract value is expected to exceed the simplified acquisition threshold.) The offeror certifies, to the best of its knowledge and belief, that the offeror and/or any of its principals-

1. Are, [ ] Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency; and

2. Have, [ ] Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a Federal, state or local government contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property; and

3. Are, [ ] Are not presently indicted for, or otherwise criminally or civilly charged by a Government entity with, commission of any of these offenses (h)(2) of this clause.

4. Have, [ ] Have not within a three-year period preceding this offer, been notified of any delinquent Federal taxes in an amount that exceeds $3,000 for which the liability remains unsatisfied.

(i) Taxes are considered delinquent if both of the following criteria apply:
A) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.

B) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.

(ii) Examples:
(A) The taxpayer has received a statutory notice of deficiency, under I.R.C. § 6212, which entitles the taxpayer to seek Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court Review, this will not be a final tax liability under the taxpayer has exercised all judicial appeal rights.

(B) The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. § 6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals contesting the lien filing, and to further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the tax payer has exercised all judicial appeal rights.

(C) The taxpayer has entered into an installment agreement pursuant to I.R.C. § 6159. The taxpayer is making timely payments and is in full compliance with the agreement terms. The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.

(D) The taxpayer has filed for bankruptcy protection. The taxpayer is not delinquent because enforced collection action is stayed under II U. S. C 362 (the Bankruptcy Code).

(i) Certification Regarding Knowledge of Child Labor for Listed End Products (Executive Order 13126). [The Contracting Officer must list in paragraph (i)(1) any end products being acquired under this solicitation that are included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, unless excluded at 22.1503(b).]

(1) Listed end products.

<table>
<thead>
<tr>
<th>Listed End Products</th>
<th>Listed Country of Origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bamboo</td>
<td>Burma</td>
</tr>
<tr>
<td>Beans (green, soy, yellow)</td>
<td>Burma</td>
</tr>
<tr>
<td>Brazil Nuts/Chestnuts</td>
<td>Bolivia</td>
</tr>
<tr>
<td>Bricks</td>
<td>Burma, China, India, Nepal, Pakistan</td>
</tr>
<tr>
<td>Carpets</td>
<td>Nepal, Pakistan</td>
</tr>
<tr>
<td>Charcoal</td>
<td>Brazil</td>
</tr>
<tr>
<td>Coal</td>
<td>Pakistan</td>
</tr>
<tr>
<td>Coca (stimulant plant)</td>
<td>Colombia</td>
</tr>
<tr>
<td>Cocoa</td>
<td>Cote d'Ivoire, Nigeria</td>
</tr>
<tr>
<td>Coffee</td>
<td>Cote d'Ivoire</td>
</tr>
<tr>
<td>Cotton</td>
<td>Benin, Burkina Faso, China, Tajikistan, Uzbekistan</td>
</tr>
<tr>
<td>Cottonseed (hybrid)</td>
<td>India</td>
</tr>
<tr>
<td>Diamonds</td>
<td>Sierra Leone</td>
</tr>
<tr>
<td>Electronics</td>
<td>China</td>
</tr>
<tr>
<td>Embroidered Textiles (zari)</td>
<td>India, Nepal</td>
</tr>
<tr>
<td>Garments</td>
<td>Argentina, India, Thailand</td>
</tr>
<tr>
<td>Gold</td>
<td>Burkina Faso</td>
</tr>
<tr>
<td>Granite</td>
<td>Nigeria</td>
</tr>
</tbody>
</table>
Gravel (crushed stones) | Nigeria
---|---
Pornography | Russia
Rice | Burma, India, Mali
Rubber | Burma
Shrimp | Thailand
Stones | India, Nepal
Sugarcane | Bolivia, Burma
Teak | Burma
Tilapia (fish) | Ghana
Tobacco | Malawi
Toys | China

(2) Certification. [If the Contracting Officer has identified end products and countries of origin in paragraph (i)(1) of this provision, then the offeror must certify to either (i)(2)(i) or (i)(2)(ii) by checking the appropriate block.]

- (i) The offeror will not supply any end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product.
- (ii) The offeror may supply an end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product. The offeror certifies that it has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce, or manufacture any such end product furnished under this contract. On the basis of those efforts, the offeror certifies that it is not aware of any such use of child labor.

(j) *Place of Manufacture*(Does not apply unless the solicitation is predominantly for the acquisition of manufactured end products.) For statistical purposes only, the offeror shall indicate whether the place of manufacture of the end products it expects to provide in response to this solicitation is predominantly—

- (1) [ ] In the United States (Check this box if the total anticipated price of offered end products manufactured in the United States exceeds the total anticipated price of offered end products manufactured outside the United States); or
- (2) [ ] Outside the United States.

(k) *Certificates regarding exemptions from the application of the Service Contract Act.* (Certification by the offeror as to its compliance with respect to the contract also constitutes its certification as to compliance by its subcontractor if it subcontracts out the exempt services.) [The contracting officer is to check a box to indicate if paragraph (k)(1) or (k)(2) applies.]

<table>
<thead>
<tr>
<th>FSC Code:</th>
<th>Place of Manufacture:</th>
</tr>
</thead>
</table>

(1) [ ] Maintenance, calibration, or repair of certain equipment as described in FAR 22.1003-4(c)(1). The offeror [ ] does, [ ] does not certify that__

- (i) The items of equipment to be serviced under this contract are used regularly for other than Governmental purposes and are sold or traded by the offeror (or subcontractor in the case of an exempt subcontract) in substantial quantities to the general public in the course of normal business operations;
- (ii) The services will be furnished at prices which are, or are based on, established catalog or market prices (see FAR 22.1003-4(c)(2)(ii)) for the maintenance, calibration, or repair of such equipment; and
- (iii) The compensation (wage and fringe benefits) plan for all service employees performing work under the contract will be the same as that used for these employees and equivalent employees servicing the same equipment of commercial customers.

(2) [ ] Certain services as described in FAR 22.1003-4(d)(1). The offeror [ ] does, [ ] does not certify that__

- (i) The services under the contract are offered and sold regularly to non-Governmental customers, and are provided by the offeror (or subcontractor in the case of an exempt subcontract) to the general public in substantial quantities in the course of normal business operations;
- (ii) The contract services will be furnished at prices that are, or are based on, established catalog prices (see FAR 22.1003-4(d)(1)(ii)).
or market prices (see FAR 22.1003-4(d)(2)(iii));

(iii) Each service employee who will perform the services under the contract will spend only a small portion of his or her time (a monthly average of less than 20 percent of the available hours on an annualized basis, or less than 20 percent of available hours during the contract period if the contract period is less than a month) servicing the Government contract; and

(iv) The compensation (wage and fringe benefits) plan for all service employees performing work under the contract is the same as that used for these employees and equivalent employees servicing commercial customers.

(3) If paragraph (k)(1) or (k)(2) of this clause applies ___

(i) If the offeror does not certify to the conditions in paragraph (k)(1) or (k)(2) and the Contracting Officer did not attach a Service Contract Act wage determination to the solicitation, the offeror shall notify the Contracting Officer as soon as possible; and

(ii) The Contracting Officer may not make an award to the offeror if the offeror fails to execute the certification in paragraph (k)(1) or (k)(2) of this clause or to contact the Contracting Officer as required in paragraph (k)(3)(i) of this clause.

(l) **Taxpayer Identification Number (TIN)** (26 U.S.C. 6109, 31 U.S.C. 7701). (Not applicable if the offeror is required to provide this information to a central contractor registration database to be eligible for award.)

(1) All offerors must submit the information required in paragraphs (l)(3) through (l)(5) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the Internal Revenue Service (IRS).

(2) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.

(3) **Taxpayer Identification Number (TIN).**

- ☑TIN on file with CCR.
- ☑TIN has been applied for.
- ☑TIN is not required because:
  - Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;
  - Offeror is an agency or instrumentality of a foreign government;
  - Offeror is an agency or instrumentality of the Federal Government.

(4) **Type of organization.**

- ☑sole proprietorship;
- ☑Partnership;
- ☑Corporate entity (not tax-exempt);
- ☑Corporate entity (tax-exempt);
- ☑Government entity (Federal, State, or local);
- ☑Foreign government;
- ☑International organization per 26 CFR 1.6049-4;
- ☑Other

(5) **Common parent.**

- ☑Offeror is not owned or controlled by a common parent as defined in paragraph (a) of this provision.
- ☑Name: N/A
  - TIN: **TIN not on File with ORCA**

(m) **Restricted business operations in Sudan.** By submission of its offer, the offeror certifies that the offeror does not conduct any restricted business operations in Sudan.

(n) **Prohibition on Contracting with Inverted Domestic Corporations.**

1. **Relation to Internal Revenue Code.** A foreign entity that is treated as an inverted domestic corporation for purposes of the Internal Revenue Code at 26 U.S.C. 7874 (or would be except that the inversion transactions were completed on or before March 4, 2003), is also an inverted domestic corporation for purposes of 6 U.S.C. 395 and for this solicitation provision (see FAR 9.108).

2. **Representation.** By submission of its offer, the offeror represents that it is not an inverted domestic
(End of provision)

Alternate I (Apr 2011)
As prescribed in 12.301(b)(2), add the following paragraph (c) (12) to the basic provision:

(12) (Complete if the offeror has represented itself as disadvantaged in paragraph (c)(4) or (c)(10) of this provision.)
[The offeror shall check the category in which its ownership falls]:

☐ Black American.

☐ Hispanic American.

☐ Native American (American Indians, Eskimos, Aleuts, or Native Hawaiians).

☐ Asian-Pacific American (persons with origins from Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Japan, China, Taiwan, Laos, Cambodia (Kampuchea), Vietnam, Korea, The Philippines, U.S. Trust Territory of the Pacific Islands (Republic of Palau), Republic of the Marshall Islands, Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, Guam, Samoa, Macao, Hong Kong, Fiji, Tonga, Kiribati, Tuvalu, or Nauru).

☐ Subcontinent Asian (Asian-Indian) American (persons with origins from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands, or Nepal).

☐ Individual/concern, other than one of the preceding.

Alternate II (Apr 2011)
As prescribed in 12.301(b)(2), add the following paragraph (c) (10)(iii) to the basic provision:

(iii) Address. The offeror represents that its address ☐is, ☐is not in a region for which a small disadvantaged business procurement mechanism is authorized and its address has not changed since its certification as a small disadvantaged business concern or submission of its application for certification. The list of authorized small disadvantaged business procurement mechanisms and regions is posted at http://www.arnet.gov/References/ sdbadjustments.htm. The offeror shall use the list in effect on the date of this solicitation. "Address," as used in this provision, means the address of the offeror as listed on the Small Business Administration’s register of small disadvantaged business concerns or the address on the completed application that the concern has submitted to the Small Business Administration or a Private Certifier in accordance with 13 CFR part 124, subpart B. For joint ventures, "address" refers to the address of the small disadvantaged business concern that is participating in the joint venture.

52.214-14 Place of Performance—Sealed Bidding (Apr 1985)
(a) The bidder, in the performance of any contract resulting from this solicitation, ☐intends, ☐does not intend [check applicable box] to use one or more plants or facilities located at a different address from the address of the bidder as indicated in this bid.
(b) If the bidder checks "intends" in paragraph (a) of this provision, it shall insert in the spaces provided below the required information:
52.215-6 Place of Performance (Oct 1997)

(a) The offeror or respondent, in the performance of any contract resulting from this solicitation, ☑ intends ☐ does not intend [check applicable block] to use one or more plants or facilities located at a different address from the address of the offeror or respondent as indicated in this proposal or response to request for information.

(b) If the offeror or respondent checks "intends" in paragraph (a) of this provision, it shall insert in the following spaces the required information:

<table>
<thead>
<tr>
<th>Address of Place of Performance (Street, Address, City, County, State, Zip Code):</th>
<th>Owner/Operator:</th>
<th>Owner Address (Street, Address, City, County, State, Zip Code):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bldg. 7207 South Carolina St. Ft. Knox, KY</td>
<td>40121</td>
<td>1400 Rogersville Road, Radcliff, KY 40160</td>
</tr>
</tbody>
</table>

(End of Provision)

52.219-1 Small Business Program Representations (Apr 2011)

(a) (1) The North American Industry Classification System (NAICS) code for this acquisition is See Note.*

(2) The small business size standard is See Note.

(3) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.

(b) Representations.

(1) The offeror represents as part of its offer that it ☑ is, ☐ is not a small business concern (see below).

**

<table>
<thead>
<tr>
<th>NAICS:</th>
<th>Description:</th>
<th>Small Business Concern (Yes/No):</th>
</tr>
</thead>
<tbody>
<tr>
<td>924110</td>
<td>ADMINISTRATION OF AIR AND WATER RESOURCE AND SOLID WASTE MANAGEMENT PROGRAMS</td>
<td>No</td>
</tr>
</tbody>
</table>

(2) [Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents, for general statistical purposes, that it ☑ is, ☐ is not, a small disadvantaged business concern as defined in 13 CFR 124.1002.

(3) [Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents as part of its offer that it ☑ is, ☐ is not a women-owned small business concern.

(See Below)

**

<table>
<thead>
<tr>
<th>NAICS:</th>
<th>Description:</th>
<th>Women-Owned Small Business Concern (Yes/No):</th>
</tr>
</thead>
<tbody>
<tr>
<td>924110</td>
<td>ADMINISTRATION OF AIR AND WATER RESOURCE AND SOLID WASTE MANAGEMENT PROGRAMS</td>
<td>No</td>
</tr>
</tbody>
</table>

(4) Women-owned small business (WOSB) concern eligible under the WOSB Program. [Complete only if the offeror represented itself as a women-owned small business concern in paragraph (b)(3) of this provision] The offeror represents as part of its offer that:

(i) It ☑ is, ☐ is not a WOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have
of this provision. [The offeror shall enter the name or names of the WOSB concern or concerns that are participating in the joint venture.] Each WOSB concern participating in the joint venture shall submit a separate signed copy of the WOSB representation.

(5) **Economically disadvantaged women-owned small business (EDWOSB) concern. [Complete only if the offeror represented itself as a women-owned small business concern eligible for the WOSB Program in (b)(4) of this provision] The offeror represents as part of its offer that:

(i) It is, is not an EDWOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and

(ii) It is, is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (b)(5)(i) of this provision is accurate in reference to the EDWOSB concern or concerns that are participating in the joint venture. [The offeror shall enter the name or names of the EDWOSB concern or concerns that are participating in the joint venture:] Each EDWOSB concern participating in the joint venture shall submit a separate signed copy of the EDWOSB representation.

(6) **[Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents as part of its offer that it is, is not a veteran-owned small business concern.

<table>
<thead>
<tr>
<th>NAICS:</th>
<th>Description:</th>
<th>Veteran-Owned Small Business Concern (Yes/No):</th>
</tr>
</thead>
<tbody>
<tr>
<td>924110</td>
<td>ADMINISTRATION OF AIR AND WATER RESOURCE AND SOLID WASTE MANAGEMENT PROGRAMS</td>
<td>No</td>
</tr>
</tbody>
</table>

(7) **[Complete only if the offeror represented itself as a veteran-owned small business concern in paragraph (b)(6) of this provision.] The offeror represents as part of its offer that it is, is not a service-disabled veteran-owned small business concern.

(See Below)

<table>
<thead>
<tr>
<th>NAICS:</th>
<th>Description:</th>
<th>Service-Disabled Veteran-Owned Small Business Concern (Yes/No):</th>
</tr>
</thead>
<tbody>
<tr>
<td>924110</td>
<td>ADMINISTRATION OF AIR AND WATER RESOURCE AND SOLID WASTE MANAGEMENT PROGRAMS</td>
<td>No</td>
</tr>
</tbody>
</table>

*If you are responding to a Government solicitation for supplies or services under a NAICS code not listed in paragraph (b) of this certification, you must provide this certification directly to the Contracting Officer.

**Small business concern, Veteran-owned small business concern, Service-disabled veteran-owned small business concern, and Women-owned small business concern status was calculated based on the NAICS codes, Number of Employees, and Average Annual Gross Revenues listed in the CCR Registration for “Company Name” along with the Small Business Administration size standard for each NAICS code.

(8) **[Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents, as part of its offer, that-

(i) It is, is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material change in ownership and control, principal office, or HUBZone employee percentage has occurred since it was certified in accordance with 13 CFR part 126; and

(ii) It is, is not a HUBZone joint venture that complies with the requirements of 13 CFR part 126, and the representation in paragraph (b)(8)(i) of this provision is accurate for each HUBZone small business concern participating in the HUBZone joint venture. [The offeror shall enter the names of each of the HUBZone small business concerns participating in the HUBZone joint venture:] Each HUBZone small business concern participating in the joint venture shall submit a separate signed copy of the HUBZone representation.

(c) **Definitions. As used in this provision-“Economically disadvantaged women-owned small business (EDWOSB) concern” means a small business...
concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States and who are economically disadvantaged in accordance with 13 CFR part 127. It automatically qualifies as a women-owned small business concern eligible for the WOSB Program.

"Service-disabled veteran-owned small business concern"—

(1) Means a small business concern—
   (i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and
   (ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

(2) Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

"Small business concern" means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR part 121 and the size standard in paragraph (a) of this provision.

"Veteran-owned small business concern" means a small business concern—

(1) Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and

(2) The management and daily business operations of which are controlled by one or more veterans.

"Women-owned small business concern" means a small business concern—

(1) That is at least 51 percent owned by one or more women; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and

(2) Whose management and daily business operations are controlled by one or more women.

"Women-owned small business (WOSB) concern eligible under the WOSB Program" (in accordance with 13 CFR part 127), means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States.

(d) Notice.

(1) If this solicitation is for supplies and has been set aside, in whole or in part, for small business concerns, then the clause in this solicitation providing notice of the set-aside contains restrictions on the source of the end items to be furnished.

(2) Under 15 U.S.C. 645(d), any person who misrepresents a firm’s status as a business concern that is small, HUBZone small, small disadvantaged, service-disabled veteran-owned small, economically disadvantaged woman-owned small, or women-owned small eligible under the WOSB Program in order to obtain a contract to be awarded under the preference programs established pursuant to section 8, 9, 15, 31, and 36 of the Small Business Act or any other provision of Federal law that specifically references section 8(d) for a definition of program eligibility, shall—
   (i) Be punished by imposition of fine, imprisonment, or both;
   (ii) Be subject to administrative remedies, including suspension and debarment; and
   (iii) Be ineligible for participation in programs conducted under the authority of the Act.

(End of provision)

Alternate I (Apr 2011)

As prescribed in 19.309(a)(2), add the following paragraph (b)(9) to the basic provision:

(9) [Complete if offeror represented itself as disadvantaged in paragraph (b)(2) of this provision.] The offeror shall check the category in which its ownership falls:

☐ Black American.

☐ Hispanic American.

☐ Native American (American Indians, Eskimos, Aleuts, or Native Hawaiians).

☐ Asian-Pacific American (persons with origins from Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei,
52.219-2 Equal Low Bids (Oct 1995)

(a) This provision applies to small business concerns only.

(b) The bidder's status as a labor surplus area (LSA) concern may affect entitlement to award in case of tie bids.
   If the bidder wishes to be considered for this priority, the bidder must identify, in the following space, the
   LSA in which the costs to be incurred on account of manufacturing or production (by the bidder or the first-
   tier subcontractors) amount to more than 50 percent of the contract price.

<table>
<thead>
<tr>
<th>State</th>
<th>Eligible Labor Surplus:</th>
<th>Civil Jurisdictions Included:</th>
</tr>
</thead>
</table>

(c) Failure to identify the labor surplus areas as specified in paragraph (b) of this provision will preclude
the bidder from receiving priority consideration. If the bidder is awarded a contract as a result of receiving priority
consideration under this provision and would not have otherwise received award, the bidder shall perform the
contract or cause the contract to be performed in accordance with the obligations of an LSA concern.

(End of Provision)

52.219-22 Small Disadvantaged Business Status (Oct 1999)

(a) General. This provision is used to assess an offeror's small disadvantaged business status for the purpose of
obtaining a benefit on this solicitation. Status as a small business and status as a small disadvantaged
business for general statistical purposes is covered by the provision at FAR 52.219-1, Small Business Program
Representation.

(b) Representations.

   (1) General. The offeror represents, as part of its offer, that it is a small business under the size standard
   applicable to this acquisition; and either-

   (i) It has received certification by the Small Business Administration as a small disadvantaged business
   concern consistent with 13 CFR 124, Subpart B; and
   (A) No material change in disadvantaged ownership and control has occurred since its certification;
   (B) Where the concern is owned by one or more disadvantaged individuals, the net worth of each
   individual upon whom the certification is based does not exceed $750,000 after taking into
   account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and
   (C) It is identified, on the date of its representation, as a certified small disadvantaged business
   concern in the database maintained by the Small Business Administration (PRO-Net); or

   (ii) It has submitted a completed application to the Small Business Administration or a Private Certifier to
be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B,
and a decision on that application is pending, and that no material change in disadvantaged ownership
and control has occurred since its application was submitted.

   (2) For Joint Ventures. The offeror represents, as part of its offer, that it is a joint venture that complies
with the requirements at 13 CFR 124.1002(f) and that the representation in paragraph (b)(1) of this
provision is accurate for the small disadvantaged business concern that is participating in the joint
venture. [The offeror shall enter the name of the small disadvantaged business concern that is
participating in the joint venture: .]

(c) Penalties and Remedies. Anyone who misrepresents any aspects of the disadvantaged status of a concern for
the purposes of securing a contract or subcontract shall-

   (1) Be punished by imposition of a fine, imprisonment, or both;
   (2) Be subject to administrative remedies, including suspension and debarment; and
   (3) Be ineligible for participation in programs conducted under the authority of the Small Business Act.

(End of provision)
Alternate I (Apr 2011)

As prescribed in 19.309(b), add the following paragraph (b)(3) to the basic provision:

(3) Address. The offeror represents that its address is not in a region for which a small disadvantaged business procurement mechanism is authorized and its address has not changed since its certification as a small disadvantaged business concern or submission of its application for certification. The list of authorized small disadvantaged business procurement mechanisms and regions is posted at http://www.arnet.gov/References/sdbadjustments.htm. The offeror shall use the list in effect on the date of this solicitation. “Address,” as used in this provision, means the address of the offeror as listed on the Small Business Administration’s register of small disadvantaged business concerns or the address on the completed application that the concern has submitted to the Small Business Administration or a Private Certifier in accordance with 13 CFR part 124, subpart B. For joint ventures, "address" refers to the address of the small disadvantaged business concern that is participating in the joint venture.

52.222-18 Certification Regarding Knowledge of Child Labor for Listed End Products (Feb 2001)

(a) Definition:

"Forced or indentured child labor" means all work or service-

(1) Exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or

(2) Performed by any person under the age of 18 pursuant to a contract the enforcement of which can be accomplished by process or penalties.

(b) Listed end products. The following end product(s) being acquired under this solicitation is (are) included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, identified by their country of origin. There is a reasonable basis to believe that listed end products from the listed countries of origin may have been mined, produced, or manufactured by forced or indentured child labor.

<table>
<thead>
<tr>
<th>Listed End Products</th>
<th>Listed Country of Origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bamboo</td>
<td>Burma</td>
</tr>
<tr>
<td>Beans (green, soy, yellow)</td>
<td>Burma</td>
</tr>
<tr>
<td>Brazil Nuts/Chestnuts</td>
<td>Bolivia</td>
</tr>
<tr>
<td>Bricks</td>
<td>Burma, China, India, Nepal, Pakistan</td>
</tr>
<tr>
<td>Carpets</td>
<td>Nepal, Pakistan</td>
</tr>
<tr>
<td>Charcoal</td>
<td>Brazil</td>
</tr>
<tr>
<td>Coal</td>
<td>Pakistan</td>
</tr>
<tr>
<td>Coca (stimulant plant)</td>
<td>Colombia</td>
</tr>
<tr>
<td>Cocoa</td>
<td>Cote d'Ivoire, Nigeria</td>
</tr>
<tr>
<td>Coffee</td>
<td>Cote d'Ivoire</td>
</tr>
<tr>
<td>Cotton</td>
<td>Benin, Burkina Faso, China, Tajikistan, Uzbekistan</td>
</tr>
<tr>
<td>Cottonseed (hybrid)</td>
<td>India</td>
</tr>
<tr>
<td>Diamonds</td>
<td>Sierra Leone</td>
</tr>
<tr>
<td>Electronics</td>
<td>China</td>
</tr>
<tr>
<td>Embroidered Textiles (zari)</td>
<td>India, Nepal</td>
</tr>
<tr>
<td>Garments</td>
<td>Argentina, India, Thailand</td>
</tr>
<tr>
<td>Gold</td>
<td>Burkina Faso</td>
</tr>
<tr>
<td>Granite</td>
<td>Nigeria</td>
</tr>
<tr>
<td>Gravel (crushed stones)</td>
<td>Nigeria</td>
</tr>
<tr>
<td>Pornography</td>
<td>Russia</td>
</tr>
</tbody>
</table>
The offeror shall check the following certification:

Certification

The offeror does not certify that -

(1) The items of equipment to be serviced under this contract are used regularly for other than Government purposes, and are sold or traded by the offeror (or subcontractor in the case of an exempt subcontractor) in substantial quantities to the general public in the course of normal business operations;

(End of Provision)
The services will be furnished at prices which are, or are based on, established catalog or market prices for the maintenance, calibration, or repair of equipment.

(i) An “established catalog price” is a price included in a catalog, price list, schedule, or other form that is regularly maintained by the manufacturer or the offeror, is either published or otherwise available for inspection by customers, and states prices at which sales currently, or were last, made to a significant number of buyers constituting the general public.

(ii) An “established market price” is a current price, established in the usual course of trade between buyers and sellers free to bargain, which can be substantiated from sources independent of the manufacturer or offeror; and

(3) The compensation (wage and fringe benefits) plan for all service employees performing work under the contract are the same as that used for these employees and equivalent employees servicing the same equipment of commercial customers.

Certification by the offeror as to its compliance with respect to the contract also constitutes its certification as to compliance by its subcontractor if it subcontracts out the exempt services. If the offeror certifies to the conditions in paragraph (a) of this provision, and the Contracting Officer determines in accordance with FAR 22.1003-4(c)(3) that the Service Contract Act—

(1) Will not apply to this offeror, then the Service Contract Act of 1965 clause in this solicitation will not be included in any resultant contract to this offeror; or

(2) Will apply to this offeror, then the clause at 52.222-51, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment—Requirements, will not be included in any resultant contract awarded to this offeror, and the offeror may be provided an opportunity to submit a new offer on that basis.

(c) If the offeror does not certify to the conditions in paragraph (a) of this provision—

(1) The clause in this solicitation at 52.222-51, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment— Requirements, will not be included in any resultant contract awarded to this offeror; and

(2) The offeror shall notify the Contracting Officer as soon as possible, if the Contracting Officer did not include in any resultant contract awarded to this offeror; or

(d) The Contracting Officer may not make an award to the offeror, if the offeror fails to execute the certification in paragraph (a) of this provision or to contact the Contracting Officer as required in paragraph (c) of this provision.

(End of Provision)

52.222-52 Exemption from Application of the Service Contract Act to Contracts for Certain Services—Certification. (Nov 2007)

(a) The offeror shall check the following certification:

Certification

The offeror □ does □ does not certify that -

(1) The services under the contract are offered and sold regularly to non-Governmental customers, and are provided by the offeror (or subcontractor in the case of an exempt subcontract) to the general public in substantial quantities in the course of normal business operations;

(2) The contract services are furnished at prices that are, or are based on, established catalog or market prices. An “established catalog price” is a price included in a catalog, price list, schedule, or other form that is regularly maintained by the manufacturer or the offeror, is either published or otherwise available for inspection by customers, and states prices at which sales currently, or were last, made to a significant number of buyers constituting the general public. An “established market price” is a current price, established in the usual course of ordinary and usual trade between buyers and sellers free to bargain, which can be substantiated from sources independent of the manufacturer or offeror;

(3) Each service employee who will perform the services under the contract will spend only a small portion of his or her time (a monthly average of less than 20 percent of the available hours on an annualized basis, or less than 20 percent of available hours during the contract period if the contract period is less than a month) servicing the Government contract; and

(4) The offeror uses the same compensation (wage and fringe benefits) plan for all service employees performing work under the contract as the offeror uses for these employees and for equivalent employees servicing commercial customers.

(b) Certification by the offeror as to its compliance with respect to the contract also constitutes its certification as to compliance by its subcontractor if it subcontracts out the exempt services. If the offeror certifies to the conditions in paragraph (a) of this provision, and the Contracting Officer determines in accordance with FAR 22.1003-4(d)(3) that the Service Contract Act—
52.223-4 Recovered Material Certification (May 2008)

As required by the Resource Conservation and Recovery Act of 1976 (21 U.S.C. 6962(c)(3)(A)(i)), the offeror certifies, by signing this offer, that the percentage of recovered materials content for EPA-designated items to be delivered or used in the performance of the contract will be at least the amount required by the applicable contract specifications or other contractual requirements.

☐ HARDIN COUNTY WATER DISTRICT 1 certifies compliance with 52.223-4

(End of Provision)

52.223-9 Estimate of Percentage of Recovered Material Content for EPA-Designated Items

Alternate I (May 2008)

As prescribed in 23.406(d), redesignate paragraph (b) of the basic clause as paragraph (c) and add the following paragraph (b) to the basic clause:

(b) The Contractor shall execute the following certification required by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6962(i)(2)(C)):

Certification

- Not Applicable -

☐ I, (name of certifier), am an officer or employee responsible for the performance of this contract and hereby certify that the percentage of recovered material content for EPA-designated items met the applicable contract specifications or other contractual requirements.

Submission of this ORCA record serves as the signature for this Certification

[Signature of the Officer or Employee]

[Typed Name of the Officer or Employee]

[Title]

[Name of Company, Firm, or Organization]

05/18/2011 10:57:01 AM

[Date]

(End of Provision)


(a) Executive Order 13148, of April 21, 2000, Greening the Government through Leadership in Environmental Management, requires submission of this certification as a prerequisite for contract award.
(b) By signing this offer, the offeror certifies that-

(1) As the owner or operator of facilities that will be used in the performance of this contract that are subject to the filing and reporting requirements described in section 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11023) and section 6607 of the Pollution Prevention Act of 1990 (PPA) (42 U.S.C. 13106), the offeror will file and continue to file for such facilities for the life of the contract the Toxic Chemical Release Inventory Form (Form R) as described in sections 313(a) and (g) of EPCRA and section 6607 of PPA; or

(2) None of its owned or operated facilities to be used in the performance of this contract is subject to the Form R filing and reporting requirements because each such facility is exempt for at least one of the following reasons: [Check each block that is applicable.]

- (i) The facility does not manufacture, process, or otherwise use any toxic chemicals listed in 40 CFR 372.65;
- (ii) The facility does not have 10 or more full-time employees as specified in section 313(b)(1)(A) of EPCRA, 42 U.S.C. 11023(b)(1)(A);
- (iii) The facility does not meet the reporting thresholds of toxic chemicals established under section 313 (f) of EPCRA, 42 U.S.C. 11023(f) (including the alternate thresholds at 40 CFR 372.27, provided an appropriate certification form has been filed with EPA);
- (iv) The facility does not fall within the following Standard Industrial Classification (SIC) codes or their corresponding North American Industry Classification System sectors:
  - (A) Major group code 10 (except 1011, 1081, and 1094).
  - (B) Major group code 12 (except 1241).
  - (C) Major group codes 20 through 39.
  - (D) Industry code 4911, 4931, or 4939 (limited to facilities that combust coal and/or oil for the purpose of generating power for distribution in commerce).
  - (E) Industry code 4953 (limited to facilities regulated under the Resource Conservation and Recovery Act, Subtitle C (42 U.S.C. 6921, et seq.), or 5169, or 5171, or 7389 (limited to facilities primarily engaged in solvent recovery services on a contract or fee basis); or
- (v) The facility is not located in the United States or its outlying areas.

(End of Provision)

52.225-2 Buy American Act Certificate (Feb 2009)

(a) The offeror certifies that each end product, except those listed in paragraph (b) of this provision, is a domestic end product and that for other than COTS items, the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The offeror shall list as foreign end products those end products manufactured in the United States that do not qualify as domestic end products, i.e., an end product that is not a COTS item and does not meet the component test in paragraph (2) of the definition of “domestic end product.” The terms “commercially available off-the-shelf (COTS) item,” “component,” “domestic end product,” “end product,” “foreign end product,” and “United States” are defined in the clause of this solicitation entitled “Buy American Act–Supplies.”

(b) Foreign End Products:

<table>
<thead>
<tr>
<th>Description</th>
<th>Country of Origin</th>
</tr>
</thead>
</table>

(c) The Government will evaluate offers in accordance with the policies and procedures of Part 25 of the Federal Acquisition Regulation.

(End of Provision)

52.225-4 Buy American Act–Free Trade Agreements–Israeli Trade Act Certificate (Jun 2009)

(a) The offeror certifies that each end product, except those listed in paragraph (b) or (c) of this provision, is a domestic end product and that for other than COTS items, the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The terms “Bahrainian, Moroccan, Omani, or Peruvian end product,” “commercially available off-the-shelf (COTS) item,” “component,” “domestic end product,” “end product,” “foreign end product,” “Free Trade Agreement country,” “Free Trade Agreement country end product,” “Israeli end product,” and “United States” are defined in the clause of this solicitation entitled “Buy American Act–Free Trade Agreements–Israeli Trade Act.”

(b) The offeror certifies that the following supplies are Free Trade Agreement country end products (other than Bahrainian, Moroccan, Omani, or Peruvian end products) or Israeli end products as defined in the clause of this solicitation entitled “Buy American Act–Free Trade Agreements–Israeli Trade Act”:

Free Trade Agreement Country:

- Bahrain
- Morocco
- Oman
- Peru

(End of Provision)
52.225-6 Trade Agreements Certificate (Jan 2005)

(a) The offeror certifies that each end product, except those listed in paragraph (b) of this provision, is a U.S.-made, or designated country, end product, as defined in the clause of this solicitation entitled "Trade Agreements."

(b) The offeror shall list as other end products those supplies that are not U.S.-made, or designated country, end products. Other End Products:

<table>
<thead>
<tr>
<th>Description</th>
<th>Country of Origin</th>
</tr>
</thead>
</table>

(c) The Government will evaluate offers in accordance with the policies and procedures of Part 25 of the Federal Acquisition Regulation. For line items covered by the WTO GPA, the Government will evaluate offers of U.S.-made, or designated country, end products without regard to the restrictions of the Buy American Act. The Government will consider for award only offers of U.S.-made, or designated country, end products unless the Contracting Officer determines that there are no offers for those products or that the offers for those products are insufficient to fulfill the requirements of this solicitation.

(End of Provision)

52.225-18 Place of Manufacture. (Sept 2006)

(a) Definitions. As used in this clause-
Manufactured end product means any end product in Federal Supply Classes (FSC) 1000-9999, except—

1. FSC 5510, Lumber and Related Basic Wood Materials;
2. Federal Supply Group (FSG) 87, Agricultural Supplies;
3. FSG 88, Live Animals;
4. FSG 89, Food and Related Consumables;
5. FSC 9410, Crude Grades of Plant Materials;
6. FSC 9430, Miscellaneous Crude Animal Products, Inedible;
Historically Black College or University and Minority Institution Representation (Oct 2008)

(a) Definitions. As used in this provision—

"Historically black college or university" means an institution determined by the Secretary of Education to meet the requirements of 34 CFR 608.2. For the Department of Defense, the National Aeronautics and Space Administration, and the Coast Guard, the term also includes any nonprofit research institution that was an integral part of such a college or university before November 14, 1986.

"Minority institution" means an institution of higher education meeting the requirements of Section 365(3) of the Higher Education Act of 1965 (20 U.S.C. 1067k), including a Hispanic-serving institution of higher education, as defined in Section 502(a) of the Act (20 U.S.C. 1101a).

(b) Representation. The offeror represents that it—

☐ is ☒ is not a historically black college or university;

☐ is ☒ is not a minority institution.

(End of Provision)

Representation of Limited Rights Data and Restricted Computer Software (Dec 2007)

(a) This solicitation sets forth the Government's known delivery requirements for data (as defined in the clause at 52.227-14, Rights in Data—General). Any resulting contract may also provide the Government the option to order additional data under the Additional Data Requirements clause at 52.227-16, if included in the contract. Any data delivered under the resulting contract will be subject to the Rights in Data—General clause at 52.227-14 included in this contract. Under the latter clause, a Contractor may withhold from delivery data that qualify as limited rights data or restricted computer software, and deliver form, fit, and function data instead. The latter clause also may be used with its Alternates II and or III to obtain delivery of limited rights data or restricted computer software, marked with limited rights or restricted rights notices, as appropriate. In addition, use of Alternate V with this latter clause provides the Government the right to inspect such data at the Contractor's facility.

(b) By completing the remainder of this paragraph, the offeror represents that it has reviewed the requirements for the delivery of technical data or computer software and states [offeror check appropriate block]—

1. ☒ None of the data proposed for fulfilling such requirements qualifies as limited rights data or restricted computer software;

2. ☐ Data proposed for fulfilling such requirements qualify as limited rights data or restricted computer software and are identified as follows:

(c) Any identification of limited rights data or restricted computer software in the offeror's response is not determinative of the status of the data should a contract be awarded to the offeror.

(End of Provision)

As prescribed in 209.104-70(a), use the following provision:

DISCLOSURE OF OWNERSHIP OR CONTROL BY THE GOVERNMENT OF A TERRORIST COUNTRY
(JAN 2009)

(a) Definitions. As used in this provision—

(1) “Government of a terroristor country” includes the state and the government of a terrorist country, as well as any political subdivision, agency, or instrumentality thereof.

(2) “Terrorist country” means a country determined by the Secretary of State, under section 6(j)(1)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)(i)(A)), to be a country the government of which has repeatedly provided support for acts of international terrorism. As of the date of this provision, terrorist countries subject to this provision include: Cuba, Iran, Sudan, and Syria.

(3) “Significant interest” means—

(i) Ownership of or beneficial interest in 5 percent or more of the firm’s or subsidiary’s securities. Beneficial interest includes holding 5 percent or more of any class of the firm’s securities in “nominee shares,” “street names,” or some other method of holding securities that does not disclose the beneficial owner;

(ii) Holding a management position in the firm, such as a director or officer;

(iii) Ability to control or influence the election, appointment, or tenure of directors or officers in the firm;

(iv) Ownership of 10 percent or more of the assets of a firm such as equipment, buildings, real estate, or other tangible assets of the firm; or

(v) Holding 50 percent or more of the indebtedness of a firm.

(b) Prohibition on award. In accordance with 10 U.S.C. 2327, no contract may be awarded to a firm or a subsidiary of a firm if the government of a terrorist country has a significant interest in the firm or subsidiary or, in the case of a subsidiary, the firm that owns the subsidiary, unless a waiver is granted by the Secretary of Defense.

(c) Disclosure. If the government of a terrorist country has a significant interest in the Offeror or a subsidiary of the Offeror, the Offeror shall disclose such interest in an attachment to its offer. If the Offeror is a subsidiary, it shall also disclose any significant interest the government of a terrorist country has in any firm that owns or controls the subsidiary. The disclosure shall include—

(1) Identification of each government holding a significant interest; and

(2) A description of the significant interest held by each government.

(End of Provision)

252.209-7005 Reserve Officer Training Corps and Military Recruiting on Campus.

As prescribed in 209.470-4, use the following clause:

RESERVE OFFICER TRAINING CORPS AND MILITARY RECRUITING ON CAMPUS (JAN 2000)

(a) Definitions. "Institution of higher education," as used in this clause, means an institution that meets the requirements of 20 U.S.C. 1001 and includes all subelements of such an institution.

(b) Limitation on contract award. Except as provided in paragraph (c) of this clause, an institution of higher education is ineligible for contract award if the Secretary of Defense determines that the institution has a policy or practice (regardless of when implemented) that prohibits or in effect prevents—

(1) The Secretary of a military department from maintaining, establishing, or operating a unit of the Senior Reserve Officer Training Corps (ROTC) (in accordance with 10 U.S.C. 654 and other applicable Federal laws) at that institution;

(2) A student at that institution from enrolling in a unit of the Senior ROTC at another institution of higher education;

(3) The Secretary of a military department or the Secretary of Transportation from gaining entry to
(4) Military recruiters from accessing, for purposes of military recruiting, the following information pertaining to students (who are 17 years of age or older) enrolled at that institution:

   (i) Name.
   (ii) Address.
   (iii) Telephone number.
   (iv) Date and place of birth.
   (v) Educational level.
   (vi) Academic major.
   (vii) Degrees received.
   (viii) Most recent educational institution enrollment.

(c) Exception. The limitation in paragraph (b) of this clause does not apply to an institution of higher education if the Secretary of Defense determines that—

   (1) The institution has ceased the policy or practice described in paragraph (b) of this clause; or
   (2) The institution has a longstanding policy of pacifism based on historical religious affiliation.

(d) Agreement. The Contractor represents that it does not now have, and agrees that during performance of this contract it will not adopt, any policy or practice described in paragraph (b) of this clause, unless the Secretary of Defense has granted an exception in accordance with paragraph (c)(2) of this clause.

(e) Notwithstanding any other clause of this contract, if the Secretary of Defense determines that the Contractor misrepresented its policies and practices at the time of contract award or has violated the agreement in paragraph (d) of this clause—

   (1) The Contractor will be ineligible for further payments under this and any other contracts with the Department of Defense; and
   (2) The Government will terminate this contract for default for the Contractor's material failure to comply with the terms and conditions of award.

(End of Clause)

READ ONLY

Vendor will provide information with specific offers to the Government.

I certify that I have read and understand the provision.


As prescribed in 225.7204(a), use the following provision:

REPORT OF INTENDED PERFORMANCE OUTSIDE THE UNITED STATES AND CANADA—SUBMISSION WITH OFFER

(OCT 2010)

(a) Definition. “United States,” as used in this provision, means the 50 States, the District of Columbia, and outlying areas.

(b) The offeror shall submit, with its offer, a report of intended performance outside the United States and Canada if—

   (1) The offer exceeds $12.5 million in value; and
   (2) The offeror is aware that the offeror or a first-tier subcontractor intends to perform any part of the contract outside the United States and Canada that—
      (i) Exceeds $650,000 in value; and
      (ii) Could be performed inside the United States or Canada.

(c) Information to be reported includes that for—

   (1) Subcontracts;
   (2) Purchases; and
   (3) Intracompany transfers when transfers originate in a foreign location.

(d) The offeror shall submit the report using—

   (1) DD Form 2139, Report of Contract Performance Outside the United States; or
   (2) A computer-generated report that contains all information required by DD Form 2139.

(e) The offeror may obtain a copy of DD Form 2139 from the Contracting Officer or via the Internet at http://www.dtic.mil/whs/directives/infomgt/forms/formsprogram.htm.
252.225-7031 Secondary Arab Boycott of Israel.

As prescribed in 225.7605, use the following provision:

SECONDARY ARAB BOYCOTT OF ISRAEL (JUN 2005)

(a) Definitions. As used in this provision—

(1) “Foreign person” means any person (including any individual, partnership, corporation, or other form of association) other than a United States person.

(2) “United States” means the 50 States, the District of Columbia, outlying areas, and the outer Continental Shelf as defined in 43 U.S.C. 1331.

(3) “United States person” is defined in 50 U.S.C. App. 2415(2) and means—

(i) Any United States resident or national (other than an individual resident outside the United States who is employed by other than a United States person);

(ii) Any domestic concern (including any permanent domestic establishment of any foreign concern); and

(iii) Any foreign subsidiary or affiliate (including any permanent foreign establishment) of any domestic concern that is controlled in fact by such domestic concern.

(b) Certification. If the offeror is a foreign person, the offeror certifies, by submission of an offer, that it—

(1) Does not comply with the Secondary Arab Boycott of Israel; and

(2) Is not taking or knowingly agreeing to take any action, with respect to the Secondary Boycott of Israel by Arab countries, which 50 U.S.C. App. 2407(a) prohibits a United States person from taking.

(End of Provision)

252.225-7042 Authorization to Perform.

As prescribed in 225.1103(3), use the following provision:

AUTHORIZATION TO PERFORM (APR 2003)

The offeror represents that it has been duly authorized to operate and to do business in the country or countries in which the contract is to be performed.

(End of Provision)

252.229-7003 Tax Exemptions (Italy).

As prescribed in 229.402-70(c), use the following clause:

TAX EXEMPTIONS (ITALY) (JAN 2002)

(a) The Contractor represents that the contract price, including the prices in subcontracts awarded under this contract, does not include taxes from which the United States Government is exempt.

(b) The United States Government is exempt from payment of Imposta Valore Aggiunto (IVA) tax in accordance with Article 72 of the IVA implementing decree on all supplies and services sold to United States Military Commands in Italy.

(1) The Contractor shall include the following information on invoices submitted to the United States
Vendor will provide information with specific offers to the Government.

I certify that I have read and understand the clause.

252.229-7005 Tax Exemptions (Spain).
As prescribed in 229.402(e), use the following clause:

TAX EXEMPTIONS (SPAIN) (JUN 1997)

(a) The Contractor represents that the contract prices, including subcontract prices, do not include the taxes identified herein, or any other taxes from which the United States Government is exempt.

(b) In accordance with tax relief agreements between the United States Government and the Spanish Government, and because the incumbent contract arises from the activities of the United States Forces in Spain, the contract will be exempt from the following excise, luxury, and transaction taxes:

1. Derechos de Aduana (Customs Duties).
2. Impuesto de Compensacion a la Importacion (Compensation Tax on Imports).
3. Transmisiones Patronomimales (Property Transfer Tax).
4. Impuesto Sobre el Lujo (Luxury Tax).
5. Actos Juridicos Documentados (Legal Official Transactions).
6. Impuesto Sobre el Trafico de Empresas (Business Trade Tax).
7. Impuestos Especiales de Fabricacion (Special Products Tax).
8. Impuesto Sobre el Petroleo y Derivados (Tax on Petroleum and its By-Products).
9. Impuesto Sobre el Uso de Telefonas (Telephone Tax).
10. Impuesto General Sobre la Renta de Sociedades y demas Entidades Juridicas (General Corporation Income Tax).
11. Impuesto Industrial (Industrial Tax).
12. Impuesto de Rentas Sobre el Capital (Capital Gains Tax).

(End of Clause)
252.239-7011 Special Construction and Equipment Charges.
As prescribed in 239.741(b), use the following clause:

SPECIAL CONSTRUCTION AND EQUIPMENT CHARGES (DEC 1991)

(a) The Government will not directly reimburse the Contractor for the cost of constructing any facilities or providing any equipment, unless the Contracting Officer authorizes direct reimbursement.

If the Contractor stops using facilities or equipment which the Government has, in whole or part, directly reimbursed, the Contractor shall allow the Government credit for the value of the facilities or equipment attributable to the Government’s contribution. Determine the value of the facilities and equipment on the basis of their foreseeable reuse by the Contractor at the time their use is discontinued or on the basis of the net salvage value, whichever is greater. The Contractor shall promptly pay the Government the amount of any credit.

(b) The amount of the direct special construction charge shall not exceed—

(1) The actual costs to the Contractor; and

(2) An amount properly allocable to the services to be provided to the Government.

(c) The amount of the direct special construction charge shall not include costs incurred by the Contractor which are covered by—

(1) A cancellation or termination liability; or

(2) The Contractor’s recurring or other nonrecurring charges.

(e) The Contractor represents that—

(1) Recurring charges for the services, facilities, and equipment do not include in the rate base any costs that have been reimbursed by the Government to the Contractor; and

(2) Depreciation charges are based only on the cost of facilities and equipment paid by the Contractor and not reimbursed by the Government.

If it becomes necessary for the Contractor to incur costs to replace any facilities or equipment, the Government shall assume those costs or reimburse the Contractor for replacement costs at mutually acceptable rates under the following circumstances—

(1) The Government paid direct special construction charges; or

(2) The Government reimbursed the Contractor for those facilities or equipment as a part of the recurring charges; and

(3) The need for replacement was due to circumstances beyond the control and without the fault of the Contractor.

Before incurring any costs under paragraph (f) of this clause, the Government shall have the right to terminate the service under the Cancellation or Termination of Orders clause of this contract.

(End of Clause)
Definitions. As used in this clause—

1. “Components” means articles, materials, and supplies incorporated directly into end products at any level of manufacture, fabrication, or assembly by the Contractor or any subcontractor.

2. “Department of Defense” (DoD) means the Army, Navy, Air Force, Marine Corps, and defense agencies.

3. “Foreign flag vessel” means any vessel that is not a U.S.-flag vessel.

4. “Ocean transportation” means any transportation aboard a ship, vessel, boat, barge, or ferry through international waters.

5. “Subcontractor” means a supplier, materialman, distributor, or vendor at any level below the prime contractor whose contractual obligation to perform results from, or is conditioned upon, award of the prime contract and who is performing any part of the work or other requirement of the prime contract.

6. “Supplies” means all property, except land and interests in land, that is clearly identifiable for eventual use by or owned by the DoD at the time of transportation by sea.
   (i) An item is clearly identifiable for eventual use by the DoD if, for example, the contract documentation contains a reference to a DoD contract number or a military destination.
   (ii) “Supplies” includes (but is not limited to) public works; buildings and facilities; ships; floating equipment and vessels of every character, type, and description, with parts, subassemblies, accessories, and equipment; machine tools; material; equipment; stores of all kinds; end items; construction materials; and components of the foregoing.

7. “U.S.-flag vessel” means a vessel of the United States or belonging to the United States, including any vessel registered or having national status under the laws of the United States.

(b) (1) The Contractor shall use U.S.-flag vessels when transporting any supplies by sea under this contract.

(2) A subcontractor transporting supplies by sea under this contract shall use U.S.-flag vessels if—
   (i) This contract is a construction contract; or
   (ii) The supplies being transported are—
      (A) Noncommercial items; or
      (B) Commercial items that—
         (1) The Contractor is reselling or distributing to the Government without adding value (generally, the Contractor does not add value to items that it subcontracts for f.o.b. destination shipment);
         (2) Are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; or
         (3) Are commissary or exchange cargoes transported outside of the Defense Transportation System in accordance with 10 U.S.C. 2643.

(c) The Contractor and its subcontractors may request that the Contracting Officer authorize shipment in foreign-flag vessels, or designate available U.S.-flag vessels, if the Contractor or a subcontractor believes that—

1. U.S.-flag vessels are not available for timely shipment;
2. The freight charges are inordinately excessive or unreasonable; or
3. Freight charges are higher than charges to private persons for transportation of like goods.

(d) The Contractor must submit any request for use of other than U.S.-flag vessels in writing to the Contracting Officer at least 45 days prior to the sailing date necessary to meet its delivery schedules. The Contracting Officer will process requests submitted after such date(s) as expeditiously as possible, but the Contracting Officer's failure to grant approvals to meet the shipper's sailing date will not of itself constitute a compensable delay under this or any other clause of this contract. Requests shall contain at a minimum—

1. Type, weight, and cube of cargo;
2. Required shipping date;
3. Special handling and discharge requirements;
4. Loading and discharge points;
5. Name of shipper and consignee;
6. Prime contract number; and
7. A documented description of efforts made to secure U.S.-flag vessels, including points of contact (with names and telephone numbers) with at least two U.S.-flag carriers contacted. Copies of telephone notes, telegraphic and facsimile message or letters will be sufficient for this purpose.

(e) The Contractor shall, within 30 days after each shipment covered by this clause, provide the Contracting Officer and the Maritime Administration, Office of Cargo Preference, U.S. Department of Transportation, 400 Seventh Street SW, Washington, DC 20590, one copy of the rated on board vessel operating carrier's ocean bill of lading, which shall contain the following information:

1. Prime contract number;
2. Name of vessel;
ALTERNATIVE I (MAR 2000) As prescribed in 247.573(b)(2), substitute the following paragraph (b) for paragraph (b)
of the basic clause:

(1) Vessel flag of registry;
(2) Date of loading;
(3) Port of loading;
(4) Port of final discharge;
(5) Description of commodity;
(6) Gross weight in pounds and cubic feet if available;
(7) Total ocean freight in U.S. dollars; and
(8) Name of steamship company.

ALTERNATIVE II (MAR 2000) As prescribed in 247.573(b)(3), substitute the following paragraph (b) for paragraph (b)
of the basic clause:

(3) Vessel flag of registry;
(4) Date of loading;
(5) Port of loading;
(6) Port of final discharge;
(7) Description of commodity;
(8) Gross weight in pounds and cubic feet if available;
(9) Total ocean freight in U.S. dollars; and
(10) Name of steamship company.

(f) The Contractor shall provide with its final invoice under this contract a representation that to the best of its
knowledge and belief—

(1) No ocean transportation was used in the performance of this contract;
(2) Ocean transportation was used and only U.S.-flag vessels were used for all ocean shipments under the
contract;
(3) Ocean transportation was used, and the Contractor had the written consent of the Contracting Officer
for all non-U.S.-flag ocean transportation; or
(4) Ocean transportation was used and some or all of the shipments were made on non-U.S.-flag vessels
without the written consent of the Contracting Officer. The Contractor shall describe these shipments in
the following format:

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Contract Line Items</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(g) If the final invoice does not include the required representation, the Government will reject and return it to
the Contractor as an improper invoice for the purposes of the Prompt Payment clause of this contract. In the
event there has been unauthorized use of non-U.S.-flag vessels in the performance of this contract, the
Contracting Officer is entitled to equitably adjust the contract, based on the unauthorized use.

(h) In the award of subcontracts for the types of supplies described in paragraph (b)(2) of this clause, the
Contractor shall flow down the requirements of this clause as follows:

(1) The Contractor shall insert the substance of this clause, including this paragraph (h), in subcontracts
that exceed the simplified acquisition threshold in Part 2 of the Federal Acquisition Regulation.
(2) The Contractor shall insert the substance of paragraphs (a) through (e) of this clause, and this
paragraph (h), in subcontracts that are at or below the simplified acquisition threshold in Part 2 of the
Federal Acquisition Regulation.

ALTERNATE I (MAR 2000) As prescribed in 247.573(b)(2), substitute the following paragraph (b) for paragraph (b)
of the basic clause:

(b)(1) The Contractor shall use U.S.-flag vessels when transporting any supplies by sea under this contract.
(2) A subcontractor transporting supplies by sea under this contract shall use U.S.-flag vessels if the supplies
being transported are—

(i) Noncommercial items; or
(ii) Commercial items that—

(A) The Contractor is reselling or distributing to the Government without adding value (generally, the
Contractor does not add value to items that it subcontracts for f.o.b. destination shipment);
(B) Are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed
in humanitarian or peacekeeping operations (Note: This contract requires shipment of commercial
items in direct support of U.S. military contingency operations, exercises, or forces deployed in
humanitarian or peacekeeping operations); or
(C) Are commissary or exchange cargoes transported outside of the Defense Transportation System in
accordance with 10 U.S.C. 2643.

ALTERNATE II (MAR 2000) As prescribed in 247.573(b)(3), substitute the following paragraph (b) for paragraph (b)
of the basic clause:

(b)(1) The Contractor shall use U.S.-flag vessels when transporting any supplies by sea under this contract.
(2) A subcontractor transporting supplies by sea under this contract shall use U.S.-flag vessels if the supplies
being transported are—

(i) Noncommercial items; or
(ii) Commercial items that—
(A) The Contractor is reselling or distributing to the Government without adding value (generally, the Contractor does not add value to items that it subcontracts for f.o.b. destination shipment);
(B) Are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; or
(C) Are commissary or exchange cargoes transported outside of the Defense Transportation System in accordance with 10 U.S.C. 2643 (Note: This contract requires transportation of commissary or exchange cargoes outside of the Defense Transportation System in accordance with 10 U.S.C. 2643).

ALTERNATE III (MAY 2002) As prescribed in 247.573(b)(4), substitute the following paragraph (f) for paragraphs (f), (g), and (h) of the basic clause:

(f) The Contractor shall insert the substance of this clause, including this paragraph (f), in subcontracts that are for a type of supplies described in paragraph (b)(2) of this clause.

(End of Clause)

252.209-7002 Disclosure of Ownership or Control by a Foreign Government.
As prescribed in 209.104-70(b), use the following provision:

DISCLOSURE OF OWNERSHIP OR CONTROL BY A FOREIGN GOVERNMENT
(JUN 2010)

(a) Definitions. As used in this provision—
(1) “Effectively owned or controlled” means that a foreign government or any entity controlled by a foreign government has the power, either directly or indirectly, whether exercised or exercisable, to control the election, appointment, or tenure of the Offeror’s officers or a majority of the Offeror’s board of directors by any means, e.g., ownership, contract, or operation of law (or equivalent power for unincorporated organizations).
(2) “Entity controlled by a foreign government”—
   (i) Means—
      (A) Any domestic or foreign organization or corporation that is effectively owned or controlled by a foreign government; or
      (B) Any individual acting on behalf of a foreign government.
   (ii) Does not include an organization or corporation that is owned, but is not controlled, either directly or indirectly, by a foreign government if the ownership of that organization or corporation by that foreign government was effective before October 23, 1992.
(3) “Foreign government” includes the state and the government of any country (other than the United States and its outlying areas) as well as any political subdivision, agency, or instrumentality thereof.
(4) “Proscribed information” means—
   (i) Top Secret information;
   (ii) Communications security (COMSEC) material, excluding controlled cryptographic items when unkeyed or utilized with unclassified keys;
   (iii) Restricted Data as defined in the U.S. Atomic Energy Act of 1954, as amended;
   (iv) Special Access Program (SAP) information; or
   (v) Sensitive Compartmented Information (SCI).

(b) Prohibition on award. No contract under a national security program may be awarded to an entity controlled by a foreign government if that entity requires access to proscribed information to perform the contract, unless the Secretary of Defense or a designee has waived application of 10 U.S.C. 2536(a).

(c) Disclosure. The Offeror shall disclose any interest a foreign government has in the Offeror when that interest constitutes control by a foreign government as defined in this provision. If the Offeror is a subsidiary, it shall also disclose any reportable interest a foreign government has in any entity that owns or controls the subsidiary, including reportable interest concerning the Offeror’s immediate parent, intermediate parents, and the ultimate parent. Use separate paper as needed, and provide the information in the following format:

Offeror’s Point of Contact for Questions about Disclosure
(Name and Phone Number with Country Code, City Code and Area Code, as applicable)

Name and Address of Offeror
HARDIN COUNTY WATER DISTRICT 1
252.212-7000 Offeror Representations and Certifications--Commercial Items.
As prescribed in 212.301(f)(ii), use the following provision:

OFFEROR REPRESENTATIONS AND CERTIFICATIONS--COMMERCIAL ITEMS
(JUN 2005)

(a) Definitions. As used in this clause—

(1) “Foreign person” means any person other than a United States person as defined in Section 16(2) of the Export Administration Act of 1979 (50 U.S.C. App. Sec. 2415).

(2) “United States” means the 50 States, the District of Columbia, outlying areas, and the outer Continental Shelf as defined in 43 U.S.C. 1331.

(3) “United States person” is defined in Section 16(2) of the Export Administration Act of 1979 and means any United States resident or national (other than an individual resident outside the United States and employed by other than a United States person), any domestic concern (including any permanent domestic establishment of any foreign concern), and any foreign subsidiary or affiliate (including any permanent foreign establishment) of any domestic concern which is controlled in fact by such domestic concern, as determined under regulations of the President.

(b) Certification. By submitting this offer, the Offeror, if a foreign person, company or entity, certifies that it—

(1) Does not comply with the Secondary Arab Boycott of Israel; and

(2) Is not taking or knowingly agreeing to take any action, with respect to the Secondary Boycott of Israel by Arab countries, which 50 U.S.C. App. Sec. 2407(a) prohibits a United States person from taking.

(c) Representation of Extent of Transportation by Sea. (This representation does not apply to solicitations for the direct purchase of ocean transportation services).

(1) The Offeror shall indicate by checking the appropriate blank in paragraph (c)(2) of this provision whether transportation of supplies by sea is anticipated under the resultant contract. The term “supplies” is defined in the Transportation of Supplies by Sea clause of this solicitation.

(2) Representation. The Offeror represents that it—

☐ Does anticipate that supplies will be transported by sea in the performance of any contract or subcontract resulting from this solicitation.

☒ Does not anticipate that supplies will be transported by sea in the performance of any contract or subcontract resulting from this solicitation.

(3) Any contract resulting from this solicitation will include the Transportation of Supplies by Sea clause. If the Offeror represents that it will not use ocean transportation, the resulting contract will also include the Defense Federal Acquisition Regulation Supplement clause at 252.247-7024, Notification of Transportation of Supplies by Sea.

(End of Provision)

252.216-7003 Economic Price Adjustment--Wage Rates or Material Prices Controlled by a Foreign Government.
As prescribed in 216.203-4-70(c), use the following clause:

ECONOMIC PRICE ADJUSTMENT--WAGE RATES OR MATERIAL PRICES CONTROLLED BY A FOREIGN GOVERNMENT
(JUN 1997)

(a) The Contractor represents that the prices set forth in this contract—

(1) Are based on the wage rate(s) or material price(s) established and controlled by the Government of ; and

(2) Do not include contingency allowances to pay for possible increases in wage rates or material prices.

(b) If wage rates or material prices are revised by the government named in paragraph (a) of this clause, the Contracting Officer shall make an equitable adjustment in the contract price and shall modify the contract to the extent that the Contractor’s actual costs of performing this contract are increased or decreased, as a direct result of the revision, subject to the following:
(1) For increases in established wage rates or material prices, the increase in contract unit price(s) shall be effective on the same date that the government named in paragraph (a) of this clause increased the applicable wage rate(s) or material price(s), but only if the Contracting Officer receives the Contractor’s written request for contract adjustment within 10 days of the change. If the Contractor’s request is received later, the effective date shall be the date that the Contracting Officer received the Contractor’s request.

(2) For decreases in established wage rates or material prices, the decrease in contract unit price(s) shall be effective on the same date that the government named in paragraph (a) of this clause decreased the applicable wage rate(s) or material price(s). The decrease in contract unit price(s) shall apply to all items delivered on and after the effective date of the government’s rate or price decrease.

(c) No modification changing the contract unit price(s) shall be executed until the Contracting Officer has verified the applicable change in the rates or prices set by the government named in paragraph (a) of this clause. The Contractor shall make available its books and records that support a requested change in contract price.

(d) Failure to agree to any adjustment shall be a dispute under the Disputes clause of this contract.

(End of Clause)


As prescribed in 225.1101(1), use the following provision:

BUY AMERICAN ACT--BALANCE OF PAYMENTS PROGRAM CERTIFICATE
(DEC 2009)

(a) Definitions. “Commercially available off-the-shelf (COTS) item,” “component,” “domestic end product,” “foreign end product,” “qualifying country,” “qualifying country end product,” and “United States” have the meanings given in the Buy American Act and Balance of Payments Program clause of this solicitation.

(b) Evaluation. The Government—

(1) Will evaluate offers in accordance with the policies and procedures of Part 225 of the Defense Federal Acquisition Regulation Supplement; and

(2) Will evaluate offers of qualifying country end products without regard to the restrictions of the Buy American Act or the Balance of Payments Program.

(c) Certifications and identification of country of origin.

(1) For all line items subject to the Buy American Act and Balance of Payments Program clause of this solicitation, the offeror certifies that—

(i) Each end product, except those listed in paragraphs (c)(2) or (3) of this provision, is a domestic end product; and

(ii) For end products other than COTS items, components of unknown origin are considered to have been mined, produced, or manufactured outside the United States or a qualifying country.

(2) The offeror certifies that the following end products are qualifying country end products:

<table>
<thead>
<tr>
<th>Description:</th>
<th>Country of Origin:</th>
</tr>
</thead>
</table>

(3) The following end products are other foreign end products, including end products manufactured in the United States that do not qualify as domestic end products, i.e., an end product that is not a COTS item and does not meet the component test in paragraph (ii) of the definition of “domestic end product”:

<table>
<thead>
<tr>
<th>Description:</th>
<th>Country of Origin (If known):</th>
</tr>
</thead>
</table>

(End of Provision)

252.225-7020 Trade Agreements Certificate.

As prescribed in 225.1101(5), use the following provision:

TRADE AGREEMENTS CERTIFICATE (JAN 2005)

(a) Definitions. “Designated country end product,” “nondesignated country end product,” “qualifying country end product,” and “U.S.-made end product” have the meanings given in the Trade Agreements clause of this solicitation.

(b) Evaluation. The Government—

(1) Will evaluate offers in accordance with the policies and procedures of Part 225 of the Defense Federal Acquisition Regulation Supplement; and

(2) Will consider only offers of end products that are U.S.-made, qualifying country, or designated country end products unless—

(i) There are no offers of such end products;
(c) Certification and identification of country of origin.
(1) For all line items subject to the Trade Agreements clause of this solicitation, the offeror certifies that each end product to be delivered under this contract, except those listed in paragraph (c)(2) of this provision, is a U.S.-made, qualifying country, or designated country end product.
(2) The following supplies are other nondesignated country end products:

<table>
<thead>
<tr>
<th>Description</th>
<th>Country of Origin</th>
</tr>
</thead>
</table>

(End of Provision)


As prescribed in 225.1101(9), use the following provision:

BUY AMERICAN ACT--FREE TRADE AGREEMENTS--BALANCE OF PAYMENTS PROGRAM CERTIFICATE (DEC 2009)

(a) Definitions. “Bahrainian end product,” “commercially available off-the-shelf (COTS) item,” “component,” “domestic end product,” “Free Trade Agreement country,” “Free Trade Agreement country end product,” “foreign end product,” “Moroccan end product,” “qualifying country end product,” and “United States, as used in this provision, have the meanings given in the Buy American Act--Free Trade Agreements--Balance of Payments Program clause of this solicitation.

(b) Evaluation. The Government—
(1) Will evaluate offers in accordance with the policies and procedures of Part 225 of the Defense Federal Acquisition Regulation Supplement; and
(2) For line items subject to Free Trade Agreements, will evaluate offers of qualifying country end products or Free Trade Agreement country end products other than Bahrainian end products or Moroccan end products without regard to the restrictions of the Buy American Act or the Balance of Payments Program.

(c) Certification and identification of country of origin.
(1) For all line items subject to the Buy American Act—Free Trade Agreements—Balance of Payments Program clause of this solicitation, the offeror certifies that—
(i) Each end product, except the end products listed in paragraph (c)(2) of this provision, is a domestic end product; and
(ii) Components of unknown origin are considered to have been mined, produced, or manufactured outside the United States or a qualifying country.
(2) The offeror shall identify all end products that are not domestic end products.
(i) The offeror certifies that the following supplies are qualifying country (except Australian or Canadian) end products:

<table>
<thead>
<tr>
<th>Description</th>
<th>Country of Origin</th>
</tr>
</thead>
</table>

(ii) The offeror certifies that the following supplies are Free Trade Agreement country end products other than Bahrainian end products or Moroccan end products:

<table>
<thead>
<tr>
<th>Description</th>
<th>Country of Origin</th>
</tr>
</thead>
</table>

(iii) The following supplies are other foreign end products, including end products manufactured in the United States that do not qualify as domestic end products, i.e., an end product that is not a COTS item and does not meet the component test in paragraph (ii) of the definition of "domestic end product":

<table>
<thead>
<tr>
<th>Description</th>
<th>Country of Origin (If known):</th>
</tr>
</thead>
</table>

ALTERNATE I (OCT 2006)

As prescribed in 225.1101(9), substitute the phrase “Canadian end product” for the phrases “Bahrainian end product,” “Free Trade Agreement country,” “Free Trade Agreement country end product,” and “Moroccan end product” in paragraph (a) of the basic provision; and substitute the phrase “Canadian end products” for the phrase “Free Trade Agreement country end products other than Bahrainian end products or Moroccan end products” in paragraphs (b)(2) and (c)(2)(ii) of the basic provision.

(End of Provision)
252.247-7022 Representation of Extent of Transportation by Sea.
As prescribed in 247.573(a), use the following provision:

REPRESENTATION OF EXTENT OF TRANSPORTATION BY SEA (AUG 1992)

(a) The Offeror shall indicate by checking the appropriate blank in paragraph (b) of this provision whether transportation of supplies by sea is anticipated under the resultant contract. The term “supplies” is defined in the Transportation of Supplies by Sea clause of this solicitation.

(b) Representation. The Offeror represents that it—

☐ Does anticipate that supplies will be transported by sea in the performance of any contract or subcontract resulting from this solicitation.

☒ Does not anticipate that supplies will be transported by sea in the performance of any contract or subcontract resulting from this solicitation.

(3) Any contract resulting from this solicitation will include the Transportation of Supplies by Sea clause. If the Offeror represents that it will not use ocean transportation, the resulting contract will also include the Defense Federal Acquisition Regulation Supplement clause at 252.247-7024, Notification of Transportation of Supplies by Sea.

(End of Provision)
Volume III
Attachment III-2—Small Business Subcontracting Plan
**SMALL BUSINESS SUBCONTRACTING PLAN**

**Offeror name and address:**

Hardin County Water District No. 1  
1400 Rogersville Rd.  
Radcliff, KY 40160

**Date:** 10/01/08; revised 06/01/11

**Type of plan (check one):**  
- Individual  [ ]  
- Commercial  [ ]  

**Solicitation number:**  

**Effective begin date:**  

**Effective end date:**

The following, along with any attachments, is hereby submitted as a Subcontracting Plan to satisfy the applicable requirements of Public Law 95-507, Public Law 99-661, and paragraph (d) of FAR Clause 52.219-9, Small Business Subcontracting Plan.

**TERMS AND DEFINITIONS**

The following terms and acronyms are used throughout this form:

- **Commercial Plan** – a subcontracting plan (including goals) that covers the offeror's fiscal year and that applies to the entire production of commercial items sold by either the company or a portion thereof (e.g. division, plant, or production line).
- **Individual Plan** – a subcontracting plan that covers the entire contract period.
- **SB** – Small Business concern
- **VOSB** – Veteran Owned Small Business concern
- **SD-VOSB** – Service-Disabled Veteran Owned Small Business concern
- **HUBZone** – Historically Underutilized Business Zone
- **SDB** – Small Disadvantaged Business concern
- **WOSB** – Women-Owned Small Business concern
- **Direct and Indirect Cost** – Overhead activities may be used to supplement direct charge activities. Contractors are encouraged to use indirect costs to meet goals when direct costs subcontracting opportunities are restrictive toward meeting established goals.

**PART 1 – SUBCONTRACTING GOALS**

A. **Total dollars planned to be subcontracted:** $ 90,000,000

<table>
<thead>
<tr>
<th>LB</th>
<th>$67,500,000</th>
<th>75</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>SB</td>
<td>$22,500,000</td>
<td>25</td>
<td></td>
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</tbody>
</table>

B. **Dollars and percentages planned to be subcontracted to large business concerns.**

<table>
<thead>
<tr>
<th>VOSB</th>
<th>$6,300,000</th>
<th>7</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>SD-VOSB</td>
<td>$2,700,000</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>HUBZone</td>
<td>$4,500,000</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>SDB</td>
<td>$4,500,000</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>WOSB</td>
<td>$4,500,000</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

C. **Dollars and percentages planned to be subcontracted to SB concerns. Percentages should be expressed as a percentage of the total dollars planned to be subcontracted. The offeror shall include all subcontracts that contribute to contract performance.**

D. **Description of principal types of supplies and services to be subcontracted to each of the SB concerns:**

<table>
<thead>
<tr>
<th>SB</th>
<th>General contracting, engineering, geotechnical, GIS/surveying, maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>VOSB</td>
<td>General contracting, engineering, geotechnical, GIS/surveying, electrical, plumbing, office supplies</td>
</tr>
<tr>
<td>SD-VOSB</td>
<td>General contracting, GIS/surveying</td>
</tr>
<tr>
<td>HUBZone</td>
<td>General contracting, engineering, electrical, plumbing, janitorial</td>
</tr>
<tr>
<td>SDB</td>
<td>General contracting, engineering, GIS/surveying, electrical, plumbing</td>
</tr>
<tr>
<td>WOSB</td>
<td>General contracting, engineering, office supplies, general supplies/equipment, laboratory, trucking, shipping, distribution, GIS/IT training</td>
</tr>
</tbody>
</table>
SMALL BUSINESS SUBCONTRACTING PLAN

E. Describe method used to develop these goals (e.g. based on procurement history, available resources, etc.):

HCWD1 currently has a Small Business Subcontracting Plan for the privatization of Ft. Knox Wastewater and Stormwater Systems. This plan was submitted in July 2005 and meets the requirements and regulations of the Ft. Knox Army Contracting Agency and FAR Subpart 19.7. This plan was updated on Sept. 30, 2008 to include:

- Evaluation of resources needed and appropriate areas for SB subcontracting
- Utilize database of existing vendors
- Attend/host networking events
- Prepare targeted mailings to SBs
- Use SBA's CCR database of SBs in local area

These methods were part of the SB subcontracting pool for this proposal.

F. Were indirect costs included in establishing these goals? [ ] Yes [ ] No

If yes, describe the method used to determine proportionate share of indirect costs to be incurred with each of the SB concerns:

<table>
<thead>
<tr>
<th>SB</th>
<th>VOSB</th>
<th>SD-VOSB</th>
<th>HUBZone</th>
<th>SDB</th>
<th>WOSB</th>
</tr>
</thead>
</table>

PART 2 – SUBCONTRACTING PROCEDURES

A. Individual who will administer the offeror's subcontracting program

(Reference FAR Part 52.219-9, Small Business Subcontracting Plan, (Para 9-11) for specific duties as they relate to the firm's subcontracting program and include additional duties the company has designated).

Name: Patty Vanvooren
Title: HDR/Qest Administrative Manager
E-Mail: patty.vanvooren@hdrinc.com  Phone: 859-223-3755

Description of Duties:

Prepare and ensure compliance with small business subcontracting plans for Fort Knox utility privatization contracts.

B. Indicate methods used to identify potential sources for solicitation purposes:

☒ Existing company source lists
☒ Central Contractor Registration (CCR) Dynamic Small Business Search
☒ National Minority Purchasing Council Vendor Information Service
☒ Trade Associations
☒ Federal government development centers such as DoD’s Procurement Technical Assistance Center (PTAC). SBA's Small Business Development Center (SBDC) and Department of Commerce’s Minority Business Development Center (MBDC)
☐ Other: ____________________________
SMALL BUSINESS SUBCONTRACTING PLAN

C. Describe methods used to assure that SB, VOSB, SD-VOSB, HUBZone, SDB and WOSB concerns are provided an equitable opportunity to compete for subcontracts.

Attain SB goals in all categories
Recruit SB contractors
Account for SB utilization with SF294/295 reporting
Create opportunities for outreach to SBs and organizations and Associations that support SBs
Structure bid packages to permit SB participation
Include SBs on all solicitations for services they are capable of providing
Utilize existing vendor/subcontracting database
Monitor records to support award data and solicitations
Provide technical assistance to SBs

PART 3 - SUBCONTRACTING PLAN MANAGEMENT

The offeror certifies, by signature on this plan, that the following procedures regarding management of this subcontracting plan will be enacted and maintained. The contractor agrees to provide the following:

(1) Assist small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation by such concerns. Where the Contractor’s list of potential small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business subcontractors are excessively long, reasonable effort shall be made to give all such small business concerns an opportunity to compete over a period of time.

(2) Provide adequate and timely consideration of the potentialities of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns in all “make-or-buy” decisions.

(3) Counsel and discuss subcontracting opportunities with representatives of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business firms.

(5) Provide notice to subcontractors concerning penalties and remedies for misrepresentations of business status as small, veteran-owned small business, HUBZone small business, small disadvantaged or women-owned small business for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in the Contractor’s subcontracting plan.

(6) Assurances that the offeror will include the clause of this contract entitled “Utilization of Small Business Concerns” in all subcontracts that offer further subcontracting opportunities, and that the offeror will require all subcontractors (except small business concerns) that receive subcontracts in excess of $550,000 ($1,000,000 for construction of any public facility with further subcontracting possibilities) to adopt a plan similar to the plan that complies with the requirements of this clause.

(7) Assurances that the offeror will --

(i) Cooperate in any studies or surveys as may be required;

(ii) Submit periodic reports so that the Government can determine the extent of compliance by the offeror with the subcontracting plan;
(iii) Submit the Individual Subcontracting Report (ISR) and/or the Summary Subcontract Report (SSR), in accordance with the paragraph (i) of this clause using the Electronic Subcontracting Reporting System (eSRS) at http://esrs.gov. The reports shall provide information on subcontract awards to small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, women-owned small business concerns, and Historically Black Colleges and Universities and Minority Institutions. Reporting shall be in accordance with this clause, or as provided in agency regulations;

(iv) Ensure that its subcontractors with subcontracting plans agree to submit the ISR and/or the SSR using eSRS;

(8) A description of the types of records that will be maintained concerning procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of the offeror's efforts to locate small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns and award subcontracts to them. The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):

(i) Source lists (e.g., CCR), guides, and other data that identify small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns.

(ii) Organizations contacted in an attempt to locate sources that are small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, or women-owned small business concerns.

(iii) Records on each subcontract solicitation resulting in an award of more than $100,000, indicating

(A) Whether small business concerns were solicited and if not, why not;

(B) Whether veteran-owned small business concerns were solicited and, if not, why not;

(C) Whether service-disabled veteran-owned small business concerns were solicited and, if not, why not;

(D) Whether HUBZone small business concerns were solicited and, if not, why not;

(E) Whether small disadvantaged business concerns were solicited and if not, why not;

(F) Whether women-owned small business concerns were solicited and if not, why not; and

(G) If applicable, the reason award was not made to a small business concern.

(iv) Records of any outreach efforts to contact --

(A) Trade associations;

(B) Business development organizations;

(C) Conferences and trade fairs to locate small, HUBZone small, small disadvantaged, and women-owned small business sources; and

(D) Veterans service organizations.
(v) Records of internal guidance and encouragement provided to buyers through --

(A) Workshops, seminars, training, etc., and

(B) Monitoring performance to evaluate compliance with the program's requirements.

(vi) On a contract-by-contract basis, records to support award data submitted by the offeror to the Government, including the name, address, and business size of each subcontractor. Contractors having commercial plans need not comply with this requirement.

**PART 4 – AGREEMENT AND APPROVAL SIGNATURES**

<table>
<thead>
<tr>
<th>A. Offeror's agreement</th>
<th>James Bruce, General Manager, HCWD1</th>
<th>01-JUN-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offeror's signature</td>
<td></td>
<td></td>
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<tr>
<td>B. Reviewed By:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract Specialist's signature</td>
<td></td>
<td></td>
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<tr>
<td>C. Contracting Officer's determination of acceptance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracting Officer's signature</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Division Chief's approval</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is SDB goal less than 5%?</td>
<td>□ Yes □ No</td>
<td></td>
</tr>
<tr>
<td>If yes, a Division Chief's signature, one level above Contracting Officer is required:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deputy's/Director's signature</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E. Small Business Office</td>
<td>□ Concur □ Non-concur</td>
<td></td>
</tr>
<tr>
<td>Small Business Specialist's signature</td>
<td></td>
<td></td>
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<tr>
<td>Small Business Specialist's Rationale:</td>
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<td></td>
</tr>
</tbody>
</table>

**F. Contracting Officer's approval**

Contracting Officer's signature | | Date |
Volume III
Attachment III-3—Hardin County Water District #1
Negotiation Message #4
TO: Hardin County Water District No. 1 (HCWD1)
Mr. Jim Bruce, General Manager
1400 Rogersville Road
Radcliff, KY  40160
Telephone:  (270) 351-3222
Email: jbruce@hcwd.com

REQUEST DATE: May 13, 2011

RESPONSE DATE: June 3, 2011 (Returned May 24, 2011 – By Jim Bruce, HCWD1)

RFP: SP0600-08-R-0803 – Fort Knox, Kentucky

SUBJECT: Negotiation Message #4 – 05/13/2011

General

1. The attached message is provided for Hardin County Water District No. 1 (HCWD1) to review and to provide responses to the issues identified by the Government. The Government intends to conduct telephonic and face-to-face discussions with HCWD1 as frequently as necessary in order to resolve any outstanding issues with HCWD1’s proposal.

2. Note that statements indicating that information provided by the Offeror has been “accepted,” is “satisfactory,” “acceptable,” etc., or that no further information is requested simply mean that such information answers the Government’s questions, and in no way reflect how that information will be evaluated by the Source Selection Evaluation Team(s) and/or Source Selection Authority.

3. In accordance with Section M.3, Comparison of Offered Prices with the Government Should-Cost Estimate, and 10 U.S.C. § 2688, authority to privatize a utility system is subject to the action being in the long-term economic interest of the Government.

4. HCWD1 is requested to carefully review the most recent update to 10 U.S.C. § 2688, which includes a new requirement that conveyance of the utility system will reduce the long term cost of utility services by 10% versus the long term cost of utility services performed by the Government. Additionally, in order to reduce potentially substantial upfront costs by the Army for utilities privatization contracts, it is preferred that Offerors consider amortization of the recovery of initial system deficiency corrections (ISDCs) in lieu of receiving lump sum payments.

5. To determine whether those criteria in items 3 and 4 above are met, the Government will use the CLIN data in Schedule B-1, Schedule B-2, Schedule B-3, or Schedule B-4 to develop a projected 50-year cash flow. The present value of the projected cash flow will be calculated and compared to the Government’s present value estimate for a 50-year cash flow for Government ownership and operations and maintenance. Present values will be calculated at the discount rate specified in Appendix C of the Office of Management and Budget (OMB) Circular A-94 that is
Negotiation Message #4 – 05/13/11

current at the time proposals are due. The appropriate discount rate may be found at the following hyperlink: http://www.whitehouse.gov/omb/circulars/a094/a94_appx-c.html.

6. HCWD1 is advised that proposals and negotiation messages will not be incorporated by reference into any resultant Contract. Rather, the terms and conditions contained in Sections B through K of the RFP will form the terms and conditions of the Contract, with appropriate modifications to reflect: a) exceptions properly made in accordance with Section L.6.2. of the RFP and accepted by the Contracting Officer (CO); b) agreements reached as a result of negotiations; c) the actual system(s) awarded; and d) changes in terminology indicating the transition from Offeror/RFP to Contractor/Contract. Only discrete schedules and plans from the successful proposal(s) will be made a part of the contract as attachments (e.g. Contingency Operations Plan, Section B Pricing Schedule, etc.)

7. General questions regarding the RFP, the system being conveyed, or similar issues not specific to the content of the Offeror's proposal must be submitted to the CO in writing so that the Government can publish the answers to all Offerors. While the Government will conduct discussions during any face-to-face or telephonic negotiation sessions, the Government will not discuss these types of general questions. This ensures that sufficient time is allotted for the negotiation sessions and that information is distributed to all Offerors in a consistent manner.

8. Assumptions will be considered by the Government solely for evaluation purposes. Unless identified as an exception in accordance with Section L.6.2 and accepted as such by the CO, assumptions will not be deemed to be a part of any resulting contract and will not form the basis for any pricing adjustments.

9. The Government has reviewed HCWD1’s alternate proposal and has decided not to accept it at this time. Thus, the attached message only discusses HCWD1’s base proposal.

10. Responses to this negotiation message are due by COB June 3, 2011. HCWD1 must return this document after inserting responses to each issue. The responses incorporated into this document must be sent via email to the following addresses: brian.koessel@dla.mil and taina.rivera@dla.mil.

11. Fort Knox is willing to accommodate site visits from the date of this message until two weeks prior to the due date for final proposal revisions. To schedule a site visit, please contact Taina Rivera at taina.rivera@dla.mil or 703-767-8130.

12. The Government requests that CD versions (2 with tracked changes and 2 with changes accepted) of the Final Proposal Revision (FPR) be submitted by COB June 3, 2011. One (1) clean hard copy of the FPR shall follow by COB June 7, 2011. The CD version will be considered the official version.

Lastly, please be advised that you may call me at 703-767-1595 for any further questions and/or concerns.

Brian Koessel, Contracting Officer, sends…
I.2.1 O&M Plan
See Page I-28 (Reference: RFP Sections J1.3.7 and J1.3.8)

New Issue 1: The Government requests that HCWD1 demonstrate how it intends to satisfy the planning and programming and request for action requirements. HCWD1’s proposal states that it will meet the Government’s requirements, but it is unclear which human capital resources HCWD1 intends to utilize. The level of effort proposed for the General Manager and Operations Manager (0.25 FTEs each), does not appear to be enough to meet this requirement.

HCWD1 Response: HCWD1 has added a new position to its organization chart shown on Exhibits I.1-3 and I.2-1. See attachment for revised organizational chart. Preston Pendley will be designated as Project Manager with a budgetary staffing level of 0.4 FTE. Preston will be the primary contact for planning and programming and requests for action. Jim Bruce will remain as the Government’s primary contact for contract issues. Brett Pyles will remain as operations manager, overseeing the distribution operation supervisor.

Government Response (May 13, 2011): The Government requests that HCWD1 revise its proposal further to include the Project Manager position, its qualifications, and Mr. Pendley’s credentials in Exhibit I.2-6, p. I-31. The Government also requests that HCWD1 confirm that the Project Manager will fulfill the duties and responsibilities associated with the planning and programming, and request for action requirements in addition to the proposed Project Manager tasks outlined in Vol. I, page I-58, and revise its proposal accordingly. Lastly, please revise all applicable Exhibits to include the addition of the new position.

HCWD1 Response (May 24, 2011): The FPR will include the requested information and changes.

I.3.1 Initial System Deficiency Correction Plan

New Issue 2: The Government requests that HCWD1 demonstrate how it plans to provide dedicated manpower to ensure adequate project management and oversight of the ISDC projects during the first 5-years of privatization. The level of effort proposed for the General Manager and Operations Manager (0.25 FTEs each), does not appear to be enough to meet this requirement. HCWD1 does state that CH2M HILL will provide management of the capital improvement program, but what that means in terms of day-to-day support is unclear.

HCWD1 Response: Preston Pendley (0.4 FTE) will also be the primary contact for oversight of ISDC projects and Capital Improvement Program. CH2M HILL will provide engineering support to HCWD1 in developing the capital improvement program and preparing engineering plans and
specifications. Depending on the size and complexity of the project, day-to-day inspections will be performed by HCWD1, CH2M HILL, or qualified inspectors through subcontract agreements.

**Government Response (May 13, 2011):** The Government requests that HCWD1 revise its proposal, including any applicable exhibits, to include a description of the ISDC and CIP oversight responsibilities and any additional functions proposed to be performed by the Project Manager position.

**HCWD1 Response (May 24, 2011):** The requested descriptions will be included in the FPR.

**New Issue 3:** The Government requests that HCWD1 revise its proposal to include a more detailed description of the scope of work for each ISDC project proposed, with particular attention to the projects identified in Issues 4-6, *infra*.

**HCWD1 Response:** HCWD1 will revise the proposal showing the scope of works for projects identified in New Issues 4-6, below. HCWD1 believes that the current scopes of work on pages I-59 to I-63 provide sufficient detail for the remaining ISDC projects. HCWD1 has updated the cost estimate for ISDC #5 and will clarify that this project includes replacement of six 20” gate valves.

**Government Response (May 13, 2011):** The Government has remaining questions concerning the following eight ISDC projects:

a) **ISDC #1 System Survey/Assessment and Re-map the utility system:** The Government requests that HCWD1 revise its proposal to confirm that all maps and associated data will comply with the latest version of SDSFIE, and that the data collected in the computerized model will be made available to the Government upon reasonable request and with reasonable notice. The Government also requests that HCWD1 revise its proposal to state that it will maintain all maps and data collected for the Fort Knox system separately from HCWD1’s existing GIS, SDI maps.

**HCWD1 Response (May 24, 2011):**
The FPR will include the requested information and changes.

b) **ISDC #5 Replace 20 Inch Valves – West Point Field:** The Government requests that HCWD1 revise its proposal to correct the valve sizes from 24 inches to 20 inches and adjust its price as necessary.

**HCWD1 Response (May 24, 2011):** The requested change will be made in the FPR and final pricing as required.

c) **ISDC #7 Otter Creek PS:** The Government requests that HCWD1 revise its proposal to include lightning protection for the metal roof and adjust its price as necessary.

d) **ISDC #8 Muldraugh High Lift Pump Station:** The Government requests that HCWD1 explain in detail the materials to be used to replace the roof at Muldraugh HLPS.

**Source Selection Information**
See FAR 2.101 and 3.104
HCWD1 Response (May 24, 2011): HCWD1 has received an answer from the Government for material specification or description of the roofing materials that the Government will require as include lighting protection. HCWD1 will revise the pricing for this ISDC, if required, and include with FPR.

e) ISDC #9 Central Water Treatment Plant: The Government requests that HCWD1 revise its proposal to include any testing fees and/or removal costs associated with potential asbestos or lead-based paint materials and adjust its price as necessary.

HCWD1 Response (May 24, 2011): HCWD1 will revise the pricing for this ISDC, if required, and include with the FPR

f) ISDC #14 Automatic Transfer Switches: The Government requests that HCWD1 revise its proposal to address in detail the integration of the automatic transfer switches with the SCADA system and adjust its price as necessary.

HCWD1 Response (May 24, 2011): HCWD1 confirms that the scope and pricing for this ISDC includes equipment as needed to provide this integration. It is assumed that additional PLC programming for the ATS’s will include status of switch (active or not active), run time since last active, and any other discrete alarm or status conditions available from the ATS control panel. The FRP will be revised to include this information.

g) ISDC #27 Rehab Well Platforms: The Government requests that HCWD1 confirm the quantity of platforms (and associated well numbers) that will be rehabilitated. It appears that HCWD1’s August 2010 proposal included 6 platforms whereas the documentation provided on March 3, 2011 included 14 platforms. Please note that there are only 13 Government-owned platforms at West Point Well Field.

HCWD1 Response (May 24, 2011): HCWD1 confirms that the reference to 14 wells was a typographical error, that the pricing for ISDC 27 only included the 6 platforms originally proposed, and that the Government’s list of platforms totals 13, not 14. HCWD1 also acknowledges the May 2011 J1 revision lists 13 platforms owned by the Government.

h) ISDC #29 Decommission Muldraugh Water Treatment Plant: The Government requests that HCWD1 revise its proposal to include lead-based paint testing, special disposal of potentially hazardous materials and appropriate disposal of demolition debris outside of Fort Knox’s premises and adjust its price as necessary.

HCWD1 Response (May 24, 2011): HCWD1 will revise the FPR pricing, as required, to include this requirement and added cost for removal and disposal of lead based paint and other hazardous materials related to ISDC 29.

New Issue 4: The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it intends to accomplish for the complete renovation of Elevated Storage Tanks #5, #6, #7, and #8. Additionally, the Government requests that HCWD1
describe the approach it intends to take and the scope of work it intends to accomplish when rehabilitating all eight of the elevated storage tanks.

**HCWD1 Response:** HCWD1 updated the cost estimates to renovate Tanks #6, #7, and #8. See attachment for scopes of work.

**Government Response (May 13, 2011):** After reviewing the scopes of work and cost estimates for the renovation of Tanks #5, #6, #7, and #8, it is still uncertain whether HCWD1’s proposed scopes of work sufficiently address the Government identified deficiencies. Therefore, the Government requests that HCWD1 revise its proposal to ensure that it addresses all of the elevated storage tank deficiencies identified by the Government in RFP Sections J1.2.1.1, Table 2, and J1.12, Table 12. Additionally, the Government requests that HCWD1 review RFP Amendment 0003, and revise its proposal to adjust its scope of work for Tank #7.

**HCWD1 Response (May 24, 2011):** HCWD1 will include additional reference in the FPR to list all required deficiencies and work for storage tanks, any impact to cost of Amendment 0003, and make required changes to work description and pricing.

**New Issue 5:** The Government requests that HCWD1 revise its proposal to provide a detailed description of the scope of work it plans to accomplish for ISDC project #19, SCADA System.

**HCWD1 Response:** HCWD1 reviewed its proposal for ISDC project #19, SCADA System and verified that the scope of work and cost estimate is accurate. See attachment for scope of work.

**Government Response (May 13, 2011):** No further information is requested.

**New Issue 6:** The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it plans to accomplish for the renewal and replacement of fire hydrants (ISDC project #11), distribution pipes, and main valves (ISDC project #s 20-23).

**HCWD1 Response:** HCWD1 reviewed its proposal for ISDC projects #11, 20, 21, 22 and 23 and verified that the scope of work and cost estimate is accurate. See attachment for scopes of work.

**Government Response (May 13, 2011):** The Government requests that HCWD1 revise its proposal to expand the scope of work for ISDCs #20, 21, 22, and 23 to identify the number of valves included in the cost estimate. Additionally, the Government requests that HCWD1 clarify whether labor and equipment costs are included in its proposal. The Government further requests that HCWD1 review the amended completion date for replacement of fire hydrants (ISDC #11), and revise its proposal accordingly. The Government also requests that HCWD1 review its assumption regarding the presence and operability of isolation valves and revise its proposal to include costs to provide operable isolation valves where none currently exist.

**HCWD1 Response (May 24, 2011):** HCWD1 will include additional information and clarification, as requested above, related to number of valves and what is included in pricing.
After further review of pricing, it was determined that the cost for isolation valves were included in the hydrant cost.

I.3.2 Offeror Recommended Additional Upgrades
See Page I-63 (Reference: RFP Sections C.11.2.5, J1.2.1.1, p. J1-10, and J1.2.1.4, Table 5)

New Issue 7: It is anticipated that the Muldraugh High Lift Pump Station (HLPS) will continue to be utilized after the Muldraugh WTP is decommissioned. The Government therefore requests that HCWD1 revise its proposal to include appropriate changes to the renewal and replacement plan.

HCWD1 Response: HCWD1 will update the proposal to show continued operation of the Muldraugh High Lift Pump Station (HLPS) and 1.0 MG Clearwell.

Government Response (May 13, 2011): The Government requests that HCWD1 revise its proposal to include renewal and replacement of the Muldraugh High Lift Pump Station (HLPS) and 1.0 MG Clearwell in addition to any potential FTE impacts for the 50-year contract term.

HCWD1 Response (May 24, 2011): HCWD1 will include the R&R costs for the above two facilities in the renewal and replacement costs.

I.3.4 Description of the Contractor’s Conceptual Methodology for Scheduling R&R for Contract Duration
See Page I-65 (Reference: RFP Sections C.11.2, L.4.3.4, J1.2.1.1, Table 1 and J1.2.1.4, Table 5)

New Issue 8: The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it plans to accomplish for the renewal and replacement of the Raw Water Wells (and associated components) identified in Tables 1 and 5.

HCWD1 Response: The scope of work for the Raw Water Wells includes replacement of the well pump, motor, controls and well screen.

Government Response (May 13, 2011): No further information is requested.

New Issue 9: Fort Knox recently replaced the 750 kW emergency generator at the Central WTP’s HLPS with a 280 kW dual–fueled (natural gas and fuel oil) emergency generator. HCWD1 is requested to revise its proposal to include appropriate changes to the renewal and replacement plan.

HCWD1 Response: HCWD1 will update the proposal to reflect the Government’s replacement of the 750kW generator at the Central WTP with a 280kW generator in 2010.

Government Response (May 13, 2011): No further information is requested.

New Issue 10: The Government requests that HCWD1 revise its proposal to include a detailed 50-year renewal and replacement plan with the technical proposal (without costs).
**HCWD1 Response:** HCWD1 will revise the proposal to include a detailed 50-year renewal and replacement plan with the technical proposal (without costs).

**Government Response (May 13, 2011): No further information is requested.**

I.4.1.3 Implementing New Meter Requirements
See Page I-71 (Reference: RFP Sections C.3.3, L.4.4.3, and J1.5)

**New Issue 11:** The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it plans to accomplish for the renewal and replacement of meters.

**HCWD1 Response:** HCWD1 will revise its proposal to provide a more detailed description of the scope of work it plans to accomplish for the renewal and replacement of meters. See attachment.

**Government Response (May 13, 2011):** HCWD1’s proposed meter replacement procedures are acceptable to the Government. However, the Government requests that HCWD1 describe the following: meter types proposed; whether installation will occur inside or outside; whether a vault will be installed (if so, how large); and if installing in a mechanical room, whether an external display will be used to avoid the need to access the mechanical room to read the meter.

**HCWD1 Response (May 24, 2011):** HCWD1 will include additional reference in the FPR to add the additional requested information listed above.
Volume IV – Price Proposal

General Comments / Questions

Regulated Tariff – Regulatory Process for Future Price Changes
(See Pages IV-1, IV-44, IV-45)

**New Issue 12:** HCWD1’s proposal states that it “proposes to provide water utility service to Fort Knox under a tariff regulated by the Kentucky Public Service Commission (PSC).” The Government requests that HCWD1 provide an estimate of the frequency of the anticipated rate changes and the timelines associated with the rate change process.

**HCWD1 Response:** Each year HCWD1 must complete a financial audit of the previous year. With the Ft. Knox Sewer contract, HCWD1 has increased the Government’s rate two times since 2005. The first was after three years, the second after two more years. On the sewer contract, the aggregate of the two increases are equivalent to 1.8% per year, since 2005. Our current contract for the sewer requires we notify the Government before February, for any requested increase going into effect that October.

**Government Response (May 13, 2011):** The Government requests that HCWD1 revise its proposal to include an annual notification to the Contracting Officer of anticipated rate adjustments (increases or decreases) in conjunction with submittal of the Annual System Deficiency Corrections/Upgrades and Renewals and Replacements Plan.

**HCWD1 Response (May 24, 2011):** HCWD1 will revise the FPR to note said timing for any annual tariff rate changes to be in conjunction with the above referenced annual submittal.

Monthly Credit for Purchase Price Credit
(See Page IV-4, IV-5)

**New Issue 13:** HCWD1’s proposal states that it “…proposes to pay $8,162,000 for the Ft. Knox potable water system…” through a monthly credit of “…$82,249 per month for 120 months.” However, there is no reference to the proposed credit for the purchase price included in the tariff sheet. Additionally, it does not appear as though the credit was used to offset the monthly service charge identified in CLIN 0001. The Government requests that HCWD1 revise its proposal to include the calculation of the purchase price credit on the tariff sheet over the initial 120 months of the service.

**HCWD1 Response:** HCWD1 will update the Rate Schedule FKW – Water Service within Fort Knox, Kentucky on page IV-3 to show the Purchase Price Credit. The purchase price, monthly credit, and recovery surcharge will also be updated to reflect the changes in the revised proposal.

**Government Response (May 13, 2011):** No further information is requested.
O&M / G&A Expenses

Staffing

**New Issue 14:** As previously noted, it does not appear that HCWD1 adequately addressed the planning and programming or request for action requirements. The Government requests that HCWD1 review RFP Sections J1.3.7 *Planning and Programming* and J1.3.8 *Request for Action (RFA) Process* and revise its price proposal, as necessary, to address these requirements.

**HCWD1 Response:** HCWD1 has added a new position to the organization chart shown on Exhibit I.1-3. Preston Pendley will be designated as Project Manager with a budgetary staffing level of 0.4 FTE. Preston will be the primary contact for planning and programming and requests for action.

**Government Response (May 13, 2011):** The Government requests that HCWD1 revise its proposal to include the updated labor related costs and expenses associated with the additional staffing.

**HCWD1 Response (May 24, 2011):** HCWD1 will revise the FPR to include the labor costs and expenses for the designated Project Manager.

Vehicles & Equipment

**New Issue 15:** The Government requests that HCWD1 review and verify its vehicle and equipment expense estimate.

**HCWD1 Response:** HCWD1 has updated vehicle and equipment expense to reflect current pricing.

**Government Response (May 13, 2011):** The Government requests that HCWD1 revise its proposal to include the updated vehicle and equipment expenses.

**HCWD1 Response (May 24, 2011):** HCWD1 will revise the FPR to reflect the latest vehicle costs

G&A Overhead Rate
(See Pages IV-4, IV-6, IV-8)

**New Issue 16:** HCWD1 proposed to apply a G&A overhead rate of 3.8 percent to the R&R project costs and O&M related costs. The Government requests that HCWD1 provide the basis for the 3.8 percent rate.

**HCWD1 Response:** The G&A rate has been adjusted in the proposal. In late, 2010, HCWD1 revised the charge to the Government for the Ft. Knox Sewer rate. After updating costs and pricing, the new G&A rate is 4.4%. See attachment for supporting documentation. The charges and impacts to overall monthly fee were reviewed and approved by the Government, and then submitted to and approved by the Kentucky Public Service Commission.
Government Response (May 13, 2011): The Government requests that HCWD1 revise its proposal to include the new G&A rate of 4.4%.

HCWD1 Response (May 24, 2011): HCWD1 will revise the FPR to include this latest G&A rate.

Renewals & Replacements
Replacement Cost New

New Issue 17: The Government requests that HCWD1 review and verify the cost estimates for its proposed RCNs. Please pay particular attention to the components identified in the table below.

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<th>Component</th>
<th>Government’s Design Life</th>
<th>HCWD1’s Design Life</th>
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<tbody>
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<td>50 Years</td>
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<tr>
<td>Raw water wells – structures</td>
<td>75 Years</td>
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<tr>
<td>Raw water wells – pumps / control systems</td>
<td>25 Years</td>
<td>25 Years</td>
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<tr>
<td>WTP – Structures</td>
<td>75 years</td>
<td>75 years</td>
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<td>Hydrants</td>
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<tr>
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<tr>
<td>Water storage tank maintenance</td>
<td></td>
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</table>

HCWD1 Response: HCWD1 has reviewed the cost estimates and does not recommend any changes to the RCN values.

Government Response (May 13, 2011): No further information is requested.

Assumed Useful Lives

New Issue 18: The following table provides a comparison of the projected design lives reflected in the Government’s estimate and HCWD1’s proposal. The yellow highlights indicate the design life assumptions which differ. HCWD1 is requested to provide justification for each projected design life at variance with a corresponding Government projected design life.

<table>
<thead>
<tr>
<th>Component</th>
<th>Government’s Design Life</th>
<th>HCWD1’s Design Life</th>
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</thead>
<tbody>
<tr>
<td>Rate Water Intake / Mechanical Screens</td>
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<td>50 Years</td>
</tr>
<tr>
<td>Raw water wells – structures</td>
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<tr>
<td>Raw water wells – pumps / control systems</td>
<td>25 Years</td>
<td>25 Years</td>
</tr>
<tr>
<td>WTP – Structures</td>
<td>75 years</td>
<td>75 years</td>
</tr>
<tr>
<td>WTP - Pumps / Control / Chemical Feed Systems</td>
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<tr>
<td>WTP – Filter Structures</td>
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<td>Sludge Lagoons</td>
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<td><strong>HCWD1’s Design Life</strong></td>
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<tr>
<td>----------------------------</td>
<td>------------------------------</td>
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<tr>
<td>Meters and main valves</td>
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<td>Backflow preventors</td>
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<td>35 years</td>
</tr>
<tr>
<td>SCADA and Cathodic Protection</td>
<td>25 years</td>
<td>25 years</td>
</tr>
</tbody>
</table>

**HCWD1 Response:** HCWD1 will update the design lives to match the Government’s design lives with one exception. Main valves that are replaced with distribution pipe will have a design life of 50 years, which is equivalent to the design life of the pipe. Once HCWD1 is operating the water system, HCWD1 will implement its asset management and preventive maintenance programs which will extend the design lives of the main valves to 50 years.

**Government Response (May 13, 2011):** No further information is requested.

**Emergency Generator at the Central WTP’s HLPS**

**New Issue 19:** Fort Knox recently replaced the 750 kW emergency generator at the Central WTP’s HLPS with a 280 kW dual–fueled (natural gas and fuel oil) emergency generator. HCWD1 is requested to revise its proposal to include appropriate changes to the RCN, purchase price, and the R&R schedule.

**HCWD1 Response:** HCWD1 will update the proposal to reflect replacement of the 750kW generator at the Central WTP with a 280kW generator in 2010.

**Government Response (May 13, 2011):** The Government requests that HCWD1 revise its proposal to include any impacts to the R&R schedule in addition to the updated RCN inventory cost and purchase price.

**HCWD1 Response (May 24, 2011):** HCWD1 will revise the FPR to include R&R costs related to this item.

**Muldraugh WTP’s HLPS**

**New Issue 20:** It is anticipated that the Muldraugh High Lift Pump Station (HLPS) will continue to be utilized after the Muldraugh WTP is decommissioned. The Government therefore requests that HCWD1 revise its proposal to include appropriate changes to the RCN, purchase price, and the R&R schedule. Additionally, HCWD1 is requested to review the scope of work proposed for ISDC project #29 and to remove any costs associated with the decommissioning of the Muldraugh HLPS.
**HCWD1 Response:** HCWD1 will update the proposal to show continued operation of the Muldraugh High Lift Pump Station (HLPS) and 1.0 MG Clearwell.

**Government Response (May 13, 2011):** The Government requests that HCWD1 revise its proposal to include costs for the maintenance, repair, and replacement of the Muldraugh High Lift Pump Station (HLPS) and 1.0 MG Clearwell for the 50-year contract term in addition to operation costs.

**HCWD1 Response (May 24, 2011):** HCWD1 will revise the FPR to include the O&M and R&R costs related to these facilities.

**Discount / Interest Rates Reflected in Levelized R&R Calculations**

(See Page IV-36)

**New Issue 21:** HCWD1’s proposal states “(i)t is assumed that HCWD1 can earn 0.5 percent in interest on investments of surplus balances and pay 5.5 percent interest on deficit balances.” HCWD1’s proposal further states that “(t)he interest rate used to calculate the interest expense will be the “all-in total interest costs” associated with the bonds used to finance Ft. Knox water system projects.” The Government requests that HCWD1 provide the supporting documentation, justification, and calculations used to support the interest rates of 0.5 percent for surplus balances and 5.5 percent for deficit balances.

**HCWD1 Response:** HCWD1 has reviewed its current rate it would pay for long term financing. After discussing bond options with two bond legal counsels, HCWD1 believes that any long term debt issued to finance projects for the Ft. Knox water system would not qualify for tax exempt bond issues. This is in accordance with IRS tax code Section 255, (b)(2)(a), or the “trade or business test”. HCWD1 has researched current taxable bond issues sold in Kentucky, including some Build America Bonds which are available to government agencies, but are also taxable. See attachment for a partial list of these recent issues. The rates average 5.95%. HCWD1 believes it should leave the rate of 5.5% in its calculation of future long term debt issues. HCWD1 has also updated its current investment portfolio rate. See Attachment for its latest inventory of investment report which includes 25 investment instruments. The aggregate rate of return for all of its investments is 1.86%. Investment rates range from 0.25% to 5.2% (long term CD’s). Some active funds accounts earn zero interest. Based on this updated analysis, HCWD1 has changed its rate of earnings on surplus funds in its pricing to 2.0%

**Government Response (May 13, 2011):** No further information is requested.

**Initial System Deficiency Correction Projects**

Cost Estimates

**New Issue 22:** The Government requests that HCWD1 review and verify the cost estimates for its proposed ISDC projects. Please pay particular attention to the ISDC projects identified in the table below.
HCWD1 Response: HCWD1 has reviewed its ISDC projects and has updated the cost of ISDC #6 – 20-inch valves to reflect the purchase and installation of six 20” gate valves.

Government Response (May 13, 2011): As discussed during the teleconference on February 8, 2011, the Government requests that HCWD1 revise its proposal to include detailed descriptions of each ISDC project proposed (per Issue #3, supra) and more detailed explanations for the calculations which support the ISDC project cost estimates.

HCWD1 Response (May 24, 2011): HCWD1 will include and reference in the FPR all recent and additional detail on scope of work for each ISDC and latest pricing for each ISDC.

Transition Surcharge
(See Page IV-41)

New Issue 23: HCWD1’s proposal states “(t)he proposed Transition Surcharge assumes that the transition period will last 4 months. A longer transition period will require that an interest charge be assessed to the Government for funds expensed during the transition but not recovered until the first month of operation. The annual interest rate for that charge is 5.5 percent.” The Government requests that HCWD1 provide the calculation of the interest expense reflected in the $542,170 transition period surcharge. Additionally, the Government requests that HCWD1 provide the basis for the 5.5 percent interest rate. Lastly, does HCWD1 propose any other adjustments to the transition surcharge for actual rather than proposed costs?

HCWD1 Response: The one month Transition Surcharge did not include any interest cost added, and was assuming this were paid at the beginning of the fifth month of operations. There would be no adjustment to actual expenses if varying from this amount. As included elsewhere in proposal, if the actual costs were less, those surplus funds paid by the Government would stay in the Ft. Knox Water Fund and become available for other future project funding, or O&M costs, to the benefit of the Government. If actual costs were higher, HCWD1 does not intend to request additional funding. However, HCWD1 does believe that should the payment be delayed for any reason other than HCWD1’s direct control, it will need to impose a monthly added forfeited discount rate added to the surcharge of $1,694/month. This is based on a rate of 3.75%. As HCWD1 plans to use short term borrowing for the expenses related to the transition, it will use a current line of credit with a local bank. This rate includes that cost plus 0.5% for HCWD1.

Source Selection Information
See FAR 2.101 and 3.104
processing and carrying costs of this loan. All other retail customers are charged a forfeited discount after their water or sewer bill due date of 10%. This rate and or fixed amount has been included in the revised tariff sheet and will also subject to approval by the PSC.

**Government Response (May 13, 2011):** No further information is requested.
June 1, 2011

Mr. Brian J. Koessel
Branch Chief/Contracting Officer
DLA Energy - EF
8725 John J. Kingman Road, Suite 3937
Fort Belvoir, Virginia 22060-6222

Subject: Final Proposal Revision - Solicitation No.: SP0600-08-R-0803
Privatization of the Potable Water Utility System at Fort Knox Army Installation, Kentucky

Mr. Koessel:

The Hardin County Water District No. 1 (HCWD1) is pleased to submit our revised, Final Proposal Revision (FPR) for assuming the ownership and operation of the Fort Knox potable water system. HCWD1 is the agency designated to provide utility services in the northern part of Hardin County, around Fort Knox and also provides ownership and operations of the privatized Fort Knox sanitary and storm sewer systems on post as well as owning and operating the Radcliff sanitary sewer system. Although many of HCWD1’s staff have water experience, we have formed a team of professionals to handle the ownership transition, immediate system improvements, and operation of the water distribution system which has included the Louisville Water Company (LWC) and CH2M HILL, Inc.

As a regulated utility by the Kentucky Public Service Commission, HCWD1 serves over 10,000 residential and commercial customers and acts as a regional water supplier to two other water systems. The transfer of the utilities at Fort Knox is an unprecedented opportunity for Hardin County and one that would follow the trend of Fort Knox and the local government working together toward well planned and managed water and sewer utilities.

In response to DLA’s May 13, 2011 Negotiation Message #4, our team and carefully reviewed and updated our proposal, with emphasis to address all the Government’s latest issues and concerns. We have also reviewed the Government’s comments and issues we received during the December, 2010 negotiation session, and other interim conference calls. We believe our FPR offers long-term economic benefit and reduction in costs, accomplishing specific goals identified in the Solicitation.

This Proposal remains a valid offer until December 31, 2011, and we are prepared to work with you to extend this period should it be required. As you proceed with your final assessment and review of our FPR, I invite you to contact me should you have any questions or need any additional information.

Thank You

Jim Bruce, General Manager

Encl.
Hardin County Water District No. 1 agrees with all terms, conditions, and provisions included in the solicitation except as highlighted in Volume III, Contract Documentation and agrees to furnish any or all items upon which prices are offered by Hardin County Water District No. 1 in this proposal at the price set opposite each item.

This proposal includes data that shall not be disclosed outside the Government.

**Person(s) Authorized to Negotiate:** Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

**Person(s) Authorized to Sign Proposal:** Jim Bruce, General Manager, 270-351-3222, jbruce@hcwd.com

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government’s right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are clearly marked with the proprietary legend in the side margin of the page.
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Attachment IV-4: G&A Cost Estimates
Attachment IV-5: Basis of Estimate
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List of Acronyms

AACE  Association for the Advancement of Cost Engineering

CAS  Cost Accounting Standards

G&G  General and Administrative

HCWD1  Hardin County Water District No. 1

ISDC  Initial System Deficiency Correction

NARUC  National Association of Regulatory Utility Commissioners

O&M  Operations and Maintenance

PSC  Public Service Commission

R&R  Renewals and Replacements

WTP  Water Treatment Plant
### Cross Reference Matrix for Section L

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<thead>
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<th>Description/Specifications, Section L of RFP</th>
<th>Proposal Section</th>
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<td>Schedule B1 and Price Data Sheets</td>
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<tr>
<td>General Estimating Methodology</td>
<td>Section 3</td>
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<td>Cost Risk Assessment</td>
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Section 1 – Price Schedule B-1

Introduction

Hardin County Water District No. 1 (HCWD1) proposes to provide water utility service to Fort Knox under a tariff regulated by the Kentucky Public Service Commission (PSC). As a water and wastewater utility within the Commonwealth of Kentucky, all of HCWD1’s operations are regulated by the PSC. In this role, the PSC also regulates all tariffs charged for utility service by HCWD1. Accordingly, HCWD1 proposes to provide water utility service to Fort Knox, as outlined in DESC RFP SP0600-08-R-0803, under the regulated tariff option provided in the RFP. Consistent with the RFP requirements, HCWD1 is therefore submitting its proposed pricing through Price Schedule B-1.

HCWD1 proposes to charge the Government under Rate Schedule FKW, which will exclusively be for water utility service at Ft. Knox. The rate schedule will have 4 separate charges and one credit. The charges will include: a Monthly Service Charge, an Initial System Deficiency Correction (ISDC) Surcharge, a Transition Surcharge, and a Purchase Price Recovery Surcharge. The credit consists of a monthly payment for amortization of the purchase price HCWD is paying the Government for the Ft. Knox water system. Each charge and credit is discussed below and will be subject to approval by the PSC. During the 50-year contract period, any of the charges can be changed at any time with approval from the PSC. It is anticipated that rate increases may occur every few years but not more often than once per year. HCWD1 will notify the Contracting Officer of anticipated rate adjustments (increases or decreases) in conjunction with submittal of the Annual System Deficiency Corrections/Upgrades and Renewals and Replacement Plan.

The Government revised Schedule B-1 to include projected Monthly Service Charges for all 50 years of the proposed contract. Those projections are in nominal dollars and include projected changes based on future inflation. Initial charges shown in Schedule B-1 match those shown in proposed Rate Schedule FKW. However, future year prices to the Government will be established through Rate Schedule FKW as approved by the PSC. Changes shown in Schedule B-1 are projections and do not reflect programmed year to year changes in prices.

As allowed by the RFP, the tariff is being offered subject to PSC approval. That approval is expected within 90 days of contract award.
### Fort Knox, Kentucky

**Utility System:** Ft. Knox Water Utility

#### Applicable Tariffs

**SCHEDULE B-1 REGULATED TARIFF**

**Payment by the Government for Utility Service**

(Nominal Dollars)

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<th>Supplies/Services</th>
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#### Tariffs: Nominal Dollar Values

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<tr>
<td>Capital Costs</td>
<td>$137,608</td>
<td>$140,019</td>
<td>$142,474</td>
<td>$144,971</td>
<td>$147,511</td>
<td>$150,097</td>
<td>$152,728</td>
<td>$155,404</td>
<td>$158,128</td>
<td>$160,900</td>
</tr>
<tr>
<td>Federal Income Taxes</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Tariff Rate</td>
<td>$281,786</td>
<td>$286,725</td>
<td>$291,751</td>
<td>$296,864</td>
<td>$302,067</td>
<td>$307,361</td>
<td>$312,748</td>
<td>$318,230</td>
<td>$323,807</td>
<td>$329,483</td>
</tr>
</tbody>
</table>

#### Capital Costs

<table>
<thead>
<tr>
<th>Year</th>
<th>21</th>
<th>22</th>
<th>23</th>
<th>24</th>
<th>25</th>
<th>26</th>
<th>27</th>
<th>28</th>
<th>29</th>
<th>30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O&amp;M/G&amp;A Expenses</td>
<td>$171,536</td>
<td>$174,544</td>
<td>$177,604</td>
<td>$180,716</td>
<td>$183,884</td>
<td>$187,107</td>
<td>$190,386</td>
<td>$193,723</td>
<td>$197,118</td>
<td>$200,573</td>
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<tr>
<td>Capital Costs</td>
<td>$163,720</td>
<td>$166,589</td>
<td>$169,509</td>
<td>$172,480</td>
<td>$175,503</td>
<td>$178,579</td>
<td>$181,709</td>
<td>$184,894</td>
<td>$188,134</td>
<td>$191,432</td>
</tr>
<tr>
<td>Federal Income Taxes</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Tariff Rate</td>
<td>$335,258</td>
<td>$341,134</td>
<td>$347,113</td>
<td>$353,196</td>
<td>$359,387</td>
<td>$365,686</td>
<td>$372,095</td>
<td>$378,616</td>
<td>$385,232</td>
<td>$392,005</td>
</tr>
</tbody>
</table>

#### Year 24

<table>
<thead>
<tr>
<th>Year</th>
<th>31</th>
<th>32</th>
<th>33</th>
<th>34</th>
<th>35</th>
<th>36</th>
<th>37</th>
<th>38</th>
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<th>40</th>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O&amp;M/G&amp;A Expenses</td>
<td>$204,088</td>
<td>$207,065</td>
<td>$211,305</td>
<td>$215,009</td>
<td>$218,777</td>
<td>$222,612</td>
<td>$226,513</td>
<td>$230,483</td>
<td>$234,523</td>
<td>$238,633</td>
</tr>
<tr>
<td>Capital Costs</td>
<td>$194,787</td>
<td>$198,201</td>
<td>$201,675</td>
<td>$205,209</td>
<td>$208,806</td>
<td>$212,466</td>
<td>$216,189</td>
<td>$219,979</td>
<td>$223,834</td>
<td>$227,757</td>
</tr>
<tr>
<td>Federal Income Taxes</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Tariff Rate</td>
<td>$398,875</td>
<td>$405,882</td>
<td>$412,868</td>
<td>$419,882</td>
<td>$427,563</td>
<td>$435,077</td>
<td>$442,703</td>
<td>$450,462</td>
<td>$458,357</td>
<td>$466,396</td>
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</table>

#### Year 41

<table>
<thead>
<tr>
<th>Year</th>
<th>41</th>
<th>42</th>
<th>43</th>
<th>44</th>
<th>45</th>
<th>46</th>
<th>47</th>
<th>48</th>
<th>49</th>
<th>50</th>
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<tbody>
<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Costs</td>
<td>$231,749</td>
<td>$235,811</td>
<td>$239,944</td>
<td>$244,149</td>
<td>$248,438</td>
<td>$252,783</td>
<td>$257,213</td>
<td>$261,721</td>
<td>$266,308</td>
<td>$270,976</td>
</tr>
<tr>
<td>Federal Income Taxes</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Tariff Rate</td>
<td>$474,565</td>
<td>$482,892</td>
<td>$491,346</td>
<td>$499,857</td>
<td>$508,720</td>
<td>$517,636</td>
<td>$526,709</td>
<td>$535,940</td>
<td>$545,334</td>
<td>$554,892</td>
</tr>
</tbody>
</table>

* Monthly Credit as Payment for Purchase Price (See B.5.2)

<table>
<thead>
<tr>
<th>Monthly Credit</th>
<th>$85,968</th>
</tr>
</thead>
</table>

**Purschase Price**

| $8,903,000 |

### Initial System Deficiency Corrections / Connection Charges

- **See B.5.3 and B.7.4 (Schedule 3).**

This amount should not be included in the price offered for CLIN 0001.

| (First 60 Months Only) | $473,841 |

### Recoverable Portion of Purchase Price

- **See B.5.4 and B.7.5 (Schedule 4).**

This amount should not be included in the price offered for CLIN 0001.

| (First 120 Months Only) | $85,968 |

### Transition Period

- **See Schedule 4**

| (First Only Month) | $592,518 |

### Notes:

1. The Purchase Price, Recoverable Portion of the Purchase Price, interest rate and amortization period are proposed by the Offeror.
2. Tariff rates presented in CLIN 0001 are nominal dollar values. Both Nominal and Constant 2011 tariffs are presented in the applicable J45 schedule.
Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
RATES, SURCHARGES AND MONTHLY CHARGES

Rate Schedule FKW—Water Service within Fort Knox, Kentucky

Terms and conditions for water utility service to Fort Knox are as provided in the service agreement between the U.S. Army and Hardin County Water HCWD1 No. 1.

The following rates are hereby prescribed for water supply and distribution services provided within Fort Knox, Kentucky military reservation:

- Monthly Service Charge: $246,172 per month
- Initial System Deficiency Correction Surcharge: $473,841 per month for 60 months*
- Transition Surcharge: $592,518 per month, for one month only*
- Purchase Price Recovery Surcharge: $85,968 per month for 120 Months
- Credit as Payment of Purchase Price (reduces net charge): $85,968 per month for 120 Months

* From the effective date of this tariff

DATE OF ISSUE: Draft—Under Review
DATE EFFECTIVE: Draft—Under Review
ISSUED BY: /s/ Jim Bruce
TITLE: General Manager
Schedule B-1 and Rate Schedule FKW

Schedule B-1 for this proposal includes 4 CLINs specified by the Government.

The PSC requires that charges for the service it regulates be established through a public process and that charges approved by the PSC be published in a tariff sheet. HCWD’s proposed tariff sheet for water service to Fort Knox is provided on the page following Schedule B-1. That tariff sheet contains HCWD’s Rate Schedule FKW—Fort Knox Water. This is the “applicable tariff” that would apply to water utility service within Fort Knox.

The FKW rate schedule includes a Monthly Service Charge, an ISDC Surcharge, a Transition Surcharge, a Purchase Price Recovery Surcharge, and a Credit as Payment of Purchase Price. Together, these constitute the utility service charges specified for CLINs 0001, 0002, 0003, and 0004 in Schedule B-1 plus a credit as payment of the purchase price.

**CLIN 0001 — Applicable Tariff**

CLIN 0001 includes a provision for a Utility Service Charge and a Monthly Credit as Payment for the Purchase Price. Each of these provisions is discussed below.

The Monthly Service charge covers all normal operations and maintenance (O&M) expenses, as well as the cost of normal renewals and replacements (R&R) of plant and equipment for the Fort Knox water utility system. As shown in Schedule B-1, no federal income taxes are included in the Monthly Service Charge. Federal income taxes are also not included in any other charges proposed by HCWD. That is because the District is exempt from any federal or state income taxes. A letter from the law firm of Skeeters, Bennett, Wilson & Pike (SBW&P), included in Attachment IV-1, affirms that exemption. That affirmation is confirmed by a letter from the accounting firm of Ray, Foley, Hensley & Company, also included in Attachment IV-1.

As shown in the FKW rate schedule, the charge will initially be $246,172 per month. This rate may vary in the future to compensate for the effect of general price inflation as well as other conditions that may differ from those projected in Schedule B-1 for the 50 year contract period.

The methods used to estimate O&M costs and capital costs, including costs for R&R and ISDCs, are described in Section 3.

Each of the rates included in CLIN 0001 is based on the direct cost of service for providing water utility service to Fort Knox, plus a 4.4 percent markup to cover an apportionment of HCWD’s general and administrative (G&A) overhead costs. As such, the rates are no less favorable to Fort Knox than any other HCWD rate is to any other HCWD’s customer. Details regarding this tariff are provided in Section 2 of this price proposal.

The PSC recently approved a similar fixed monthly service charge associated with the special contract for sanitary and storm sewer utility service at Ft. Knox. KAR 5:011 § 13 provides more guidance for special contracts. More detail on this subject is provided in Attachment IV-1.

**Credit as Payment for Purchase Price**

HCWD proposes to pay $8,903,000 for the Ft. Knox potable water system. HCWD bases its rates on the net book value of its plant in service. Accordingly, net book value is the market value for the Ft. Knox potable water system that will be used to provide water utility service to the base for the long term. Because the Government does not keep accounting records regarding the book value of its utility assets, HCWD estimated the net book value. This consisted of estimating the Original Cost New Less Depreciation value of the potable water system assets that will not be demolished as part of HCWD’s contract with the Government.

HCWD proposes to pay the Government over a 10 year (120 month) period at an annual interest rate of 3.0 percent (0.25 percent per month). This rate is equal to the Government’s Nominal Interest Rate on Treasury Securities and Bonds for a 10-year
term as specified in OMB Circular A-94, Appendix C (December 2010). As indicated in CLIN 0001, this will translate into a fixed credit to the Government of $85,968 per month for 120 months. Details of the calculation are provided in Section 2.

**CLIN 0002 — Initial System Deficiency Corrections/Connection Charges**

As mentioned above, Rate Schedule FKW includes a surcharge that is designed to recover the cost of ISDCs over a 60-month period.

The ISDC Surcharge will recover all ISDC costs based on a uniform monthly charge (in constant dollars) during the 5-year period when the ISDC projects are to be completed. This surcharge will be in effect for 60 months.

The ISDC will be subject to change based on changes from conditions projected in this proposal. Such changes could include variation from the 1.752628 percent inflation rate that the Government specified for use in this proposal and changes in site conditions from those reasonably anticipated from inventory information and site visits. During the first 2 years, the surcharge is projected to be $473,841 per month ($5,686,097 per year).

HCWD1 is authorized by the State of Kentucky (KRS 74.395) to impose surcharges. That regulation and a legal opinion from SBW&P stating that HCWD1 has the authority to impose a surcharge for capital improvements are included in Attachment IV-1. The attachment also includes a statement from SBW&P that KPSC legal counsel affirms the willingness of the PSC to approve surcharges where appropriate for capital funding.

The bases for the ISDC Surcharge are further discussed in Section 2.

**CLIN 0003 — Recoverable Portion of Purchase Price**

Because Ft. Knox will be the only beneficiary of water utility service supplied by HCWD1, all costs incurred to provide this service must be recovered from the Government. Accordingly, HCWD1 plans to assess a CLIN0003 charge for recovery of the full purchase price. The charge will be equal to the credit provided to the Government in CLIN0001. Specifically, the charge will be $85,968 per month and will only be assessed during the first 120 months of the contract. Details of the calculation are provided below.

<table>
<thead>
<tr>
<th>Item</th>
<th>Interest Rate</th>
<th>Amount</th>
<th>Amortization Period (Months)</th>
<th>Monthly Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recoverable Portion</td>
<td>3.0%</td>
<td>$8,903,000</td>
<td>120</td>
<td>$85,968</td>
</tr>
</tbody>
</table>

**CLIN 0004 — Transition Period**

As mentioned above, Rate Schedule FKW also includes a 1-month surcharge for HCWD1 to recover costs it incurs during the transition period prior to the initial day of full HCWD1 operations.

The Transition Surcharge will last 1 month and then no longer be charged. In effect, this will simply be a single payment of $592,518.

---

Our team members are recognized as industry leaders in asset management, which will ensure that the Government will receive the maximum lives from its assets. Based on our preliminary evaluation of the Fort Knox Water System, we believe that it is possible for many of the ISDCs to be deferred into the future. Our proposal includes the cost for these improvements to be responsive to the RFP. We would welcome the opportunity to discuss additional cost saving measures associated with deferring some of the ISDC projects during the negotiation process or as part of a negotiated change in the future during contract performance, which HCWD1 and the Government would agree to in advance.
Section 2—Price Proposal, Introduction, and Pricing Assumptions

This section provides a description and documentation of the cost basis for HCWD1’s price proposal, presents a projection of the total costs over the course of the 50-year contract, and outlines key pricing assumptions. Other long-term costs and benefits are also discussed in the context of commodity supply relationships with third parties that are able to deliver water supplies to Fort Knox.

Bases for Proposed Prices

The cost bases for HCWD1’s price proposal presented in Schedule B-1 and Rate Schedule FKW are provided below. For each Rate Schedule FKW charge, costs were estimated using methodologies described in Section 3. Costs for each charge were then adjusted to Year 1 and Year 2 price levels for inclusion in Rate Schedule FKW and to 2009 price levels for input to RFP Schedule 5 (Table IV-8 of this proposal). Costs were escalated conservatively, based on an assumed inflation rate of 1.752678 percent specified by the Government.

Specific cost bases for the Monthly Service Charge, the ISDC Surcharge, and the Transition Surcharge are provided below.

Monthly Service Charge

The Monthly Service Charge covers HCWD1’s cost of providing O&M and R&R for the Fort Knox water utility system. The Monthly Service Charge shown in Rate Schedule FKW is based on the summation of the following O&M and R&R costs (in average Years 1 and 2 dollars):

<table>
<thead>
<tr>
<th>Cost Component</th>
<th>Annual</th>
<th>Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td>O&amp;M Costs</td>
<td>$1,541,813</td>
<td>$128,464</td>
</tr>
<tr>
<td>R&amp;R Costs</td>
<td>1,412,248</td>
<td>117,687</td>
</tr>
<tr>
<td>Total</td>
<td>$2,954,061</td>
<td>$246,172</td>
</tr>
</tbody>
</table>

The O&M and R&R components of the Monthly Charge are discussed below.

O&M Component

HCWD1 has estimated the annual cost to operate and maintain the Fort Knox water system given the different requirement for four different phases of operation:

- Transition period
- Year 1
- Years 2-5
- Years 6-50

The estimated O&M cost in each of these periods is shown in Table IV-1. The transition period was assumed to last 4 months. A longer transition period will require that an interest charge be assessed to the Government for funds expensed during the Transition Period but not recovered until the first month of operation. The interest rate will be 3.7 percent. This rate is based on short term interest rates available to HCWD1 against its line of credit.

Operations in Year 1 are projected to include slightly more operating expenses than in Years 2-5, reflecting some continuing startup requirements. The O&M costs in Years 1 through 5 do not include any costs for operation of the Muldraugh Water Treatment Plant (MWTP). That plant is scheduled for demolition by the end of Year 5 and, consistent with Government specifications, operating costs prior to demolition are proposed to be recovered as part of the ISDC surcharge. When the MWTP is closed at the end of Year 5, costs associated with the plant will end as will the associated fee included in the ISDC surcharge. Given that the Government will replace Muldraugh water with supplies from an off-Post source at no charge, HCWD1’s Monthly Service Charge to the Government, will not be affected by the MWTP closure.

The cost estimates for the four phases of operation are provided in Table IV-1 in terms of 2009, 2011, and 2012-2013 dollars. The differences reflect the general inflation rate of 1.752678 percent per year. Details to the summary labor costs and other direct costs...
<table>
<thead>
<tr>
<th>Dollar Basis, Cost Components</th>
<th>Transition Period</th>
<th>Year 1</th>
<th>Years 2-5</th>
<th>Years 6-50</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Constant 2011 Dollars</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor and Benefits</td>
<td>$ 80,296</td>
<td>$1,054,993</td>
<td>$1,054,993</td>
<td>$ 974,152</td>
</tr>
<tr>
<td>Purchased Water</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>487,250</td>
<td>384,767</td>
<td>382,927</td>
<td>382,927</td>
</tr>
<tr>
<td>Total Direct Costs</td>
<td>$ 567,546</td>
<td>$1,439,760</td>
<td>$1,437,920</td>
<td>$1,357,079</td>
</tr>
<tr>
<td>General and Administrative Cost</td>
<td>24,972</td>
<td>63,349</td>
<td>63,268</td>
<td>59,711</td>
</tr>
<tr>
<td>Total (Annual)</td>
<td>$ 592,518</td>
<td>$1,503,109</td>
<td>$1,501,188</td>
<td>$1,416,790</td>
</tr>
<tr>
<td>Total (Monthly)</td>
<td>$ 49,377</td>
<td>$ 125,259</td>
<td>$ 125,099</td>
<td>$ 118,066</td>
</tr>
<tr>
<td><strong>Constant 2009 Dollars (for Input to RFP Schedule 5)</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Labor and Benefits</td>
<td>$ 77,554</td>
<td>$1,018,961</td>
<td>$1,018,961</td>
<td>$ 940,881</td>
</tr>
<tr>
<td>Purchased Water</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>470,609</td>
<td>371,626</td>
<td>369,849</td>
<td>369,849</td>
</tr>
<tr>
<td>Total Direct Costs</td>
<td>$ 548,163</td>
<td>$1,390,587</td>
<td>$1,388,810</td>
<td>$1,310,730</td>
</tr>
<tr>
<td>General and Administrative Cost</td>
<td>24,119</td>
<td>61,186</td>
<td>61,108</td>
<td>57,672</td>
</tr>
<tr>
<td>Total (Annual)</td>
<td>$ 572,282</td>
<td>$1,451,773</td>
<td>$1,449,918</td>
<td>$1,368,402</td>
</tr>
<tr>
<td>Total (Monthly)</td>
<td>$ 47,690</td>
<td>$ 120,981</td>
<td>$ 120,826</td>
<td>$ 114,034</td>
</tr>
<tr>
<td><strong>Constant 2012-13 Dollars</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor and Benefits</td>
<td>$ 80,296</td>
<td>$1,082,850</td>
<td>$1,082,850</td>
<td>$ 999,874</td>
</tr>
<tr>
<td>Purchased Water</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>487,250</td>
<td>394,927</td>
<td>393,038</td>
<td>393,038</td>
</tr>
<tr>
<td>Total Direct Costs</td>
<td>$ 567,546</td>
<td>$1,477,776</td>
<td>$1,475,888</td>
<td>$1,392,912</td>
</tr>
<tr>
<td>General and Administrative Cost</td>
<td>24,972</td>
<td>65,022</td>
<td>64,939</td>
<td>61,288</td>
</tr>
<tr>
<td>Total (Annual)</td>
<td>$ 592,518</td>
<td>$1,542,799</td>
<td>$1,540,827</td>
<td>$1,454,200</td>
</tr>
<tr>
<td>Total (Monthly)</td>
<td>$ 128,567</td>
<td>$ 128,402</td>
<td>$ 128,402</td>
<td>$ 121,183</td>
</tr>
</tbody>
</table>
expenses shown in this table in 2011 dollars are provided in Attachment IV-2.

HCWD1’s general and administrative (G&A) expenses are equal to 4.4 percent of all O&M and capital costs. Accordingly, the direct O&M costs shown in Table IV-1 were marked up to provide a 4.4 percent G&A allowance.

The cost basis for the O&M component of the Monthly Service Charge shown in Rate Schedule FKW is the average of Year 1 and Year 2 costs \[\frac{(1,542,799 + 1,540,827)}{2} = 1,541,813\]. This annual cost was divided by 12 to determine the O&M component of the Monthly Service Charge.

**R&R Component**

The basis for establishing the R&R charge for recovering R&R costs is described below followed by a brief discussion of the bases for future changes in the rate component.

**Basis for R&R Charge**

Section B.7.1 of the RFP requires that the Offeror:

1. “Establish a 50-year schedule for renewals and replacements of major system components.”

2. Show the 50-year schedule “in current dollars.”

3. “Clearly establish a direct correlation between the applicable J-section inventory, the 50-year schedule for renewals and replacements and the renewals and replacements component of the Utility Service Charge.”

In order to comply with these requirements, HCWD1 created an R&R plan for each Fort Knox water utility inventory component included in RFP Section J1 Table 5. That plan is summarized in Table IV-2. Among other details, Table IV-2 shows for each replacement item, the expected replacement date(s), the planned life for each R&R, and the cost (in 2011 dollars).

While we generally adopted the useful life guidelines provided by the Government, R&Rs for some existing facilities were extended to recognize that some facilities do not need to be replaced as early as indicated by the useful life guidelines. One example is the storage tanks that were originally installed in the 1930’s and 1940’s. These tanks will be rehabilitated as part of the planned ISDCs. Accordingly, their useful life will be extended.

Similarly, replacement of pipe is planned to begin according to the useful life guidelines. However, the plan recognizes that the replacement is best performed over a number of years using an asset management approach that recognizes that some pipe will be in better condition in some locations than in others and that better value can be achieved by staying within the contractor capacity within the local market.

R&R costs shown in Table IV-2 are directly transferred to the R&R cash flow presented in Table IV-3. Table IV-3 also shows the “residual value”, or undepreciated value, of each R&R project at the end of the 50-year contract term. Residual values were calculated in 2011 dollars by reducing the RCN value of each component by the amount of depreciation on the component between the time it was last installed and the end of the fiftieth year of the contract. Specifically, the RCN value was multiplied by \[1 - \frac{A}{L}\], where A equaled the age of the item at the end of Year 50 and L equaled the service life of the item. These costs were then recalculated in terms of nominal dollars shown in the last column of Table IV-3.

The total annual cash flow for all R&Rs is shown at the bottom of Table IV-3 in terms of both 2011 dollars and 2012 dollars. With the addition of a 4.4 percent G&A allowance, the total cost in 2012 dollars is shown in the last line of the table. That total annual cash flow is transferred to Column 2 (Project Costs 2012$) of Table IV-4. In Column 4 of Table IV-4, the R&R project costs are translated into current year dollars using an assumed inflation rate of 1.752678 percent per year as specified by the Government.

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2 This table follows the general format of RFP Schedule 2. Exact compliance with Schedule 2 is not required for Offerors proposing a regulated tariff under RFP Schedule B-1.
### Table IV-2

Renewal and Replacement Schedule (2011)

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

**Notes:** For each inventory component/item listed in the applicable J-section inventory, clearly show the $value of the planned R&R (if any) for each year 1-50

<table>
<thead>
<tr>
<th>Item and Size</th>
<th>Qty</th>
<th>Unit</th>
<th>Approx Year Installed</th>
<th>Service Life</th>
<th>Expected Replacement</th>
<th>Number of Years to Replace if &gt;1</th>
<th>% ISDC</th>
<th>% R&amp;R</th>
<th>New Item Service Life</th>
<th>New Item Cost</th>
<th>New Item RCN</th>
<th>Rehab Cost</th>
<th>Rehab Year</th>
<th>Expected Subsequent Replacement Dates</th>
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<td>RAW WATER SOURCES</td>
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<td>1 Each</td>
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<td>77</td>
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<td>CI Line to Otter Creek PS - 16&quot;</td>
<td>2500 LF</td>
<td>1937</td>
<td>77</td>
<td>2014</td>
<td>Ductile Iron Pipe</td>
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<td>Intake (Mechanical Screen)</td>
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<td>25</td>
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<td>1983</td>
<td>34</td>
<td>2017</td>
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<td>25</td>
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<td>2017</td>
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<td>Emergency Generator - 350 KW</td>
<td>1 Each</td>
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<td>35</td>
<td>2016</td>
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<tr>
<td>Clarifier - 3.5 MG</td>
<td>1 Each</td>
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<td>83</td>
<td>2020</td>
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<td>Multi-Media Filters - 1 MG</td>
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<td>2020</td>
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<td>1970</td>
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<td>Well No. 3. Pump/Controls - 750 gpm, 125 HP</td>
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<td>2004</td>
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<td>2029</td>
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<td>Well No. 4. Pump/Controls - 750 gpm, 125 HP</td>
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<td>2002</td>
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<td>2027</td>
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<td>Well No. 6. Pump/Controls - 500 gpm, 75 HP</td>
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<td>2025</td>
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<tr>
<td>Well No. 7. Pump/Controls - 750 gpm, 125 HP</td>
<td>1 Each</td>
<td>1985</td>
<td>27</td>
<td>2012</td>
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<td>25</td>
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<td>Well No. 8. Pump/Controls - 750 gpm, 125 HP</td>
<td>1 Each</td>
<td>1998</td>
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<td>2023</td>
<td>Same as existing</td>
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<td>$66,125</td>
<td>$66,125</td>
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<td>Well No. 9. Pump/Controls - 750 gpm, 125 HP</td>
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<td>1998</td>
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<td>2023</td>
<td>Same as existing</td>
<td>25</td>
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<td>$66,125</td>
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<td>Well No. 11. Pump/Controls - 750 gpm, 125 HP</td>
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<td>2024</td>
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<td>Same as existing</td>
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<td>$66,125</td>
<td>$66,125</td>
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<td>Well No. 13. Pump/Controls - 750 gpm, 125 HP</td>
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<td>2017</td>
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<tr>
<td>Well Field Header - 16-inch</td>
<td>3960 LF</td>
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<td>78</td>
<td>2015</td>
<td>Ductile Iron Pipe</td>
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<td>$105</td>
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<td>0</td>
<td>Decommission</td>
<td>75</td>
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<tr>
<td>Clarifier No. 1 - 5.0 MG</td>
<td>1 Each</td>
<td>1998</td>
<td>0</td>
<td>Decommission</td>
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<td>$5,750,000</td>
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<td>Clarifier No. 2 - 2.0 MG</td>
<td>1 Each</td>
<td>1998</td>
<td>0</td>
<td>Decommission</td>
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<td>$2,300,000</td>
<td>$2,300,000</td>
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<td>Multi-Media Filters - 1 MG</td>
<td>7 Each</td>
<td>1997</td>
<td>75</td>
<td>Decommission</td>
<td>75</td>
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<td>$2,632,350</td>
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<td>Filter Back Wash Tank - 150,000 gallons</td>
<td>1 Each</td>
<td>1978</td>
<td>0</td>
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<td>75</td>
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<td>Clear Well - 1.0 MG</td>
<td>1 Each</td>
<td>1989</td>
<td>75</td>
<td>2064</td>
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Table IV-2
Renewal and Replacement Schedule
(2011$)

This table generally follows the format included in RFP Schedule 2—Renewals and Replacements—50 YEAR SCHEDULE

Notes: For each inventory component/item listed in the applicable J-section inventory, clearly show the Value of the planned R&R (if any) for each year 1-50

<table>
<thead>
<tr>
<th>Item and Size</th>
<th>Quant</th>
<th>Unit</th>
<th>Approx Year Installed</th>
<th>Item Service Life</th>
<th>Expected Replacement Date</th>
<th>% ISDC</th>
<th>% R&amp;R</th>
<th>New Item Service Life</th>
<th>New Item Unit Cost</th>
<th>New Item RCN</th>
<th>Rehab Cost</th>
<th>Rehab Year</th>
<th>Expected Subsequent Replacement Dates Second R&amp;R</th>
<th>Third R&amp;R</th>
<th>Fourth R&amp;R</th>
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<td>Sludge Lagoons</td>
<td>4 Each</td>
<td>1978</td>
<td>0</td>
<td>Decommission</td>
<td>0</td>
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<td>Muldraugh High Lift (Facility No. 3008) - Structure</td>
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<td>1977</td>
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<td>2052</td>
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<td>Pump A &amp; Controls - 3,500 gpm, 250 HP</td>
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<td>1984</td>
<td>30</td>
<td>2014</td>
<td>Same as existing</td>
<td>25</td>
<td>$115,000</td>
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<td>2039</td>
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Valves:

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<th>% R&amp;R</th>
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<th>New Item Unit Cost</th>
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Zussman Range (Mt.Eden) - Valves: -
## Table IV-2
Renewal and Replacement Schedule
(2011$)

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

Notes: For each inventory component/item listed in the applicable J-section inventory, clearly show the value of the planned R&R (if any) for each year 1-50.

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<th>Unit</th>
<th>Approx Year Installed</th>
<th>Item Service Life</th>
<th>Expected Replacement Date</th>
<th>Number of Years to Replace if &gt;1</th>
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<td>$2,620</td>
<td>$131,000</td>
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<td>Well Control System</td>
<td>1 ea</td>
<td>1995</td>
<td>25</td>
<td>Same as existing 25</td>
<td>$0</td>
<td>$0</td>
<td>2020</td>
<td>$0</td>
<td>2045</td>
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<tr>
<td>Van Voorhis BPS (Facility No. 5898)</td>
<td>1500 SF</td>
<td>1995</td>
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<td>$80</td>
<td>$120,000</td>
<td>2020</td>
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<tr>
<td>Pump No. 2 &amp; Pressure Tank - 175 gpm, 10 HP</td>
<td>1 ea</td>
<td>1995</td>
<td>25</td>
<td>Same as existing 25</td>
<td>$3,949</td>
<td>$3,949</td>
<td>2020</td>
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<tr>
<td>Pump No. 6 &amp; Pressure Tank - 175 gpm, 10 HP</td>
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<td>1997</td>
<td>25</td>
<td>Same as existing 25</td>
<td>$3,949</td>
<td>$3,949</td>
<td>2020</td>
<td>$3,949</td>
<td>2045</td>
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<td>Fire Protection (Diesel Fueled) - 2,000 gpm, 125 HP</td>
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<td>1995</td>
<td>30</td>
<td>Same as existing 30</td>
<td>$7,550</td>
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<td>2020</td>
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<tr>
<td>Elevated Storage Tanks (Steel) Repairs</td>
<td>250000 Gal</td>
<td>1935</td>
<td>94</td>
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<td>$2</td>
<td>$517,500</td>
<td>2029</td>
<td>$195,000</td>
<td>2054</td>
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<tr>
<td>Tank No. 1 &amp; cathodic protection - 250,000 gallons</td>
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<td>1937</td>
<td>92</td>
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<td>$2</td>
<td>$1,035,000</td>
<td>2029</td>
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<td>2054</td>
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<td>2009</td>
<td>75</td>
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<td>$2</td>
<td>$1,035,000</td>
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<td>2054</td>
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<tr>
<td>Tank No. 3 &amp; cathodic protection - 500,000 gallons - 1941</td>
<td>500000 Gal</td>
<td>1941</td>
<td>86</td>
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<td>$2</td>
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<td>2054</td>
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<tr>
<td>Tank No. 4 &amp; cathodic protection - 500,000 gallons - 1941</td>
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<td>1958</td>
<td>77</td>
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<td>$2</td>
<td>$1,035,000</td>
<td>2029</td>
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<td>2054</td>
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<tr>
<td>Tank No. 6 &amp; cathodic protection - 500,000 gallons - 1958</td>
<td>500000 Gal</td>
<td>1995</td>
<td>75</td>
<td>Same as existing 75</td>
<td>$2</td>
<td>$1,035,000</td>
<td>2029</td>
<td>$195,000</td>
<td>2054</td>
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<tr>
<td>Tank No. 7 &amp; cathodic protection - 500,000 gallons</td>
<td>500000 Gal</td>
<td>1997</td>
<td>75</td>
<td>Same as existing 75</td>
<td>$2</td>
<td>$1,035,000</td>
<td>2029</td>
<td>$195,000</td>
<td>2054</td>
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<tr>
<td>Tank No. 8 &amp; cathodic protection - 500,000 gallons</td>
<td>500000 Gal</td>
<td>1997</td>
<td>75</td>
<td>Same as existing 75</td>
<td>$2</td>
<td>$1,035,000</td>
<td>2029</td>
<td>$195,000</td>
<td>2054</td>
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<td>DISTRIBUTION PIPE - CAST IRON (12&quot; and Over Replaced with DIP)</td>
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<tr>
<td>Unknown Diameter (assume 6&quot;)</td>
<td>1420 LF</td>
<td>1935</td>
<td>79</td>
<td>2014</td>
<td>15</td>
<td>0%</td>
<td>100% PVC</td>
<td>50</td>
<td>$37</td>
<td>21,100</td>
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<tr>
<td>0.75&quot; (NA - DIP starts at 4&quot; Diameter)</td>
<td>1155 LF</td>
<td>1935</td>
<td>79</td>
<td>2014</td>
<td>15</td>
<td>0%</td>
<td>100% PVC</td>
<td>50</td>
<td>$20</td>
<td>21,500</td>
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<tr>
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<td>4463 LF</td>
<td>1935</td>
<td>79</td>
<td>2014</td>
<td>15</td>
<td>0%</td>
<td>100% PVC</td>
<td>50</td>
<td>$21</td>
<td>93,723</td>
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<tr>
<td>1.25&quot; (NA - DIP starts at 4&quot; Diameter)</td>
<td>4207 LF</td>
<td>1935</td>
<td>79</td>
<td>2014</td>
<td>15</td>
<td>1%</td>
<td>99% PVC</td>
<td>50</td>
<td>$22</td>
<td>92,554</td>
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<tr>
<td>1.5&quot; (NA - DIP starts at 4&quot; Diameter)</td>
<td>12470 LF</td>
<td>1935</td>
<td>79</td>
<td>2014</td>
<td>15</td>
<td>6%</td>
<td>94% PVC</td>
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<td>$22</td>
<td>274,340</td>
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<td>2&quot; (NA - DIP starts at 4&quot; Diameter)</td>
<td>28836 LF</td>
<td>1935</td>
<td>79</td>
<td>2014</td>
<td>15</td>
<td>13%</td>
<td>87% PVC</td>
<td>50</td>
<td>$24</td>
<td>692,064</td>
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<tr>
<td>2.5&quot; (NA - DIP starts at 4&quot; Diameter)</td>
<td>4785 LF</td>
<td>1935</td>
<td>79</td>
<td>2014</td>
<td>15</td>
<td>10%</td>
<td>90% PVC</td>
<td>50</td>
<td>$25</td>
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Table IV-2
Renewal and Replacement Schedule
(2011$)

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

Notes: For each inventory component/item listed in the applicable J-section inventory, clearly show the $value of the planned R&R (if any) for each year 1-50

<table>
<thead>
<tr>
<th>Item and Size</th>
<th>First Year Installed</th>
<th>Last Expected Replacement Date</th>
<th>Expected Life to Replacement</th>
<th>% ISDC</th>
<th>% R&amp;R</th>
<th>New Item Expected Years to R&amp;R</th>
<th>New Item Life</th>
<th>New Item Cost</th>
<th>New Item RCN</th>
<th>Rehab Cost</th>
<th>Rehab Year</th>
<th>Expected Subsequent Replacement Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>3&quot; (NA - DIP starts at 4&quot; Diameter)</td>
<td>LF 1935 79 2014</td>
<td>15</td>
<td>45% 55% PVC</td>
<td>50</td>
<td>$25</td>
<td>$237,600</td>
<td>000</td>
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<tr>
<td>4&quot;</td>
<td>LF 1935 79 2014</td>
<td>15</td>
<td>28% 72% PVC</td>
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<td>$28</td>
<td>$396,503</td>
<td>000</td>
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<td>5&quot; (NA Pipe diameters even numbers - use 6&quot;)</td>
<td>LF 1935 79 2014</td>
<td>15</td>
<td>0% 100% PVC</td>
<td>50</td>
<td>$37</td>
<td>$15,170</td>
<td>000</td>
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</tr>
<tr>
<td>6&quot;</td>
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<td>28% 72% PVC</td>
<td>50</td>
<td>$37</td>
<td>$8,015,865</td>
<td>000</td>
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<tr>
<td>8&quot;</td>
<td>LF 1935 79 2014</td>
<td>15</td>
<td>14% 86% Ductile Iron</td>
<td>50</td>
<td>$37</td>
<td>$15,170</td>
<td>000</td>
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</tr>
<tr>
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<td>LF 1935 79 2014</td>
<td>15</td>
<td>45% 55% PVC</td>
<td>50</td>
<td>$66</td>
<td>$3,081,540</td>
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</tr>
<tr>
<td>1&quot; (NA - DIP starts at 4&quot; Diameter)</td>
<td>LF 1958 55 2013</td>
<td>15</td>
<td>100% 0% PVC</td>
<td>50</td>
<td>$21</td>
<td>$3,780</td>
<td>000</td>
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<tr>
<td>1.25&quot; (NA - DIP starts at 4&quot; Diameter)</td>
<td>LF 1958 55 2013</td>
<td>15</td>
<td>100% 0% PVC</td>
<td>50</td>
<td>$22</td>
<td>$155,672</td>
<td>000</td>
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<tr>
<td>1.5&quot; (NA - DIP starts at 4&quot; Diameter)</td>
<td>LF 1958 55 2013</td>
<td>15</td>
<td>100% 0% PVC</td>
<td>50</td>
<td>$23</td>
<td>$98,739</td>
<td>000</td>
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<tr>
<td>DISTRIBUTION PIPE - TRANSITE (Replaced with C-900/PVC sch 80)</td>
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</tr>
<tr>
<td>1&quot;</td>
<td>LF 1935 78 2013</td>
<td>15</td>
<td>100% 0% PVC</td>
<td>50</td>
<td>$21</td>
<td>$17,514</td>
<td>000</td>
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<tr>
<td>1.5&quot;</td>
<td>LF 1935 78 2013</td>
<td>15</td>
<td>100% 0% PVC</td>
<td>50</td>
<td>$22</td>
<td>$155,672</td>
<td>000</td>
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<tr>
<td>2&quot;</td>
<td>LF 1935 78 2013</td>
<td>15</td>
<td>100% 0% PVC</td>
<td>50</td>
<td>$23</td>
<td>$98,739</td>
<td>000</td>
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<tr>
<td>DISTRIBUTION PIPE - PVC (Replaced with C-900/PVC sch 80)</td>
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<tr>
<td>1.5&quot;</td>
<td>LF 2003 50 2053</td>
<td>15</td>
<td>100% 0% PVC</td>
<td>50</td>
<td>$21</td>
<td>$17,514</td>
<td>000</td>
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<tr>
<td>2&quot;</td>
<td>LF 2003 50 2053</td>
<td>15</td>
<td>100% 0% PVC</td>
<td>50</td>
<td>$22</td>
<td>$155,672</td>
<td>000</td>
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<tr>
<td>3&quot;</td>
<td>LF 2003 50 2053</td>
<td>15</td>
<td>100% 0% PVC</td>
<td>50</td>
<td>$23</td>
<td>$98,739</td>
<td>000</td>
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II-12
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<th>Quant</th>
<th>Unit</th>
<th>Approx Year Installed</th>
<th>Item Service Life</th>
<th>Expected Replacement Date</th>
<th># Years to Replace if &gt;1</th>
<th>% ISDC</th>
<th>% R&amp;R</th>
<th>New Item Service Life</th>
<th>New Item</th>
<th>New Item Cost</th>
<th>RCN</th>
<th>New Item Rehabilitation Cost</th>
<th>New Item Rehabilitation Year</th>
<th>Second R&amp;R Replacement Year</th>
<th>Third R&amp;R Replacement Year</th>
<th>Fourth R&amp;R Replacement Year</th>
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<td>LF</td>
<td>2007</td>
<td>50</td>
<td>2057</td>
<td>15</td>
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<td>100%</td>
<td>PVC</td>
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<td>2012</td>
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<td>LF</td>
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<td>2044</td>
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<td>100%</td>
<td>PVC</td>
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<td>LF</td>
<td>2005</td>
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<td>15</td>
<td>0%</td>
<td>100%</td>
<td>PVC</td>
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<td>2012</td>
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<td>LF</td>
<td>1994</td>
<td>50</td>
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<td>15</td>
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<td>100%</td>
<td>Ductile Iron</td>
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<td>2015</td>
<td>Fire Hydrants</td>
<td>Same as existing</td>
<td>2012</td>
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<td>110</td>
<td>LF</td>
<td>1997</td>
<td>50</td>
<td>2047</td>
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<td>100%</td>
<td>PVC</td>
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<td>2015</td>
<td>Fire Hydrants</td>
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<td>2012</td>
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<td>LF</td>
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<td>0%</td>
<td>100%</td>
<td>PVC</td>
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<td>$24</td>
<td>$9,249</td>
<td>2015</td>
<td>Fire Hydrants</td>
<td>Same as existing</td>
<td>2012</td>
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<td>LF</td>
<td>2002</td>
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<td>15</td>
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<td>100%</td>
<td>PVC</td>
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<td>2015</td>
<td>Fire Hydrants</td>
<td>Same as existing</td>
<td>2012</td>
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<td>LF</td>
<td>1997</td>
<td>50</td>
<td>2047</td>
<td>15</td>
<td>0%</td>
<td>100%</td>
<td>PVC</td>
<td>50</td>
<td>$28</td>
<td>$69,000</td>
<td>2015</td>
<td>Fire Hydrants</td>
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<td>Zussman Range (Mt.Eden) - Pipe Material - PVC</td>
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<td>100%</td>
<td>PVC</td>
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**FIRE HYDRANTS**

- **Fire Hydrants**
  - **600 Each** 1935 40 2015 10 100% 0% Same as existing 25 $3,207 $1,923,900 2040
  - **122 Each** 1935 40 2014 10 100% 0% Same as existing 25 $2,915 $355,630 2039
  - **83 Each** 1958 40 2014 10 0% 100% Same as existing 25 $2,915 $241,945 2039
  - **14 Each** 1997 40 2022 10 0% 100% Same as existing 25 $2,915 $49,249 2040
  - **1 Each** 1990 40 2015 10 0% 100% Same as existing 25 $2,915 $1,587 2040
  - **2 Each** 2004 40 2029 10 0% 100% Same as existing 25 $2,915 $5,830 2054
  - **54 Each** 2005 40 2030 10 0% 100% Same as existing 25 $2,915 $157,410 2055

- **Operation & Maintenance Building**
  - **1 ea** 2012 75 2012 0% 100% Same as existing 75 $425,000 $425,000

- **Vehicles/Equipment**
  - **2012** Same as existing 7 $180,000 2019 2026 2033

- **Water Lab Equipment + Backhoe**
  - **2012** Same as existing 10 $117,300 2022 2032 2042

- **Tools, and Furniture**
  - **2012** Same as existing 15 $85,650 2027 2042 2057

- **Admin Equipment, Power Equipment**
  - **2012** Same as existing 5 $56,350 2017 2022 2027
Table IV-3
Renewals and Replacement Costs
and Residual Values
(2011 Dollars except where noted)

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### Table IV-3

Renewals and Replacement Costs and Residual Values

(2011 Dollars except where noted)

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Table IV-3
Renewals and Replacement Costs
and Residual Values
(2011 Dollars except where noted)

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### Table IV-3
Renewals and Replacement Costs
and Residual Values
(2011 Dollars except where noted)

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IV-18
## Table IV-3
### Renewals and Replacement Costs
and Residual Values
(2011 Dollars except where noted)

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### Table IV-3

**Renewals and Replacement Costs**

and Residual Values

(2011 Dollars except where noted)

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<th>Item and Size</th>
<th>2054 43</th>
<th>2055 44</th>
<th>2056 45</th>
<th>2057 46</th>
<th>2058 47</th>
<th>2059 48</th>
<th>2060 49</th>
<th>2061 50</th>
<th>Residual Value of R&amp;R in 2011</th>
<th>Residual Value of R&amp;R in Nominal</th>
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Table IV-3
Renewals and Replacement Costs
and Residual Values
(2011 Dollars except where noted)
### Table IV-3

**Renewals and Replacement Costs and Residual Values**

(2011 Dollars except where noted)

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**Unknown Diameter (assume 8")**
### Table IV-3
Renewals and Replacement Costs
and Residual Values
(2011 Dollars except where noted)

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Table IV-3
Renewals and Replacement Costs
and Residual Values
(2011 Dollars except where noted)

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Renewals and Replacement Costs
and Residual Values
(2011 Dollars except where noted)

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| 1" (NA - DIP starts at 4" Diameter) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 1.25" (NA - DIP starts at 4" Diameter) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 1.5" (NA - DIP starts at 4" Diameter) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 2" (NA - DIP starts at 4" Diameter) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 2.5" (NA - DIP starts at 4" Diameter) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 3" (NA - DIP starts at 4" Diameter) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 4" (NA - DIP starts at 4" Diameter) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 5" (NA Pipe diameters even numbers - use 6") | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 6" - HR Center | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

(2011 Dollars except where noted)
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Table IV-3
Renewal and Replacement Costs
and Residual Values
(2011 Dollars except where noted)
**Table IV-3**

**Renewals and Replacement Costs and Residual Values**

(2011 Dollars except where noted)

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Subtotal--2011$ $1,540,420 $87,398 $1,999,500 $1,840,337 $1,450,836 $2,812,281 $1,346,291 $4,465,631 $3,737,782 $1,346,291 $1,524,022 $1,679,747 $1,365,740 $1,410,573

Subtotal--2012$ $1,567,419 $88,930 $2,034,545 $1,872,592 $1,476,265 $2,861,571 $1,369,887 $4,543,899 $3,503,021 $1,369,887 $1,550,733 $1,709,188 $1,389,677 $1,435,296

General and Administrative Overhead--2012$ $68,966 $3,913 $89,520 $82,954 $84,856 $125,909 $60,275 $199,932 $330,133 $60,275 $68,232 $75,204 $61,946 $63,153

Total Cost--2012$ $1,636,385 $92,843 $2,124,064 $1,954,986 $1,541,220 $2,987,481 $1,430,162 $4,743,831 $7,833,154 $1,430,162 $1,618,966 $1,784,392 $1,450,823 $1,486,448
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### Table IV-3
Renewals and Replacement Costs and Residual Values
(2011 Dollars except where noted)

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<tr>
<td>Tools, and Furniture</td>
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<tr>
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<td>$0</td>
<td>$0</td>
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<tr>
<td>Subtotal--2011S</td>
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<td>$257,039</td>
<td>$669,814</td>
<td>$257,039</td>
<td>$449,084</td>
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<td>$367,784</td>
<td>$700,550</td>
<td>$793,575</td>
<td>$470,567</td>
<td>$324,461</td>
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<tr>
<td>Total Cost--2012S</td>
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<td>$273,052</td>
<td>$711,542</td>
<td>$273,052</td>
<td>$477,081</td>
<td>$509,555</td>
<td>$390,696</td>
<td>$744,193</td>
<td>$843,013</td>
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<td>$434,874</td>
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### Table IV-3
Renewals and Replacement Costs and Residual Values
(2011 Dollars except where noted)

<table>
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<th>Item and Size</th>
<th>2054</th>
<th>2055</th>
<th>2056</th>
<th>2057</th>
<th>2058</th>
<th>2059</th>
<th>2060</th>
<th>2061</th>
<th>Residual Value of R&amp;R in 2011</th>
<th>Residual Value of R&amp;R in Nominal</th>
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<td>8&quot; PVC</td>
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<td>$18,845</td>
<td>$18,845</td>
<td>$18,845</td>
<td>$18,845</td>
<td>$18,845</td>
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<td>$7,183</td>
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<td>$7,183</td>
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<td>$36,789</td>
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<td>$47,918</td>
<td>$47,918</td>
<td>$47,918</td>
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<td>$11,765</td>
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<td>$15,741</td>
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</tr>
<tr>
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<td>$0</td>
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<td>$0</td>
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<td>$137,195</td>
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<td>$352,408</td>
<td>$523,659</td>
<td>$493,185</td>
<td>$324,940</td>
<td>$714,940</td>
<td>$324,940</td>
<td>$16,345,493</td>
<td>$24,934,264</td>
</tr>
<tr>
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<td>$358,584</td>
<td>$532,837</td>
<td>$501,829</td>
<td>$330,635</td>
<td>$727,470</td>
<td>$330,635</td>
<td>$16,345,493</td>
<td>$24,934,264</td>
</tr>
</tbody>
</table>
Table IV-4

Renewal and Replacement Cash Flow
(1)

(2)
(3)
(4)
(5)
(6)
(7)
Cash Flow (Current Year $)*
Project
Contract
Costs
R&R
Project
Net
Beginning
Average
Year
2012$
Revenues
Costs
Revenues
Balance
Balance
1 2010 1,636,385
1,412,248
1,636,385
(224,137)
(112,068)
2 2011
92,843
1,412,248
94,470
1,317,778
(230,301)
428,588
3 2012 2,124,064
1,437,000
2,199,173
(762,173)
1,096,049
714,963
4 2013 1,954,986
1,462,186
2,059,593
(597,406)
348,176
49,473
5 2014 1,541,220
1,487,814
1,652,145
(164,331)
(248,241)
(330,406)
6 2015 2,987,481
1,513,890
3,258,625
(1,744,734)
(430,744)
(1,303,111)
7 2016 1,430,162
1,540,424
1,587,305
(46,881)
(2,247,150)
(2,270,590)
(4,313,878)
8 2017 4,743,831
1,567,423
5,357,351
(3,789,929)
(2,418,913)
9 2018 7,833,154
1,594,895
9,001,263
(7,406,368)
(6,446,105) (10,149,289)
10 2019 1,430,162
1,622,848
1,672,238
(49,390) (14,410,684) (14,435,379)
11 2020 1,618,966
1,651,291
1,926,177
(274,885) (15,254,020) (15,391,463)
12 2021 1,784,392
1,680,233
2,160,203
(479,970) (16,375,436) (16,615,421)
13 2022 1,450,823
1,709,682
1,787,164
(77,482) (17,769,254) (17,807,995)
14 2023 1,498,449
1,739,647
1,878,183
(138,536) (18,826,176) (18,895,444)
15 2024 1,561,921
1,770,138
1,992,054
(221,916) (20,003,961) (20,114,919)
16 2025 2,691,224
1,801,163
3,492,509
(1,691,346)
2 691 224
1 801 163
3 492 509
(1 691 346) (21,332,198)
(21 332 198) (22,177,871)
(22 177 871)
17 2026 1,445,733
1,832,731
1,909,069
(76,337) (24,243,327) (24,281,496)
18 2027 1,800,227
1,864,853
2,418,838
(553,985) (25,655,147) (25,932,139)
19 2028
21,676
1,897,538
29,635
1,867,903
(27,635,399) (26,701,448)
20 2029
21,676
1,930,796
30,155
1,900,641
(27,236,076) (26,285,756)
21 2030
201,809
1,964,636
285,665
1,678,971
(26,781,152) (25,941,666)
22 2031
269,637
1,999,070
388,367
1,610,703
(26,528,972) (25,723,621)
23 2032
431,637
2,034,107
632,598
1,401,510
(26,333,068) (25,632,313)
24 2033
677,028
2,069,759
1,009,627
1,060,131
(26,341,335) (25,811,270)
25 2034
869,835
2,106,035
1,319,889
786,146
(26,700,824) (26,307,751)
26 2035
982,545
2,142,947
1,517,045
625,901
(27,361,604) (27,048,653)
27 2036
110,186
2,180,506
173,108
2,007,398
(28,223,378) (27,219,680)
28 2037
446,695
2,218,723
714,083
1,504,640
(27,713,063) (26,960,743)
29 2038
464,266
2,257,610
755,180
1,502,430
(27,691,264) (26,940,049)
30 2039
273,052
2,297,179
451,934
1,845,245
(27,670,536) (26,747,914)
31 2040
711,542
2,337,441
1,198,329
1,139,112
(27,296,427) (26,726,871)
32 2041
273,052
2,378,409
467,915
1,910,494
(27,627,292) (26,672,045)
33 2042
477,061
2,420,095
831,843
1,588,252
(27,183,761) (26,389,635)
34 2043
509,505
2,462,511
903,985
1,558,526
(27,046,939) (26,267,676)
35 2044
390,696
2,505,671
705,340
1,800,331
(26,933,135) (26,032,970)
36 2045
744,193
2,549,587
1,367,068
1,182,519
(26,564,617) (25,973,358)
37 2046
843,013
2,594,273
1,575,741
1,018,533
(26,810,632) (26,301,366)
38 2047
499,883
2,639,743
950,746
1,688,997
(27,238,675) (26,394,177)
39 2048
0 8
344,674
3
,6
2,686,009
,686,009
667,038
66
,038
2,018,970
,0 8,9 0
((27,001,358)
,00 ,358) ((25,991,873)
5,99 ,8 3)
40 2049
336,011
2,733,086
661,670
2,071,416
(26,411,941) (25,376,233)
41 2050 1,260,422
2,780,988
2,525,514
255,474
(25,736,218) (25,608,481)
42 2051 1,143,352
2,829,730
2,331,093
498,637
(26,889,211) (26,639,893)
43 2052 1,234,509
2,879,326
2,561,060
318,265
(27,855,768) (27,696,636)
44 2053
382,383
2,929,791
807,178
2,122,613
(29,060,818) (27,999,511)
45 2054
374,362
2,981,141
804,099
2,177,042
(28,478,178) (27,389,657)
46 2055
556,282
3,033,391
1,215,788
1,817,602
(27,807,567) (26,898,766)
47 2056
523,909
3,086,556
1,165,105
1,921,451
(27,469,396) (26,508,671)
48 2057
345,183
3,140,654
781,095
2,359,559
(27,005,922) (25,826,143)
49 2058
759,479
3,195,699
1,748,705
1,446,995
(26,066,801) (25,343,304)
50 2059
345,183
3,251,710
808,715
2,442,994
(26,013,688) (24,792,191)
* Includes projected future inflation of 2.5 percent per year

IV-34

(8)
Interest
Income
8,572
14,299
989
-

(9)
Interest
Expense
6,164
18,172
71,671
124,882
237,263
558,211
793,946
846,530
913,848
979,440
1,039,249
1,106,321
1,219,783
1 219 783
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1,445,717
1,426,792
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1,481,703
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1,444,722
1,431,813
1,428,535
1,446,575
1,451,680
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1,408,466
1,465,194
1,523,315
1,539,973
1,506,431
1,479,432
1,457,977
1,420,438
1,393,882
1,363,571

(10)
Ending
Balance
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1,096,049
348,176
(248,241)
(430,744)
(2,247,150)
(2,418,913)
(6,446,105)
(14,410,684)
(15,254,020)
(16,375,436)
(17,769,254)
(18,826,176)
(20,003,961)
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(24 243 327)
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(27,635,399)
(27,236,076)
(26,781,152)
(26,528,972)
(26,333,068)
(26,341,335)
(26,700,824)
(27,361,604)
(28,223,378)
(27,713,063)
(27,691,264)
(27,670,536)
(27,296,427)
(27,627,292)
(27,183,761)
(27,046,939)
(26,933,135)
(26,564,617)
(26,810,632)
(27,238,675)
(27,001,358)
((26,411,941)
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(25,736,218)
(26,889,211)
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(29,060,818)
(28,478,178)
(27,807,567)
(27,469,396)
(27,005,922)
(26,066,801)
(26,013,688)
(24,934,264)

(11)
R&R
Revenues
2009$
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1,317,430
1,317,430
1,317,430
1,317,430
1,317,430
1,317,430
1,317,430
1,317,430
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1,317,430
1,317,430


The purpose of Table IV-4 is to establish a uniform R&R charge component (in constant dollars) to the Monthly Service Charge that recovers exactly all R&R costs less, per the Government’s request, the undepreciated value of the R&R’s at the end of the 50-year contract period. That is, at the Government’s request, the amount of HCWD1’s R&R costs to be recovered during the contract period is equal to the portion of the R&R costs that depreciates during the contract period based on the service life of each R&R component shown in Table IV-2. Given this approach, $24.9 million of HCWD’s R&R investments during the 50-year contract period are not planned to be recovered through the R&R charge (nominal dollars assuming a 1.752678 inflation rate). These costs will be recovered either as a.) part of an ongoing water utility service contract that succeeds the initial 50-year contract or b.) the amount the Government will pay to HCWD1 for HCWD1’s unamortized investment in the system if the contract terminates without a new contract that immediately succeeds the first contract.

As shown in Table IV-4, costs included in the R&R component of the Monthly Service Charge include all project costs plus G&A and interest expense on negative fund balances less plus interest income on positive fund balances associated with the net of R&R revenues and costs.

The R&R charge component of the Monthly Service Charge is shown in the Column 3 of the table as “R&R Revenues”.

Net revenues (R&R revenues less R&R costs) are shown in Column 5. Columns 6 through 10 show the calculation of the cumulative balance of net revenues over the 50-year contract period. Beginning fund balances for each year are shown in Column 6 and ending balances are shown in Column 10.

It is assumed that HCWD1 can earn 2.0 percent in interest on investments of surplus balances and pay 5.5 percent interest on deficit balances. The interest rate used to calculate interest expense will be the “all-in total interest cost” associated with bonds and other funds used to finance Ft. Knox water system projects. Interest on bonds and other debt will include, but not necessarily be limited to, the nominal interest rate on the bonds as well as financing and legal fees, the cost of a surety bond if needed, and the cost of bond insurance if needed. Additionally, if the bonds require a provision for interest coverage or debt service coverage, those coverage requirements may be added to the R&R charge calculation. At the same time, HCWD1 would credit revenues generated from coverage requirements to the Ft. Knox water fund for exclusive use in funding R&R projects at the post.

Because investments in the Ft. Knox water system are planned to grow substantially during the contract period, HCWD1 will likely need to issue revenue bonds to finance the R&R program. The Government as the only possible beneficiary of investments made with proceeds from the bonds may need to guarantee their repayment in order for HCWD1 to raise capital from the bond markets.

Any equity invested by HCWD1 would be treated in the same way as debt issued to fund water system R&R projects at the post. Return to equity investments would be set at the same annual rate as for the most recent debt issued for Ft. Knox water system R&Rs.

As shown at the bottom of Column 10 of Table IV-4, with the R&R revenues and costs included in the annual cash flows, the ending balance of the R&R fund in Year 50 is $24,934,264. The R&R revenues shown for Year 1 and Year 2 are the annual amounts that constitute the basis for the R&R component of the initial Monthly Service Charge. The monthly component was determined by simply dividing the annual amount of $1,412,248 by 12.

In practice, HCWD1 will manage its R&R expenditures with a goal of providing quality service to the post while minimizing the need to borrow for capital projects that would be included in its rate base and incur interest costs. This management approach would also include consultation with the Government in updating the water utility capital improvement plan and Government approval of the plan.
Future Changes to the R&R Charge

As time passes, the R&R Charge will be revised based primarily on 4 adjustment factors:

- **Projected data in Table IV-4 will be replaced by actual data as time goes by.** For example, in Year 3, data in columns 3 through 10 of Table IV-4 for Years 1 and 2 will be replaced by actual data for each respective category of revenues and costs in those columns.

- **Any changes in projected future R&R projects will be incorporated into columns 2 and 4 of Table IV-4.**

- **The projected amount of R&R investments that will not to be recovered in the 50-year contract period will be updated.** That update will be based in part on actual R&R expenditures for individual projects replacing projections when projects are complete. These adjustments will result in changes in the projected unrecovered residual values shown in the last column of Table IV-3 and, in turn, result in a change to the target ending balance to the R&R fund at the end of the 50th contract year.

- **Adjustments will be made to projected inflation using a projected inflation index to be agreed upon between the Government and HCWD1.**

With those adjustments, a new 50-year cash flow, consisting of actual historic costs and projected future costs will be input to the Table IV-4 pricing model. A new R&R charge will be calculated for the upcoming year based on the full 50 year cash flow (historic and projected) that will yield the target R&R fund balance at the end of the 50th contract year. For example, the R&R charge in Year 3 would be adjusted based on actual data from Years 1 and 2, changes in residual values based on actual R&R expenditures in Years 1 and 2, possible changes in planned R&Rs, and possible changes in the projected inflation rate.

In practice, HCWD1 plans to manage deviations between estimated to actual bid costs in a manner designed to keep costs low. For an actual bid which is lower than estimated, the portion of that project’s cost included in the fixed fee, would still stay in HCWD1’s separate Ft Knox Water Fund, and could only be used on other Ft Knox water projects. If an actual bid came in higher than the estimate, HCWD1 could either adjust the annual capital plan being funded by current year R&R revenues (e.g., by postponing a project), or use existing reserves in the Ft Knox Water Fund to fund the full capital plan for the year. The Government is protected from over payments for projects where actual costs are higher than estimated, by the requirement that HCWD1 only spend those revenues on projects that exclusively benefit the Government. Furthermore, by maintaining a separate cash balance and reserves, with a flexible Capital Plan, approved by the Government, changes in bid and actual prices compared to those used in initial estimates can also be somewhat mitigated by spending reserves received from prior payments from the Government.

This pricing method also is intended to reduce the amount of future capital funding HCWD1 will need to raise through bond issues, or other long term financing. Such financing would require higher rates be in place before going to the capital market, and will also require higher rates to the Government due to interest and cost of issuance being included in HCWD1’s rate base to the Government.

When the capital program, O&M costs, and construction costs can no longer be met by current revenues, or total revenue requirements are higher than current rates, HCWD1 would be required to request a rate adjustment. The Government would be consulted and all costs used in HCWD’s proposed rate change would be fully disclosed to the Contracting Officer and Government in advance. Additionally, HCWD1 will notify the Contracting Officer of anticipated rate adjustments (increases or decreases) in conjunction with submittal of the Annual System Deficiency Corrections/Upgrades and Renewals and Replacement Plan.

It is HCWD1’s intent that it receives prior acceptance and approval from the Government first, before filing any rate change with the Public...
Service Commission. This is the same process set forth in the “Final Utilities Privatization Service Contract Price Redetermination Guidance Manual”, Section 7, pages 67–71 (DESC, May 2005).” Negotiation of a rate adjustment between the Government and HCWD1 is discussed in more detail in Section 3 under “Regulatory Process for Future Rate Changes”.

**ISDC Surcharge**

The ISDC Surcharge covers the cost of completing the ISDCs identified in Table 12 of RFP Section J1. HCWD1 is proposing to recover all costs over the same 5 years that the ISDCs will be completed. Therefore the surcharge will last 60 months and then be removed from Rate Schedule FKW.

ISDC project costs and completion schedule are shown in Table IV-5 and generally conform to completion dates specified in Table 12 of RFP Section J1. Detailed descriptions of the ISDC projects and the basis for their cost estimates are provided in Attachment IV-3.

Similar to the R&R project analysis, data in Table IV-5 is translated into an overall cash flow schedule in Table IV-6. The annual uniform charge for ISDC projects (in constant dollars) is calculated in Table IV-7.

All ISDC costs are to be recovered through the 5-year surcharge period. The charge is a fixed monthly rate that can be modified based on changed conditions such as variation from the 1.752678 percent inflation rate specified for this proposal. The ISDC charges shown in Table IV-7 are based on a 5.5 percent annual interest rate and an assumed 1.752678 percent inflation rate.

**Transition Surcharge**

The Transition Surcharge simply recovers HCWD1’s cost of transition activities in the first month the Rate Schedule FKW is applied. After that surcharge is applied, it will be removed from the rate schedule. The charge is equal to the total O&M cost shown for the transition period in Table IV-1.

**Total Contract Costs**

Total costs to the Government over the 50-year contract term are shown in Table IV-8. This table is the same as Schedule 5 from the RFP. As required for that schedule, all costs are provided in 2009 dollars. Data are shown as costs to the Government from HCWD1 charges for water utility service. While there would only be 4 charges to the Government, cost bases for these charges are provided in the table.

The RFP also requires that “all values shown on Schedule 5 should be documented in the Offeror’s Proposal and the derivation of same should be provided in the Offeror’s Pricing Proposal and supporting documentation.” A description and documentation of the derivation of values shown in Schedule 5 is provided below.

The annual purchase price credit is fixed at $1,031,616 in nominal 2012 dollars. As shown in Column 2 of Table IV-8, this translates to a fixed payment of $979,221 in nominal 2009 dollars. Because the payments are fixed in nominal terms, the value in constant 2009 dollars shown in Table IV-8 decreases annually in future years by the projected 1.752678 percent inflation rate specified by the Government.

As shown in Column 3, the purchase price recovery is exactly equal to the purchase price credit except it is of opposite value.

Column 4 shows the general and administrative costs implicitly included in Rate Schedule FKW. Specifically, it includes the G&A costs in the O&M and R&R components of the Monthly Service Charge, and it includes the G&A costs included in the ISDC surcharge. Details of these calculations are shown in Attachment IV-4.
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<th>Volume I Reference Number</th>
<th>Year to Be Constructed</th>
<th>Project Cost 2011 $</th>
<th>Project Cost 2012 $</th>
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* Includes projected future inflation of 1.752678 percent per year
## Table IV-8

### B.7.5 Schedule 5—Proposal 50 Year Charges to the Government, Constant 2009 Dollars

**Notes:**
1. Offerors shall provide for Schedules B-1, B-2, B-3, and B-4
2. Contract year—Fill in for each year (1-50)

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* G&A on ISDCs is excluded from the amounts shown in this column. All G&A costs are included in the General & Admin column.

**Credit for value of assets transferred to Government.
Column 5 shows O&M costs, excluding G&A costs. It is taken directly from Table IV-1 (see Total Direct Costs in constant 2009 dollars in the middle of the table).

R&R costs, shown in Column 6, were directly taken from Column 11 of Table IV-4. Similarly, ISDC costs, shown in Column 7, were taken from the last column of Table IV-7. For calculations of R&R and ISDC costs excluding their G&A components, see Attachment IV-4.

Transition costs, shown in Column 8, were directly taken from Table IV-1 (see constant 2009 dollar costs for the Transition Period shown in Table IV-1). No other costs were included in HCWD1’s price proposal.

The total of all costs are shown in Column 12. As documented in this proposal, HCWD1 proposes to charge Fort Knox a regulated rate that recovers only its direct costs invested in owning and operating the Fort Knox water utility system, plus a small proration of G&A costs. No profit or other operating margin is built into the Rate Schedule FKW charges.

**Key Pricing Assumptions**

Key pricing assumptions are as follow:

- Water requirements for Fort Knox are 1.08 billion gallons per year.
- Future general price inflation will average 1.752678 percent per year.
- HCWD1 will be able to borrow construction funds at an “all-in total interest cost” of 5.5 percent per year. The basis for this assumption is current interest rates for municipal bonds with the same Moody’s Investor Service rating that has previously been set for HCWD1 bonds (A1).
- HCWD1 will be able to invest reserve funds at an annual yield of 2.0 percent per year. The basis for this assumption is U.S. Treasury Daily Yield Curve Rates for 1 to 2 year maturities.
- Construction will be done on a competitive-bid design build basis and the construction contractor will have a reasonable amount of time to complete the work.
- All construction contracts will be delivered according to a reasonable project schedule with no mandatory overtime, constructed under a single contract, and with no liquidated damages clauses or penalties.
- Fabricated equipment will be shipped from the mainland United States.

The schedule for renewing and replacing assets was developed based on average age information and useful life information provided by the Government. Useful life information is shown in Table IV-9.

**Table IV-9**

*Typical Design Life*

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<td>Raw Water Wells – Pumps/Control Systems</td>
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<td>WTP – Pumps/Control Systems</td>
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<td>Pipes and Services</td>
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<td>Main Valves</td>
<td>25</td>
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<tr>
<td>Hydrants</td>
<td>25</td>
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<tr>
<td>Back Flow Preventers</td>
<td>20</td>
</tr>
<tr>
<td>Water Storage Tanks</td>
<td>75</td>
</tr>
<tr>
<td>Pump Station – Structure</td>
<td>75</td>
</tr>
<tr>
<td>Pump Station – Pumps/Control Systems</td>
<td>25</td>
</tr>
<tr>
<td>SCADA Systems</td>
<td>25</td>
</tr>
<tr>
<td>Intake or Mechanical Screen</td>
<td>75</td>
</tr>
<tr>
<td>Emergency Generator</td>
<td>35</td>
</tr>
<tr>
<td>Chemical Feed System</td>
<td>25</td>
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<tr>
<td>Filters</td>
<td>75</td>
</tr>
<tr>
<td>Pressure Reducing Station</td>
<td>25</td>
</tr>
</tbody>
</table>

**Other Long-Term Benefits and Costs**

The HCWD1 team is uniquely capable of providing efficient operation of the Fort Knox Water System due to the availability of its local resources. The Government will realize a direct savings due to our team’s ability to provide the optimal level of staffing to meet the daily operating requirements of the
system, yet have a depth of resources readily available when required. Additionally, LWC is able to transfer staff from the Fort Knox Water System to its other operating facilities when the Muldraugh WTP is decommissioned, thus reducing any transition costs to the Government.
Section 3 — Standard Estimating Methodology

This section provides a description of HCWD1’s accounting system and CAS exemption, the regulatory process for future price changes, and HCWD1’s cost estimating approaches that underpin its price proposal.

HCWD1 Accounting System

HCWD1 proposes to incorporate accounting for Fort Knox water utility service into its existing accounting system. That system is described below, followed by a statement of HCWD1’s exemption from Federal Cost Accounting Standards (CAS).

Existing System

HCWD1’s accounting system complies with standards established by the National Association of Regulatory Utility Commissioners (NARUC) and the American Water Works Association (AWWA). HCWD1’s chart of accounts conforms to the Uniform System of Accounts prescribed by NARUC. A comprehensive accounting and financial audit is completed annually by a Certified Public Accountant, with results presented to HCWD1’s Board of Commissioners and the PSC. All year end account balances are classified and reported to the PSC in prescribed account numbers, using the PSC annual financial report templates. Record retention also complies with NARUC record retention schedules.

The accounting system maintains four separate funds: Water, Radcliff Sewer, Ft. Knox Sewer, and Ft. Knox Storm Sewer. A fifth fund will be added for the Fort Knox water system. This system allows HCWD1 to separate costs among different customer classes and design rates that better reflect cost of service characteristics.

CAS Exemption

According to 48 CFR 9903.210-1(b), Federal contracts “in which the price is set by law or regulation” are “exempt from all CAS requirements,” where “CAS” refers to Federal Cost Accounting Standards. As a public utility with its prices regulated under the laws of the Commonwealth of Kentucky by the PSC, HCWD1 is exempt from CAS. It is therefore also exempt from submitting a CAS Disclosure Statement.

Regulatory Process for Future Price Changes

As noted in the previous section, HCWD1 will notify the Contracting Officer of anticipated rate adjustments (increases or decreases) in conjunction with submittal of the Annual System Deficiency Corrections/Upgrades and Renewals and Replacement Plan.

HCWD1’s primary criteria for setting water utility service rates at Ft. Knox are to be sure that:

- Funding is adequate to provide quality service to the Post
- There are no cross subsidies where HCWD1’s other water or sewer service customers subsidize service to the post or where the post subsidizes service to HCWD1’s other customers
- HCWD1 continues its performance as a quality service provider with an appropriately strong financial condition.

HCWD1 proposes to negotiate rate adjustments with the Government prior to approaching the PSC to seek formal approval of the rate change. Such a process will minimize time and expense the Government and HCWD1 will need to invest in the regulatory process. The proposed process for negotiating rate adjustments is described below followed by a brief description of the formal PSC ratemaking process that would serve as a fall-back process if the Government and HCWD1 could not agree on needed rate adjustments.

Negotiation Process

After receiving PSC approval of the overall utility service contract between the Government and HCWD1, we propose that the process for making rate changes be negotiated using guidelines for the
Monthly Service Charge and the ISDC Surcharge described below.

Monthly Service Charge: O&M Component

HCWD1 will maintain separate funds for its O&M expenditures at Ft. Knox. This is a requirement of GASB 34 accounting standards as well as required by PSC for ratemaking that avoids subsidies between customer classes. HCWD1 will routinely compare the accumulation of those costs plus its G&A overhead rate (currently 4.4 percent) against revenues being received from the O&M component of the Monthly Service Charge. If they are out of alignment, we will propose a rate adjustment.

Monthly Service Charge: R&R Component

The basis for making a rate adjustment in the R&R component of the Monthly Service Charge is presented in Section 2, under “Future Changes to the R&R Charge”. HCWD1 will monitor key inputs to the R&R Charge (as calculated in Col. 3 of Table IV-4) and propose rate adjustments when it appears necessary in order to keep the charge stable in constant dollar terms over the 50-year contract period.

ISDC Surcharge

The ISDC Surcharge will remain in effect for the first 60 months of the contract period. It will be removed from Rate Schedule FKW in the 61st month of the contract and will not be assessed again during the contract period.

The ISDC Surcharge will be subject to adjustment based on conditions that may differ from those reasonably projected for the various ISDC projects. ISDC adjustments would be made on the same basis as described for R&R projects.

The PSC has an administrative regulation for temporary surcharges, which HCWD1 will be required to follow. This includes accounting for all revenues received from the surcharge, and all expenditures paid from the revenues, as well as a specific list of projects that the surcharge will fund.

PSC Ratemaking Process

Once a rate revision is negotiated between the Government and HCWD1, HCWD1 would file it with the PSC. The normal process for negotiated rate adjustments between a utility and a single contract customer is for the PSC to approve the adjustment without a hearing.

However, in the unlikely event that the Government and HCWD1 could not agree on an adjustment, both parties can rely on the PSC to effectively arbitrate the rate change through a normal hearing process.

Cost Estimating Methods

Methods employed to estimate costs that underpin prices included in this price proposal are described below. This includes O&M cost estimating procedures and capital cost estimating procedures used to estimate R&R and ISDC costs.

O&M Costs

The O&M cost estimates were prepared based on standard operational practices at similar facilities within the water utility industry, along with reference material from O&M manuals for equipment similar to that at Fort Knox. The estimates also consider facility condition assessment data and the facility replacement schedule prepared by the Government. Additionally, information provided by the Army and obtained during the site visit was used to determine normal operating conditions, such as staffing levels, hours of operations, pump run time, operations tasks, sampling and analytical requirements, and maintenance tasks.

The operating costs were developed separately for the water treatment and distribution systems. Costs for the water treatment system cover the actual production of water from the source water supply through the first reservoir storage point in the system. Costs for the distribution system cover other storage reservoirs and the distribution pipelines.

Costs were estimated for individual direct cost categories, including labor and benefits, equipment
and repairs, travel and administration, materials and supplies, insurance, and other direct costs. These cost estimates cover all the tasks described in the O&M Plan. HCWD1 is aware of the security and access requirements at Fort Knox and has a process in place for it and its subcontractors. The costs associated with security and access requirements are included in the cost estimates.

The transition-phase costs cover several essential tasks, such as coordinating meetings with Fort Knox stakeholders, hiring necessary employees, establishing on-site administrative facilities, conducting inventories, procuring O&M materials and stock, transferring manuals and records, reading meters, implementing standard operating procedures, and training new employees . For water treatment operations, costs were estimated with reliance on information provided by the Government, such as chemical dosages needed to meet regulatory requirements and staffing levels and schedules. Since Fort Knox distribution system operational data were limited, costs were estimated based on operating experience at similar water distribution facilities and HCWD1’s process knowledge as the current wastewater privatization contractor at Fort Knox.

The estimating methods used for each cost category are described in the following paragraphs. In some cases, it was necessary to estimate the combined cost of production and distribution operations and then prorate the costs between the two functions.

**Labor and Benefits**

Labor time and costs were identified for each task required for operations, routine inspection, travel to remote facilities, and estimated maintenance (preventive, predictive, and corrective) for similar facilities with similar equipment. HCWD1’s standard labor rates were used, including benefits and overhead cost. Because no historical information was provided on past corrective or preventive maintenance, the maintenance labor requirements were estimated based in part on assessment of the current equipment condition during the site visit.

**Electricity**

No costs were included in the proposal for energy or other on-post utilities. It is assumed that the Government will provide electricity for water utility operations without charge.

**Equipment and Repairs**

Maintenance costs were determined based on the Government Recognized Deficiencies outlined in Section J1 of the RFP and on experience with similar equipment at existing facilities. Costs were developed for predictive, preventive, and corrective maintenance based on HCWD1’s standard maintenance practices, as described in the Maintenance Plan.

**Travel and Administration**

These costs were estimated from standard HCWD1 costs for meetings and administration associated with the O&M personnel at equivalent-sized facilities.

**Materials and Supplies**

Materials and supplies include safety materials and equipment to perform each required task; laboratory supplies for sample collection, preservation, and analysis; employee uniforms; equipment manuals and reference materials; repair and maintenance materials; and materials for record keeping. These costs were estimated based on requirements for the O&M of equivalent-sized facilities.

**Insurance**

HCWD1 asked an independent insurance broker to provide an estimate for HCWD1 acquiring a second water utility, similar in size to its existing system and to provide an estimate of the cost of insurance required by the RFP. Insurance cost estimates were provided for the following types of coverage with the minimums specified in the RFP:

- **Commercial/General Liability**—$1,000,000 per occurrence and $2,000,000 aggregate for all premises and operations.
- **Automobile Liability**—$1,000,000 combined single limit per occurrence. This includes owned and leased vehicles.
• Workers’ Compensation and Employers’ Liability—$500,000
• Property—$28,000,000
• Umbrella/Excess Liability Coverage—$1,000,000 per occurrence and $1,000,000 in aggregate. This is in excess of general, automobile, and employers’ liability coverage types shown above.

Other Direct Costs
Operational supplies, training, and support activities were based on standard costs for the number of personnel required for equivalent-sized facilities.

R&R and ISDC Costs
All estimates used to develop the ISDC and R&R project costs are based on various estimating methods. In preparing the cost estimates, HCWD1 reviewed actual, recent local bids for various types of construction. These included review of actual bids received by HCWD1, LWC and other local engineers. These actual bids were then applied as parametric units by size for estimating various future ISDC and R&R projects.

All capital costs were estimated in 2011 dollars. Pricing includes fully loaded contractor costs for labor, materials and systems to be in place and ready for use and reflects local area conditions. Construction cost estimates were prepared using the following resources and general methods:

• Data available on the system inventory identified in the RFP (Attachment J1)
• Comparison with bid tabulations from recent similar projects in the Kentucky area available in HCWD1, LWC, and CH2M HILL databases

The estimating process was simplified to an approach that assumed all facilities have much in common, and the approach took into account only limited site-specific features. These estimates are generally Class 5 estimates with a level of accuracy in accordance with the Association for the Advancement of Cost Engineering (AACE) guidelines. Following contract award and increasing levels of project definition, the cost estimates can be further refined.

Unit costs were developed for system inventory in which replacement-in-kind upgrades are anticipated. In cases where existing materials are no longer available or are not permitted to be installed, the unit costs were developed based on materials that would be used to replace the existing materials when necessary. For example, transite pipe upgrades are programmed to be replaced with PVC pipe. Unit costs were then multiplied by the number of units. Depending on the basis for the estimate for specific inventory items, allowances for costs associated with the installment were added. In those cases, the allowances were consistent with typically those used in standard cost estimating procedures.

Our estimates include typical allowance costs for planning, engineering, permitting, construction management, and state sales tax.

A frequent detailed analysis of local market conditions will be made throughout the contract period to confirm cost estimates are aligned with actual conditions. This will include consideration of the following:

• Number of qualified contractors
• Current workload of contractors
• Contractors selectively bidding projects
• Premium wage requirements to retain skilled workers and management staff
• Availability of crafts/trades
• Abnormal fuel impacts and uncertainty (Oil > $100 barrel, Diesel > $4.00/gal)
• Abnormal material impacts of the last 2 years
• Impact of recent natural disasters

The summary approach for key components is described below. More detail on the estimating approach is provided in Attachment IV-5.

Water Facilities
Water facility construction capital costs were developed for raw water supplies, treatment facilities, and pumping stations by use of the following general approaches. New facility cost
estimates represent the construction cost to construct on a near-virgin site, which is free from utility obstruction and interferences. The new facilities would be located in close proximity to the existing facilities to minimize additional site/civil improvements and to maintain continued operation of existing facilities during construction. Only necessary selective demolition is included. Building costs are based on square footage of the floor area. Materials of construction would be equal to or better than existing.

Pipelines
Pipeline construction capital costs were developed based on typical unit prices for pipe installation in Kentucky. Pipeline lengths and diameters were based on the asset inventory provided by the Government in the J1 Attachment. Materials of construction for pipeline replacement are based on current HCWD1’s design standard in which PVC pipe is used for pipes that are 10 inches or smaller in diameter, and ductile iron pipe is used for pipes that are 12 inches or larger in diameter. The estimate also assumes that the number of existing hydrants and mainline valves are appropriate for fire protection and line isolation, and that pipe installation will predominantly occur in soil adjacent to roadways.
Section 4—Price Risk Assessment

The RFP requests that Offerors submit a risk analysis that identifies “price risk areas” and management approaches HCWD1 will take to mitigate and control the impact of those risks. The risk analysis is submitted in Table IV-10, which is consistent with the format requested in the RFP.
### Table IV-10

**Cost Risk Assessment**

<table>
<thead>
<tr>
<th>Cost Risk Area</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased Cost of Capital. With changes in capital market conditions or the creditworthiness of the water utility service provider, the cost of capital for projects could increase. These increased costs could be passed on to the Army as part of a price rate increase.</td>
<td>Cost of capital risk will be mitigated by several strong indicators in financial position. The investment market reflects strong confidence in HCWD1 as reflected in the strong financial ratings disclosed in the Financial Strength section of Volume I. HCWD1 expects continued good financial ratings based on strong liquidity, significant retained earnings trends, and reasonable rate history.</td>
</tr>
<tr>
<td>Losses from Lack of Emergency Response Readiness. If personnel are not immediately available or responsive to water utility emergency conditions, the Army could suffer losses.</td>
<td>The risk will be substantially mitigated by HCWD1’s and its subcontractor, LWC’s, close proximity to Fort Knox. HCWD1 and LWC have emergency personnel that are on call 24 hours per day, 7 days per week. In addition, HCWD1 and LWC have full and diverse staffs comprised of experienced emergency repair personnel and have warehouse locations to keep all necessary materials on hand to respond immediately. The call center that will be available for Fort Knox is staffed 24/7.</td>
</tr>
<tr>
<td>Increased Cost from Operation in a Location that is Removed from an Offeror’s Other Operations. An operation in a location that is remote from a business’s main operation can be expensive.</td>
<td>The risk of excess cost from remote location will be mitigated by the consolidation of Fort Knox’s water and wastewater operation with HCWD1’s existing operation. HCWD1’s water and wastewater systems are immediately adjacent to Fort Knox and can easily be integrated with HCWD1’s existing water system and its wastewater system on base. Ft. Knox will benefit from economies of scale related to these already existing services. These benefits are a significant advantage over a standalone provider.</td>
</tr>
<tr>
<td>Financial Instability. Financial instability by the utility service provider can lead to reductions in quality of service or failure to perform. Either of these creates the risk of consequential damages to the Army.</td>
<td>The risk of financial instability will be mitigated by HCWD1’s focus on service, rather than profit, for private owners and by its commitment to keeping a strong financial position.</td>
</tr>
<tr>
<td>Costly Operational Errors from Loss of Institutional Knowledge. Existing system operators understand the water utility systems at Fort Knox. Turning the system over to operators who are otherwise unfamiliar with the system could lead to erroneous decisions. The cost of these errors could be passed on to the Army.</td>
<td>This risk will be mitigated from the experience and qualifications of existing HCWD1’s staff, combined with its knowledge of Fort Knox. HCWD1’s operating staff has an in-depth understanding of water issues and appropriate approaches to operating utility systems in the Hardin County/Fort Knox area. With HCWD1’s privatization of the Fort Knox wastewater system in 2005, its knowledge of Fort Knox’s policies, procedures, and preferences was taken to a higher level.</td>
</tr>
<tr>
<td>Focus on Profits, Impudent Investments, or Mismanagement Could Result in Higher Prices for the Government.</td>
<td>With its focus on the Hardin County/Fort Knox community and its position as a regulated utility, this risk is substantially mitigated. With its mission being service to the community, HCWD1 is not motivated to maximize returns. Further, there will always be an impartial third party to evaluate the level and prudence of costs incurred by HCWD1 and the manner in which costs are translated into prices to the Government.</td>
</tr>
<tr>
<td>Replacing Utility Plant and Equipment before It Is Necessary Increases Costs and Therefore Prices.</td>
<td>HCWD1 and its subcontractors, LWC and CH2M HILL, have developed asset management programs that focus on prioritizing replacements based on actual asset condition, rather than simply age or replacement schedules. Careful marshalling of capital funds as part of an asset management program reduces the cost of system investments to be paid by the customer while allowing HCWD1 to maintain quality service. HCWD1’s quality performance is demonstrated by the numerous awards it has won, as described in the Financial Strength section in Volume I.</td>
</tr>
</tbody>
</table>
Volume IV
Attachment IV-1—Legal Opinion Letter
Ms. Margaret Gray  
Division Chief/Contracting Officer  
UP Contracting Division IV  
DESC-EF- Entergy Enterprise BU  
8725 John J. Kingman Rd.  
Ft. Belvoir, VA  22060-6222

Re: 0600-08-R-0803-Ft. Knox, Kentucky

Dear Ms. Gray:

The undersigned and this office act as legal counsel for Hardin County Water District No. 1. Set forth below are the opinions of this office pertaining to certain legal issues applicable to Water District’s in general and the above referenced Request For Proposal (RFP) in particular.

1. Is Hardin County Water District No. 1 (District) authorized to impose a surcharge in order to finance the necessary capital improvements?

   Answer: The legal authority for the imposition of surcharges is set forth in KRS 74.395 a copy of which is attached. Furthermore, I recently had a conversation with Gerald Wuetcher, Senior Counsel at the Kentucky Public Service Commission, wherein the willingness of the Kentucky Public Service Commission to approve surcharges in appropriate circumstances was reaffirmed;

2. Is the District entitled to capture depreciation expense applicable to assets which were provided to the District for less than original cost or below fair market value and for which there was no cash expended on behalf of the District?

   Answer: This topic was addressed by the Kentucky Supreme Court in the 1986 decision of Public Service Commission of Kentucky v. Dewitt Water District, 720 S.W. 2d 725 (Ky 1986). A copy of said opinion is attached. It is the opinion of the undersigned that with near certainty the Dewitt opinion authorizes recapture of depreciation regardless of the nature of the initial contribution of capital to the District.

3. Is it reasonable to expect the Kentucky Public Service Commission to approve a contract wherein the customer (DOD) is charged a fixed monthly rate sufficient to cover the cost of capital improvements required by the RFP?
Answer: I also discussed this topic with Gerald Wuetcher, Senior Counsel with the Kentucky Public Service Commission, in preparation for addressing this topic. First, it should be noted that the Kentucky Public Service Commission has recently approved a similar arrangement relative to the District agreeing to acquire and operate the sanitary and storm sewer systems at Fort Knox Military Installation. In discussing this topic with Mr. Wuetcher, he pointed out that 807 KAR 5:011 § 13 pertain to special contracts. This regulation obligates parties to special contracts to file copies of same with the Public Service Commission. Moreover, the applicable regulation authorizes the Kentucky Public Service Commission to approve the special contracts as well as the rates and schedules set forth therein.

4. Is the District exempt from state and federal income tax obligations?

Answer: The District is a “type of special district which constitutes a political subdivision of the Commonwealth”. Davis v. Powell’s Valley Water District, 920 S.W. 2d 75 (App.1995). Special District in Kentucky is defined to mean “any agency, authority, or political subdivision of the State which exercises less than state wide jurisdiction and which is organized for the purpose of performing governmental or other prescribed functions within limited boundaries.” KRS 65.005. Accordingly, as a political subdivision of the state, it is uniformly accepted that the District is exempt from state and federal income tax obligations. Also attached is a letter from the District’s Certified Public Accounting firm confirming this exemption.

I hope this information proves to be useful. If you need additional documentation or other information, please do not hesitate to contact me.

Sincerely,

SKEETERS, BENNETT, WILSON & PIKE

David T. Wilson II

DTW:dnf
cc: James Bruce, General Manager
74.395 Financing of an expansion of water district system -- Plan for expansion project -- Applicability.

(1) A water district organized under this chapter may elect to finance all or part of an expansion of its system by adding a temporary surcharge to the rates charged for service. All funds so collected shall be set apart in a reserve trust account, shall be invested in securities issued or guaranteed by the United States government until they are needed, and shall be expended, together with any interest or other earnings, solely for the expansions or extensions specified in the plan described under subsection (2) of this section. If construction has not begun five (5) years after the surcharge is implemented, all funds so collected shall be returned to the water district customers, together with interest and earnings. This section shall constitute an additional or alternate method of financing expanded facilities, and shall not repeal or reduce any existing rights or duties of a water district.

(2) A water district which elects to establish a reserve trust account under this section shall develop a plan for the expansion project or projects to be financed from the reserve, which shall include the design and estimated cost of each element of the expansion, a time schedule for each step in the project, the proposed financing, and the amount of surcharge to water district rates needed to collect the amounts to be financed out of district reserves. After approval by the board of commissioners, the plan and proposed rates shall be submitted to the Public Service Commission. The commission, after a public hearing, shall issue an order approving, modifying or rejecting the plan. If a plan is approved, the commission shall establish a reasonable surcharge to implement the plan to be collected for a period no longer than five (5) years. The commission shall require the district to maintain its records in such a manner as will enable it, or the commission or its customers, to determine the amounts to be refunded and to whom they are due in the event that surcharge amounts shall be refunded.

(3) The water district may, with the approval of the commission, amend its plan to reflect subsequent developments or new information, but the changes shall not violate the intent of the initial plan.

(4) The provisions of this section also shall apply to water associations organized under KRS Chapter 273.

Effective: July 15, 1988

PUBLIC SERVICE COMMISSION OF KENTUCKY, Appellant,

v.

DEWITT WATER DISTRICT, Appellee.

EAST CLARK WATER DISTRICT and Warren County Water District, Appellant,

v.

PUBLIC SERVICE COMMISSION and David L. Armstrong, Attorney General, Division of Consumer Protection, Appellee.

Supreme Court of Kentucky.

Nov. 26, 1986.

In one case, the Franklin Circuit Court held that depreciation expense on contributed property should be allowed to water district the same as for other property. In other cases, the Franklin Circuit Court determined that the Public Service Commission properly disallowed rate recovery for depreciation expense on contributed property to water districts. After conflicting action by the Court of Appeals, the Supreme Court, Wintersheimer, J., held that: (1) Commission's denial of rate recovery for depreciation expense on contributed property with respect to water districts that were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors was unlawful act in contravention of statutory and regulatory requirements; (2) disallowance of depreciation with respect to the water districts was unreasonable and amounted to confiscatory governmental policy; and (3) depreciation expense on publicly owned water district plant that had been purchased by federal grants and contributions and/or tap-on fees should be allowed in revenue requirement of public water districts.

One Court of Appeals decision affirmed; the other decision reversed.

Vance, J., concurred in result only.

1. Public Utilities ☑ 194
   It is responsibility of reviewing court to protect parties subject to regulatory authority of Public Service Commission from arbitrary and capricious action.

2. Waters and Water Courses ☑ 203(6)
   Public Service Commission's denial of rate recovery for depreciation expense on contributed property to water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors was unlawful act in contravention of statutory and regulatory requirements; statute requires regulated utilities to keep accounts in uniform system in accordance with specific standards, statute requires Commission to consider costs of reproduction, among other factors, in valuing plant property for rate-making purposes, and statute requires that water districts be permitted to charge rates which will provide for adequate depreciation reserves. KRS 74.430, 278.220, 278.290.

3. Waters and Water Courses ☑ 203(6)
   Fact that Kentucky was original value state did not preclude water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors from taking depreciation expense on contributed property, where original cost was only one factor to be considered in valuing utility's property, under statutes, with Public Service Commission being required to consider various factors, including cost of reproduction as going concern. KRS 278.290.

4. Waters and Water Courses ☑ 203(6)
   Public Service Commission's denial of rate recovery for depreciation expense on contributed property with respect to water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors was unreasonable and amounted to confiscatory governmental policy; disallowance of depreciation expense as rate recovery permitted substan-
tial portion of property of district to be consumed by current customers without requiring customers to pay for a replacement, and total plant not just portion financed by noncontributed funds, were wearing out.

5. Waters and Water Courses \(\equiv\) 203(6)

When considering issue of confiscation and determining whether Public Service Commission's denial of rate recovery for depreciation expense on contributed property was confiscatory with respect to water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors, future as well as present must be considered, with determination being made as to whether rates complained of were yielding and would yield sum sufficient to meet operating expenses.

6. Waters and Water Courses \(\equiv\) 203(6)

Public Service Commission's disallowance of depreciation expense by denying rate recovery for depreciation expense on contributed property to water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors was not sound utility management practice; if districts did not have sufficient revenues to cover replacement costs, due to refusal to recognize total depreciation expense, districts would be forced to short-term credit market for funding, which would raise overall cost to district, and higher rates were concededly inevitable in event districts were forced into short-term credit market.

7. Waters and Water Courses \(\equiv\) 203(6)

Purpose of depreciation expense as applied to nonprofit water districts does not relate to recoupment of investment, but rather, relates to renewal and replacement. KRS 74.480, 278.220, 278.290.

8. Waters and Water Courses \(\equiv\) 203(6)

Proper rate-making treatment for depreciation expense of contributed property with respect to water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors was to allow depreciation on contributed plant as operating expense, with fact that utility did not make investment in plant being of no consequence in context of publicly owned facilities.

9. Waters and Water Courses \(\equiv\) 203(6)

Depreciation expense on publicly owned water district plant that has been purchased by federal grants and contributions and/or customer tap-on fees should be allowed in revenue requirement; publicly owned water district had no private investor capital and its rates did not generate return on rate base, and public water districts relied on internally generated cash flow.

John N. Hughes, Thomas A. Marshall, Frankfort, for Public Service Commission.

James M. Honaker, Frankfort, for DeWitt Water District.

Charles E. English, Murry A. Raines, English Lucas Pyle & Owley, Bowling Green, James W. Clay, Winchester, for East Clark Water District and Warren County Water District.


WINTERSHEIMER, Justice.

These two cases represent a conflict between panels of the Court of Appeals as well as a conflict in the same division of the Franklin Circuit Court. Both Court of Appeals opinions were rendered the same day and recognize that their conflict should be resolved by this Court.

The question is whether the Public Service Commission may disallow a depreciation expense on contributed property when determining the rates of publicly-owned water districts.

The resolution of this question is important and it appears that both sides have

some mer. depreciation of an it could b on contrib lowed bec would req pay again already ps failure to ing purp. would need utilized onl become un

Contrib b by t governmen
ter con water distr investment interest ex rate making desire to lis the contrib sion consid purposes by

In the De that deprec property shc other proper itens of this limited to the ation exp East: Clark held that the tion is to rec the water di these facili ed property. court deter properly diss preciation ex:

There are trict in the which are non county gover tor or private lated by the i not generate water district revenues bas
PUBLIC SERVICE COM'N v. DEWITT WATER DIST. Ky. 727

Cita ss, Ky., 729 S.W.2d 725

some merit to their respective positions. If
depreciation is considered to be the alloca-
tion of an investment over a period of time,
it could be said that depreciation expenses
on contributed property should not be al-
lowed because to allow such an expense
would require the customers to, in part,
pay again for facilities for which they had
already paid in full. On the other hand,
failure to allow depreciation for rate-
making purposes on contributed property
would necessarily cause this property to be
utilized only by the present generation and
become unavailable as an ongoing asset.

Contributed property is properly ob-
tained by the water district either through
government grants or directly from cus-
tomer contributions. Consequently, the
water district has title to but no specific
investment in the property. No imputed
interest expense is claimed. However, for
rate-making purposes, the water districts
desire to list as an expense depreciation on
the contributed properties. The Commis-

sion considers depreciation for accounting
purposes but not for rate-making.

In the Dewitt case, the circuit court held
that depreciation expense on contributed
property should be allowed the same as for
other property. The court noted that recip-
ients of this contributed property would be
limited to the present generation if depre-
ciation expense were not allowed. In the
East Clark Water case the circuit court
held that the appropriate role of depre-
ciation is to recapture invested capital. Here,
the water districts have no investments in
these facilities because they are contributed
property. Consequently, the circuit
court determined that the Commission
properly disallowed rate recovery for
depreciation expense on contributed property.

There are approximately 115 water dis-
tricts in the Commonwealth of Kentucky
which are nonprofit political subdivisions
of county government. They have no in-
vestor or private capital. Their rates, as regu-
lated by the Public Service Commission do
not generate a return on rate base. The
water districts are permitted to earn net
revenues based either on a debt services
cost formula or on a percentage of operat-
ing expenses known as an operating ratio.
Lower operating expenses mean lower rate
recovery.

The Dewitt Water District has 88 cus-
tomers and is a publicly owned utility
which has furnished water service in a
rural section of Knox County since 1971.

The Warren County Water District has
been in existence for 16 years. It has two
divisions, a water division and a sewer divi-
sion. It owns a water treatment plant but
also purchases treated water from the city
of Bowling Green.

The East Clark Water District provides
water services to residential customers liv-
ing in rural Clark County. It began its
operation in March, 1979, and has approxi-
mately 300 customers.

The districts argue that the Commis-

sion's rate-making determination in regard
to a disallowance for depreciation is an
unlawful and unreasonable exercise of its
regulatory authority and that the regula-
tory agency has acted in an arbitrary and
capricious manner. They also maintain
that the customers and the company are
virtually one and the same and that they
desire to pay rates which are sufficient to
provide for the orderly replacement of ex-
isting water plant facilities. They contend
that there is no question relating to private
capital and no outside investors involved in
this situation.

The Public Service Commission argues
that the depreciation expense should not be
allowed and that the order of the Commis-
sion be upheld as being in conformity with
the law, both statutory and case law. They
maintain that the water districts failed to
accept the distinction between accounting
and rate making and that the criteria for
appellate review has been properly met in
the East Clark and Warren County cases.

The Attorney General's Consumer Pro-
tection Division argues that the Commis-
sion properly disallowed depreciation be-
cause nonprofit water districts that at-
tempt to charge customers for facilities
purchased with grant money and customer
contributions are violating the spirit of the grants and frustrating the governmental intent. In addition the Attorney General contends that the districts are attempting to assess a double charge on tap-on fees and other customer contributions and the result is a confiscation of rate-payer funds in violation of the law.

This Court affirms the decision of the Court of Appeals in the Dewitt water case and reverses the decision in the East Clark and Warren County cases. Depreciation expense on contributed plant property may be considered as an operating expense for rate-making purposes in matters involving publicly held water districts as distinguished from investor-owned companies.

The Public Service Commission's disallowance of rate of recovery for depreciation expense on contributed property was arbitrary, capricious and confiscatory.

The standard of review of commission action is found in KRS 278.410 which provides for judicial review on a showing by clear and convincing evidence that the Commission's order is unlawful or unreasonable. The decision to disregard depreciation expenses on contributed property effectively reduced recoverable revenues for each of the districts involved.

[1] It is the responsibility of the reviewing court to protect the parties subject to the regulatory authority of the Commission from arbitrary and capricious action. Kentucky Power Company v. Energy Regulatory Commission of Kentucky, Ky., 633 S.W.2d 904 (1981) holds that judicial intervention is permissible only when the reviewing court determines that the Commission has not dealt fairly with the utility. The failure of the Commission to allow a rate recovery for depreciation expense on contributed property could have a substantial impact on the financial stability of the publicly-owned systems and their ability to continue to provide needed water utility services to the rural areas of this state.

The disallowance of depreciation expense on contributed property by the Commission is opposed to its statutory mandate, constitutional prohibitions against confiscation and sound utility management practices.

[2] The Commission's denial of rate-recovery for depreciation expense on contributed property is an unlawful act in contravention of statutory and regulatory requirements. KRS 278.220 and the Uniform System of Accounts require the water district to account for depreciation on all classes of depreciable property as an operating expense.

Water districts subject to the regulatory jurisdiction of the commission are required to maintain a uniform system of accounts. KRS 278.220. The applicable system promulgated by the Public Service Commission for water and sewer districts is codified in a regulation manual entitled, "Uniform System of Accounts for Class C and D Sewer Utilities," which became effective October 1, 1979. This manual specifically requires that depreciation of contributed property be accounted for in language identical to the National Association of Railroad and Utility Commissioners (NARUC) regulation pertaining to donated property which is in accord with generally accepted accounting principles set forth by the American Institute of Public Accountants.

The uniform system required by the Commission provides that depreciation expense be treated as a utility-operating expense account. Section 408 of the uniform system, entitled Depreciation Expense, provides that the account shall include the amount of depreciation expense for all classes of depreciable utility plant in service. The clear language of the Commission's own regulations draws no distinction between depreciation of contributed and noncontributed plant property. The source of the funds does not affect the properties' status as depreciable or nondepreciable. Consequently, the stated rate-making treatment of depreciation expense on property financed by federal grants and customer contributions is to view the expense the same as for that of noncontributed property.

KRS 278.290 requires the Commission to consider cost of reproduction, among other factors, in for rate-mission must set out in a check or liabilities c action.

KRS 278 valuation is making pu plant to public us, in service, in service. The reprod reproductio.

[3] The districts act ion expenses cause Kent It cites Pri son v. Con S.E.2d 714 i

nal value ppreciation of 278.290 pro Original con sidered in The Comm factors incl going conc

We have the property m utility plan rate base, facility of its services. Service Cov (1968) held excluding a water plant are not com tempts to supra, on ti ed to "rate
factors, in its valuation of plant property for rate-making purposes. The Commission must follow the valuation standards set out in KRS 278.290 so that there will be a check on its assessment of assets and liabilities of utilities subject to its regulation.

KRS 278.290(1) provides the method for valuation of a utility's property for rate-making purposes. The plant to be valued is the plant used to give the service.

There are essentially three methods for evaluating a utility's property. The original cost method uses the cost of utility plant to the person first devoting it to public use. The fair value method examines the fair value of the utility's property in service at the time of the rate inquiry. The reproduction cost method applies the reproduction cost to the utility's existing plant.

[3] The Commission argues that water districts are not entitled to take depreciation expense on contributed property because Kentucky is an original value state. It cites Princes Anne Utilities Corporation v. Commonwealth, 211 Va. 620, 179 S.E.2d 714 (1971) as authority that an original value jurisdiction should not allow depreciation on contributed property. KRS 278.290 provides that Kentucky is not exclusively an original cost jurisdiction. Original cost is only one factor to be considered in valuing the utility's property. The Commission must consider various factors including cost of reproduction as a going concern.

We have previously held that contributed property must be included in valuing the utility plant for purposes of assessing a rate base. Rate base is the value of the facility of a utility employed in providing its services. City of Covington v. Public Service Commission, Ky., 318 S.W.2d 391 (1959) held that the Commission's order excluding a federal grant from the city's water plant's rate base was unlawful. We are not convinced by the Commission's attempts to distinguish City of Covington, supra, on the basis that its holding is limited to "rate base" cases. The concern in City of Covington is the proper valuation for public utilities in assessing the revenue requirements needed by the utility. The Commission cannot disregard contributed plant property purchased through federal grants in making its determination. If the Commission must consider all plant property for rate-making purposes, it follows that it must consider all operating expenses incurred in conjunction with the use of the property. Therefore, depreciation expense must be treated uniformly for all plant property thus acquired.

Depreciation is a concern to most enterprises, but it is of particular importance to water and sewer utilities because of the relatively large investment in utility plants required to produce each dollar of annual revenue. Water districts are capital intensive, asset-wasting enterprises. The structure of a water plant, comprised of innumerable components, demands allocation of proper depreciation to ensure financial stability. Adequate depreciation allowance is critical in order to allot to the district sufficient revenue to provide for a replacement fund for all its plant property, contributed or noncontributed.

KRS 74.480 requires the Commission to establish such rates and charges for water as will be sufficient at all times to provide an adequate fund for renewals, replacement and reserves.

This statute indicates the legislative intent that water operations must have sufficient revenues to provide for depreciation. The Commission's reduction of the depreciation expense is in contravention of this legislative directive. Therefore it is an unlawful act.

[4] The Commission cites no authority for disallowing depreciation of the property of the water district. Reference to a "well-established policy of disallowing depreciation in connection with facilities funded with contributions in aid of construction" is not sufficient. KRS 278.220 provides that regulated utilities shall keep their accounts in a uniform system in accordance with the standards of NARUC. The guidelines of
the Commission define depreciation as "loss in service value not restored by current maintenance" and require that depreciation be treated as an operating expense. KRS 74.400 requires that districts be permitted to charge rates which will provide for adequate depreciation reserves. Consequently, depreciation should be allowed as an expense. The Commission's disallowance of depreciation in this situation is unreasonable and amounts to a confiscatory governmental policy.

A determination by the Commission will not withstand judicial review if it is unreasonable pursuant to KRS 278.410. Unreasonable has been construed in a rate-making sense to be the equivalent of confiscatory. This Court has equated an unjust and unreasonable rate to confiscation of utility property. We have declared that rates established by a regulatory agency must enable the utility to operate successfully and maintain its financial integrity in order to meet the just and reasonable non-confiscatory test. See Commonwealth ex rel Stephens v. South Central Bell Telephone Company, Ky., 545 S.W.2d 927 (1976).

The rates established by the Commission will not generate sufficient revenues to enable the districts to provide for an adequate depreciation account and replacement fund. Disallowance of depreciation expense as a rate recovery permits a substantial portion of the property of the district to be consumed by present customers without requiring the customers to pay for replacement. Approximately 60 percent of Warren County's total utility plant is attributable to federal grants. Sixty-four percent of the East Clark District's plant is attributable to federal grants and customer contributions.


[5] When considering the concept of confiscation, the future as well as the present must be considered. It must be determined whether the rates complained of are yielding and will yield a sum sufficient to meet operating expenses. See McCord v. Indianapolis Water Company, 272 U.S. 400, 47 S.Ct. 144, 71 L.Ed. 318 (1926). Depreciation is uniformly recognized as an operating expense and it is important that the amounts set aside to cover depreciation of public utility property be large enough to replace the property when it is worn out. 64 Am.Jur.2d Public Utilities § 192 (1972).

The districts' total plants are wearing out, not just that portion financed by non-contributed funds. The Commission's disallowance of rate recovery of depreciation expense is unreasonable and constitutes a taking of the property of the districts without just compensation.

[6] The Commission's disallowance of depreciation expense is not sound utility management practice. The Commission has ignored one of its most important roles which is to provide the lowest possible cost to the rate payer. In refusing to recognize the total depreciation expense, it does not consider the obvious. If the districts do not have sufficient revenues to cover replacement costs, they will be forced to the short-term credit market for funding which will raise the overall cost to the district. The Commission conceded that higher rates were inevitable in the event the districts were forced into the short-term credit market. In the Dewitt case, the Commission expressed its concern over rate case expense. Invocation of the bonding authority provided by KRS 74.800 would undoubtedly escalate the expenses of all the districts involved far beyond the present cost.

Other jurisdictions have recognized the necessity of setting rates sufficient to provide for replacement costs. Westwood Lake v. Dade County, Fla., 294 So.2d 7 (1972) held that to arbitrarily disregard that part of a utility's equipment because it was contributed ignores reality and would result in rate increases later when it was necessary to replace the equipment. Du
Paga Utility Company v. Illinois Commerce Commission, 47 III.2d 560, 287 N.E.2d 662 (1971) stated in part that depreciation should be allowed because a utility will need to replace from time to time properties which become obsolete in order to sustain customer services.

Therefore in order to properly assess the revenue requirements of water districts, it is critical that the commission consider all of the district's operating expenses. Failure to do so will result in an inaccurate computation of the operating ratio on which the allowable rates hinge and jeopardize the financial integrity and stability of the districts.

It is important to remember that this case involves water districts which are nonprofit utilities organized under Chapter 74 of the Kentucky Revised Statutes. The owners and consuming ratepayers are essentially the same individuals because the districts are political subdivisions of county government. They have no private capital and no corporate investors who must be satisfied as to traditional profits. Their rates do not generate a return on rate base. The water districts are permitted to earn net revenues based on a debt service formula or on an operating ratio computed in accordance with a percentage of operating expenses. Lowering operating expenses means lowering rate recovery.

[7] Water lines are indivisible and not identifiable as to the source of funds used to purchase them. The elements causing depreciation indiscriminately take their toll over time on the service life of all plant facilities. The districts are responsible for making replacements and are obliged by statute to make provisions for future replacements. The purpose of depreciation expense as applied to nonprofit water districts does not relate to a recoupment of investment. The overriding statutory concept is renewal and replacement. The Commission's argument relative to recoupment of investment is without merit and unconvincing.

[8] The Commission is required by statute to treat depreciation as an operating expense to provide an adequate fund for renewals, replacement and reserves. The proper rate-making treatment for depreciation expense of contributed property is to allow depreciation on contributed plant as an operating expense. The fact that the utility did not make an investment in the plant is of no consequence in the context of publicly-owned facilities. The water district must eventually replace this plant which customers are using and the ratepayers are therefore obligated to provide funds for this replacement. The proper rate-making treatment of depreciation expense on property financed by federal grants and customer contributions is to treat the expense the same as that for noncontributed property. See City of Covington.

The Commission misinterprets and misapplies Public Service Commission v. Continental Telephone Co., Ky., 692 S.W.2d 794 (1986), which related to job development tax credit, intrastate toll revenues and return on rate base. There was no issue of depreciation expense involved in that case which can be applied here.

Chapter 74, by definition, does not apply to privately owned utilities which have investors to provide needed funds on their behalf in expectation of legitimate monetary dividends. The water districts sole concern is continuous water service to its members and consumers who are one and the same.

Board of Public Utilities Commissioners v. New York Telephone Co., supra, held that constitutional protections against confiscation does not depend on the source of money used to purchase the property. It is enough that it is used to render the service.

The propriety of permitting a reasonable depreciation deduction on property of a utility is not dependent on the source of funds for the original construction of the plant. See DuPage, supra, and Langan v. West Keansburg Water Co., 51 N.J.Super. 41, 143 A.2d 185 (1968).

Any water district will be required to replace property and plant which have be-
July 27, 2010

Gentlemen:

Hardin County Water District No. 1 is exempt from federal and state taxes because it is a special district as defined by Kentucky Revised Statute (KRS) 65.005 and was formed accordance with the procedures of KRS 65.010. All special districts are political subdivisions of the State of Kentucky, and therefore are exempt.

Sincerely,

Bradley J. Hayes, CPA
Volume IV
Attachment IV-2—Summary Labor Costs and Other Direct Expenses
<table>
<thead>
<tr>
<th>Labor Category</th>
<th>Staff</th>
<th># of Emps</th>
<th>U/M</th>
<th>Hourly Cost</th>
<th>HRS</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Manager</td>
<td>Jim Bruce</td>
<td>1</td>
<td>Hr</td>
<td>$70.55</td>
<td>138</td>
<td>$9,735.23</td>
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<td>Project Manager</td>
<td>Preston Pendley, PE</td>
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<td>Hr</td>
<td>$39.40</td>
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<td>Operations Manager</td>
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<td>Hr</td>
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<td>Water Treatment Manager</td>
<td>Jim Smith</td>
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<td>Hr</td>
<td>$93.97</td>
<td>73</td>
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<td>Hr</td>
<td>$85.48</td>
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<td>Water Distribution Supervisor</td>
<td>Richard Stranahan</td>
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<td>$35.44</td>
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<td>Maintenance Supervisor</td>
<td>John Azzura</td>
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<td>Hr</td>
<td>$72.74</td>
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<td>HCWD Board</td>
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<td>1</td>
<td>Hr</td>
<td>$411.34</td>
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<td>$1,645.36</td>
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<td>Legal</td>
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<td>Hr</td>
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<td>100</td>
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<tr>
<td>Accountant</td>
<td>Stephanie Brown</td>
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<td>Hr</td>
<td>$27.23</td>
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<tr>
<td>Safety and Security</td>
<td>David Simmons</td>
<td>1</td>
<td>Hr</td>
<td>$68.33</td>
<td>120</td>
<td>$8,199.21</td>
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<tr>
<td><strong>TOTAL LABOR (Raw + Fringe)</strong></td>
<td></td>
<td>11</td>
<td></td>
<td></td>
<td></td>
<td>$80,296.21</td>
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<tr>
<th>Fringe</th>
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<tr>
<td>HCWD1 Bene Rate for 2011</td>
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<td></td>
<td></td>
<td></td>
<td>31.0%</td>
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<tr>
<td>LWC Bene Rate for 2011</td>
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<td></td>
<td></td>
<td></td>
<td>68.5%</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
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<td></td>
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<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>U/M</th>
<th>Unit Rate</th>
<th>QTY</th>
<th>$</th>
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<tbody>
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<td>Computers</td>
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<td>$35,300.00</td>
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<td>Office Furnishings</td>
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<td>$15,300.00</td>
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<td>Equipment</td>
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<td>$70,150.00</td>
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<tr>
<td>Vehicles</td>
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<td>$159,000.00</td>
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<td>$159,000.00</td>
</tr>
<tr>
<td>Backhoe</td>
<td>Each</td>
<td>$67,500.00</td>
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<td>$67,500.00</td>
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<tr>
<td>Water Labs</td>
<td>Lot</td>
<td>$54,000.00</td>
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<td>$54,000.00</td>
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<tr>
<td>Purchase/License CMMS</td>
<td>Lot</td>
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<td>$25,000.00</td>
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<tr>
<td>Other Equipment</td>
<td>Lot</td>
<td>$21,000.00</td>
<td>1</td>
<td>$21,000.00</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
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<td>$447,250.00</td>
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<table>
<thead>
<tr>
<th>Outside Services / Subcontracts / Purchases</th>
<th>U/M</th>
<th>Unit Rate</th>
<th>QTY</th>
<th>$</th>
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</thead>
<tbody>
<tr>
<td>Transition Support - CH2M HILL</td>
<td>Lot</td>
<td>$40,000.00</td>
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<td>$40,000.00</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td>$40,000.00</td>
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<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td>$487,250.00</td>
</tr>
</tbody>
</table>

| Total Labor and Expenses                  |      |           |     | $567,546.21|
| **Subtotal**                              |      |           |     | $567,546.21|
| **Overhead and Service Center**           | 4.4%|           |     | $24,972.03|
| **Grand Total**                           |      |           |     | $592,518.24|

Use or disclosure of data contained in this sheet is subject to the restriction on the title page of this proposal.
### Base - LABOR & EXPENSES - Water Treatment (Central Only) and Distribution- Years 1 - 5

#### LABOR

<table>
<thead>
<tr>
<th>Labor Category</th>
<th># of Emps</th>
<th>U/M</th>
<th>Labor Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Manager</td>
<td>0.4 Hr</td>
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<td>874</td>
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<tr>
<td>Water Treatment Operator</td>
<td>4 Hr</td>
<td>$47.63</td>
<td>8,736</td>
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<tr>
<td>Electrician/I&amp;C</td>
<td>0.5 Hr</td>
<td>$46.54</td>
<td>1,092</td>
</tr>
<tr>
<td>Plant Mechanic</td>
<td>1 Hr</td>
<td>$46.54</td>
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</tr>
<tr>
<td>Water Distribution Supervisor</td>
<td>1 Hr</td>
<td>$35.44</td>
<td>2,184</td>
</tr>
<tr>
<td>Distribution Operator IV</td>
<td>1 Hr</td>
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</tr>
<tr>
<td>Equipment Operator</td>
<td>1 Hr</td>
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<td>Distribution Operator I</td>
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<tr>
<td>GIS Technician/Dist Op IV</td>
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</tr>
<tr>
<td>Accounting Specialist</td>
<td>1 Hr</td>
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**NA Annual** $80,841.00  | 1 | $80,841.00 |

**TOTAL LABOR (Raw + Fringe)** 12.9  | 28,070 | 1,054,992.59 |

#### EXPENSES

<table>
<thead>
<tr>
<th>Expense Description</th>
<th>U/M</th>
<th>Unit Rate</th>
<th>QTY</th>
<th>$</th>
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</thead>
<tbody>
<tr>
<td>Bulk Lime</td>
<td>Ton</td>
<td>$124.00</td>
<td>89</td>
<td>10,994.52</td>
</tr>
<tr>
<td>Carbon Dioxide</td>
<td>lb</td>
<td>$0.07</td>
<td>7,574</td>
<td>530.18</td>
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<tr>
<td>Alum</td>
<td>lb</td>
<td>$0.15</td>
<td>94,846</td>
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<tr>
<td>Fluoride</td>
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<td>Chlorine</td>
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<td>$0.50</td>
<td>9,561</td>
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<tr>
<td>Telephone</td>
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<td>$408.33</td>
<td>12</td>
<td>4,899.96</td>
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<td>Lot</td>
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<td>Lab Supplies</td>
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<td>Fuel</td>
<td>Monthly</td>
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<td>Training and Tuition</td>
<td>Month</td>
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<td>Safety Supplies</td>
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<td>Vehicle Repair and Maintenance</td>
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<td>108,499.96</td>
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<td>Twain Tank Inspection and Repair (average)</td>
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<td>Operating Supplies</td>
<td>Month</td>
<td>$2,500.00</td>
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<td>30,000.00</td>
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<td>Month</td>
<td>$37.50</td>
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**Subtotal** 230,967.91 | 230,967.91 |

#### OUTSIDE SERVICES / SUBCONTRACTS / PURCHASE

<table>
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<tr>
<th>Description</th>
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<td>PSC Regulatory Fees per SK</td>
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<tr>
<td>Insurance</td>
<td>Month</td>
</tr>
<tr>
<td>Uniforms</td>
<td>11.5 Yearly</td>
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<tr>
<td>Contract Lab Services</td>
<td>Month</td>
</tr>
<tr>
<td>Cell Phones/Pagers</td>
<td>4 Month</td>
</tr>
<tr>
<td>Outside rentals</td>
<td>Month</td>
</tr>
<tr>
<td>Sludge Hauling Disposal</td>
<td>Tons</td>
</tr>
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**Subtotal** 153,799.10 | 151,959.10 |

**TOTAL EXPENSES** 384,767.01 | 382,927.01 |

**TOTAL LABOR AND EXPENSES** 1,439,759.59 | 1,437,919.59 |
### Base - LABOR & EXPENSES - Water Treatment (Central Only) and Distribution- Years 6 - 50

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<thead>
<tr>
<th>Labor Category</th>
<th># of Emps</th>
<th>U/M</th>
<th>Labor Cost</th>
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<tbody>
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<td>Electrician/I&amp;C</td>
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<td>Plant Mechanic</td>
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<td>Water Distribution Supervisor</td>
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<td>1 Hr</td>
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<td>Equipment Operator</td>
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**HCWD1 Bene Rate for 2011** 31.0%
**LWC Bene Rate for 2011** 68.5%

### EXPENSES

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<tr>
<th>Operating Expenses</th>
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<th>Unit Rate</th>
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<td>Fluoride</td>
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<td>1,545.35</td>
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<td>Tools</td>
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<td>Safety Supplies</td>
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<td>Annual Tank Inspection and Repair (average)</td>
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<td>30,000.00</td>
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<td>CO2 Lease</td>
<td>Month</td>
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<td>12</td>
<td>450.00</td>
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<tr>
<td><strong>Subtotal</strong></td>
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<td></td>
<td></td>
<td>230,967.91</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Outside Services / Subcontracts / Purchases</th>
<th>per $K</th>
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</thead>
<tbody>
<tr>
<td>PSC Regulatory Fees</td>
<td>$1.50</td>
<td>8,500</td>
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<tr>
<td>Insurance</td>
<td>$3,710.00</td>
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<tr>
<td>Uniforms</td>
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<td>Contract Lab Services</td>
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<td>Cell Phones/Pagers</td>
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<tr>
<td>Outside rentals</td>
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<tr>
<td>Sludge Hauling Disposal</td>
<td>Tons</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL EXPENSES** 382,927.01

**TOTAL LABOR AND EXPENSES** 1,357,078.59

This page contains unprotected data and proprietary analytical methods that shall not be disclosed outside the Government and shall not be duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data and analytical methods to the extent provided in the resulting contract. This restriction does not limit the Government’s right to use information contained in this data if it is obtained from another source without restriction.

Use or disclosure of data contained in this sheet is subject to the restriction on the title page of this proposal.
Volume IV
Attachment IV-3—Recapitulation of G&A, R&R, and ISDC Costs Shown in Table IV-8
## Initial System Deficiency Corrections
### Summary Table

<table>
<thead>
<tr>
<th>ISDC No.</th>
<th>Labor and Materials</th>
<th>HCWD1 Supervision and Technical Support</th>
<th>Engineering/Inspection</th>
<th>Total</th>
<th>Quote Source</th>
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<td>Hydraulic Model</td>
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<td>$1,970</td>
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<td>20-inch Raw Valves</td>
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<td>$1,663,200</td>
<td>$249,480</td>
<td>$1,912,680</td>
<td>CH2M HILL estimate based on LWC and HCWD1 recent unit bid prices</td>
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<td>7</td>
<td>Otter Creek Pump Station</td>
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<td>$10,493</td>
<td>$115,426</td>
<td>Vendor (Archway Roofing) quote and HCWD1 estimate</td>
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<td>8</td>
<td>Muldraugh HLPS</td>
<td>$97,200</td>
<td>$9,720</td>
<td>$106,920</td>
<td>Vendor (Judy Construction) quote and HCWD1 estimate</td>
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<td>9</td>
<td>Central WTP</td>
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<td>$63,096</td>
<td>Vendor (Judy Construction) quote</td>
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<td>Central WTP Clear Well</td>
<td>$1,560,000</td>
<td>$234,000</td>
<td>$1,794,000</td>
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<td>Fire Hydrants</td>
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<td>16</td>
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<td>SCADA System</td>
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<td>Distribution System Pipe and Valves</td>
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<td>$142,716</td>
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<td>$2,981,841</td>
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<td>$24,151</td>
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<td>Distribution System Pipe and Valves</td>
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<td>24</td>
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<td>West Point Well Field</td>
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<td><strong>Total</strong></td>
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</table>

RFP NO. SP0600-08-R-0803  Page 1  5/27/2011
ISDC 1
System Survey/Assessment and Re-Map the Utility System
OBJECTIVE
Implement a fully functional Geographic Information System (GIS) of the Ft. Knox Water infrastructure. At this time all data collected, acquired and/or created will be incorporated into Hardin County Water District No. 1 (HCWD1) existing GIS, SDImaps. Full consideration will be given to the future migration to a full Enterprise GIS solution.

SCOPE OF WORK
1. Project development
   a. Determine what data is currently available on Ft. Knox and determine the current state of any existing data. The quality of this data will determine the amount of fieldwork that may be required; however, based upon the previous wastewater and stormwater project we anticipate receiving the same or similar quality data. This result would lead to a complete GPS collection of the water infrastructure.
   b. Participate in any required project meetings.

2. Develop Water dataset for Ft. Knox
   a. Provide Water dataset for use in SDImaps

3. Custom Development
   a. Existing aerial photos and topographic maps will be used and not included in this proposal.
   b. Creation of new Elevation dataset from existing Ft. Knox LIDAR data.
   c. Create Grid tool to meet J1.9.3 – E
   d. Update existing SDSFIE export utility to incorporate SDSFIE release 3.0 and allow for the exportation of all water features.

4. Data Collection and Attribution
   a. GPS Collection of all water features listed in Appendix A. The estimated number of features is 2898. The exact numbers may be adjusted if more accurate information is acquired. Attributes collected during GPS collection will be a minimum and limited to feature type, location, place details, and unique feature ID (if available).
   b. Post-Processing of all GPS data to sub-foot accuracy. Estimates are based upon the current information given above and may change if more accurate information becomes available.
c. Digitizing of all water mains. The locations of each will be based upon features collected by GPS and existing record drawings. These lines will be digitized by hand using the accompanying basemap set. It is estimated to be 171.9 miles of water main on post.

d. Digitizing of all service lines. The locations of each will be digitized by hand using the accompanying basemap set and digitized water mains. The service lines will be digitized 90° off the main and continue to the mark of demarcation as defined in J1.2.1.2 of the Potable Water Utility System Utilities Privatization – Fort Knox, Kentucky RFP. Estimates for service lines are unknown at this time; however, an estimate of 6,632 linear feet will be used. This is derived from the sum of all ¾” and 1” mains listed in Table 5 of section J1.2.1.4 of the Potable Water Utility System Utilities Privatization – Fort Knox, Kentucky RFP.

e. Coding attribute information that is gathered either in the field or from existing record drawings or other acquired information. Estimates are based upon the sum of GPS points collected in the field and the miles of main and service lines digitized.

5. Travel

a. Current estimates are 8 weeks (40 days) for GPS collection of water infrastructure. Mileage is calculated based upon roundtrips from our Louisville Kentucky office to Ft. Knox, approximately 82 miles, plus the estimated main mileage doubled. The rates charged were acquired from the U.S. General Services Administration Per Diem for the Ft. Knox area. Current rates are 58.5 cents per mile.

b. Per Diem and incidentals are based upon 2 people in the field for the entire collection time. The rates charged were acquired from the U.S. General Services Administration Per Diem for the Ft. Knox area. Current rates are $70 for lodging and $39 for meals and incidentals.
### Infrastructure to be mapped

<table>
<thead>
<tr>
<th>Feature</th>
<th>Cantonment Area</th>
<th>Range Areas</th>
<th>Totals</th>
</tr>
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<tr>
<td>Backflow Prevention Valves</td>
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<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Low Lift Pumpstation</td>
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<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Booster Pumpstation</td>
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<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Pressure Reducing Valves</td>
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<td>3</td>
</tr>
<tr>
<td>Raw Water Intakes</td>
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<td>2</td>
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<tr>
<td>High Lift Pumpstation</td>
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<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Water Treatment Plant</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Clear Wells</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Storage Tanks</td>
<td>8</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Ground Wells</td>
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<td>0</td>
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</tr>
<tr>
<td>Water Meters</td>
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<tr>
<td>Hydrants (Fire/Flush)</td>
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<td>1933</td>
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<td><strong>2860</strong></td>
<td><strong>38</strong></td>
<td><strong>2898</strong></td>
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*** 162.7 miles of main in Cantonment area  
*** 9.2 miles of main in Range area
## Proposed Budget

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<tr>
<th>Task Title</th>
<th>Price</th>
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<tr>
<td>Project Development — Includes all meetings and data inventory</td>
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<tr>
<td>Ft. Knox Water Dataset</td>
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<tr>
<td>Custom Development</td>
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<tr>
<td>GPS Data Collection and Post Processing</td>
<td>$59,600.00</td>
</tr>
<tr>
<td>Digitization and Attribution</td>
<td>$15,500.00</td>
</tr>
</tbody>
</table>

**Note:** Based upon the estimated feature count of 2,898, the estimated price per feature for GPS collection and post processing is $20.56/feature.
ISDC 2
Leak Detection Survey
ISDC #2
Leak Detection Survey

Scope: Perform leak detection at every valve and every connection to discharge headers, transmission mains and distribution lines in the Ft Knox water system. The cost estimate assumes the system would be surveyed for leaks by a LWC Leak Survey Technician over a 3 month period. The estimates also includes charges for LWC vehicle and equipment usage.

Cost Estimate:
- Labor: 520 hours at $48/hr with 67% Overhead = $41,652
- Equipment & Vehicle charges @ $40/day = $2,600

Total = $44,252
ISDC 3
Hydraulic Model
August 11, 2008

Mr. Daniel Clifford  
Hardin County Water District No. 1  
1400 Rogersville Road  
Radcliff, KY 40160

RE: Fort Knox Potable Water System Privatization  
Hydraulic Modeling Proposal

Dear Daniel,

We appreciate the opportunity to submit a proposal to develop and calibrate a hydraulic model of the Fort Knox Water System in accordance with RFP Section J1.3.14.

Please find attached our understanding of the water system, proposed scope and project approach for your review. We propose to perform the six (6) tasks as outlined in the attached scope for a lump sum fee of $19,700.

Schedule  
HDR has the available modeling resources to complete all work within 90 calendar days from Notice-to-Proceed.

Resources  
HDR resources available and ready to execute this project in a timely manner include Kevin Brian, Mike Agbodo, Eric Ivanovich, Brian Bradley and Kyle Guthrie.

If you have any questions or need additional information, please give me a call.

Sincerely,

Kevin J. Brian, PE  
Project Manager

Copy: Brett Pyles/HCWD No. 1
Water System Background

The Fort Knox water main system includes approximately 9.2 miles of raw water mains, 162.7 miles of distribution mains (containment and range areas), two high lift stations, one booster pump station, and eight elevated water storage tanks. The water mains range in size from 1" diameter to 24-inch diameter. The distribution system includes four (4) independent systems: Basham Corner supplied by MCWD; Cantonment Area; Yano Tank Range supplied by HCWD No. 2 and Zussman Urban site supplied by LWC.

Scope of Services/Project Approach

To gain a thorough understanding of this project the RFP was reviewed and discussions were conducted with District staff. The following paragraphs describe our proposed scope of services and project approach that will be employed by HDR Engineering (HDR) to develop and calibrate a computerized hydraulic model utilizing KY Pipe 2006, in accordance with RFP Section J1.3.14.

Item #1 – Conduct Kick-Off Meeting

Immediately after execution of the work order, the HDR Project Manager, Kevin Brian, will conduct a kick-off meeting with key modeling team members and Hardin County Water District No. 1 (District) management and operations staff to review project scope and schedule, establish lines of communication, obtain GIS data and facilities information, and discuss distribution system operations. Prior to this meeting, a detailed list of information (pump curves, tank and pump station as-buils, operations procedures, trend data, etc.) needed to complete the modeling activities will be sent to the District.

Item #2 – Develop Pipe Network

The modeling and system information and reports obtained at the kick-off meeting will be reviewed. The pipe network will be built from GIS data (geodatabase MDB format) of the water system provided by the District. The District will also provide a check on connectivity of pipes, valves and fire hydrants prior to providing the data. Hydraulic data of active control valves, pump stations, tanks, interconnects and other boundary facilities will be added to the model by HDR.

Item #3 – Develop and Allocate Water Demands

Consumption records are not available since Fort Knox does not have individual meters for businesses, facilities and residential areas. Average daily usage or base demands will be estimated and assigned manually to the model nodes based on zone production, hourly pumping data and residential unit counts (via polygons in the geodatabase) provided by the District. From this data HDR will estimate and allocate base demands throughout the system.
Nodes will be added at locations of large user demand. Global demand multipliers for will be incorporated to reflect non-revenue and unaccounted for water.

Once base demands have been allocated to the model the next step is to determine how demand varies according to location and time. Seasonal and diurnal variations can be expected for the Fort Knox water system. Variations in demand will be calculated and limited to operations data obtained from District staff, records and SCADA. SCADA information provided by the District includes flows, pressures, alarms, tank levels and equipment information, such as on/off status for pumps.

Item #4 – Perform Model Calibration

C-factors are friction coefficients that relate flow to head loss in each pipe element. C-factors are a very sensitive parameter in calculating flow and pressure for higher pipe velocities. HDR will identify locations throughout the distribution system to perform c-factor tests based on pipe sizes and materials and old and new pipes. The District will conduct field tests that involve measuring flow and headloss (pressure drop) between hydrants and recording boundary conditions at the time the test is performed. Information obtained from the field test will be utilized to adjust pipe c-factors and calibrate the model for a regular steady state condition.

Item #5 – Modeling Scenarios

Once the model has been developed and calibrated as described in Items #4 and #5 scenarios will be run for average day and maximum day conditions. A maximum day will be determined by a review of production/pumpage data over the last 12 months. A fire flow simulation will be performed to estimate how much water can be delivered at various hydrants throughout the distribution.

Item #6 – Technical Memorandum (TM)

HDR will prepare a TM to document the process for developing and calibrating the model. Results of modeling scenarios will be included as an appendix to the TM. A compact disc of the Pipe 2006 input and output files and a node map of the distribution system will be provided.
February 11, 2011

Mr. Daniel Clifford  
Hardin County Water District No. 1  
1400 Rogersville Road  
Radcliff, KY  40160

RE:  Fort Knox Potable Water System Privatization  
Hydraulic Modeling Proposal - Confirmation

Dear Daniel,

Please allow this letter to serve as confirmation that that HDR proposal dated August 11, 2008 is still valid.

Under available resources, we will be using Sasa Tomic for QC review. Mike Agbodo and Brian Bradley are no longer with HDR. HDR has the available resources to perform the work within 90 days of receiving the GIS information.

Please call if you have any questions. Thanks

Sincerely,

Kevin J. Brian, PE  
Project Manager
ISDC 5

20-inch Valves
## 20" Valve Replacement
### Preliminary Cost and Time Estimate
#### 02/11/11

### PIPE INSTALLATION

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<th>Size (in)</th>
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<th>Location</th>
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<th>Unit</th>
<th>Unit Price</th>
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### OTHER PIPE WORK

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### PROJECT COST DATA

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**Total Pipe Footage**

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**Total Project Cost**

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**Total Cost per Foot**

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**Total**

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ISDCs 6, 15, 20, 21, 22, 23, 24, 25

New Raw Water Lines and Distribution Mains
Scope of Work

The pipeline unit price was estimated as a weighted average price with 75% of the trenching in an area requiring sod restoration and 25% in an area requiring roadway asphalt restoration. Unit prices presumed that pipelines 4” diameter and above would be performed with open trench excavation. Minimum 3’ cover. Medium hard excavation, partial layback, backfill compacted to 95%. Trench excavated minimum 3’ width, allowing minimum 1’ each side of pipe. Pipe laid atop 6” thick select fill bedding.

Ductile Iron pipe (DIP) is based on pressure class 350 with mechanical joints. Restrainer glands will be on all MJ fittings. Fittings will be double wrapped prior thrust block placement. Excavation in asphalt includes saw cutting, loading hauling and disposal of debris. Asphalt paving restoration to match existing, including wearing course and binder course on compacted sub-grade and stone base, includes stripping.

Valves and fittings are included in the distribution piping and raw water line unit prices. Gate valves will be installed having the same diameter as the distribution pipe.
### ISDCs 6, 15, 20, 21, 22, 23
### Raw Water and Distribution Pipe

**Page 2 of 2**

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<th>ISDC</th>
<th>Pipe Dia (in)</th>
<th>Pipe Length (ft)</th>
<th>Number of valves*</th>
<th>Unit Cost ($/ft)</th>
<th>Construction Cost ($)</th>
<th>Engineering / Inspection ($)</th>
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* based on 1 valve per 251 ft
ISDC 7

Otter Creek Pump Station
## Item #7 - Otter Creek PS

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<tr>
<th>Item</th>
<th>Est Cost</th>
<th>Comments</th>
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<tr>
<td>Repair creek side erosion</td>
<td>$34,000</td>
<td>Depending on severity of erosion, solution will vary</td>
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<tr>
<td>Replace windows</td>
<td>$26,500</td>
<td>Costs are generated from recent construction costs at the District’s Pirtle Spring Water Plant renovation</td>
</tr>
<tr>
<td>Replace doors</td>
<td>$19,000</td>
<td>Costs are generated from recent construction costs at the District’s Pirtle Spring Water Plant renovation</td>
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<tr>
<td>Roof replacement</td>
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<tr>
<td>Lightning Protection</td>
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<td><strong>TOTAL:</strong></td>
<td>$104,933</td>
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</table>
To: Richard Stranahan  
From: Tim Shomesky

Fax: (270) 332-3055  
Pages: 1

Phone:  
Date: 8/27/2008

Rec: Roof quotes  
CC:

☐ Urgent  ☑ For Review  ☐ Please Comment  ☐ Please Reply  ☐ Please Recycle

Comments:

Attention: Richard - here are the numbers. I will write up a formal proposal to outline what we are doing and fax it to you later.

Otter Creek Pump House: $22,033.00 (remove slate roof and haul away and install pre-finished 24-gauge standing seam metal roof)
ISDC 8

Muldraugh High Lift Pump Station
## Item #8 – Muldraugh HL PS

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<td>Replace Windows</td>
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<td>Replace Doors</td>
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<td>Hazardous Materials</td>
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May 20, 2011

Hardin County Water District # 1
1400 Rogersville Road
Radcliff, KY 40160
Attn: Mr. Bret Pyles
Operations Manager

Ref: Muldraugh HLP Filtration Bldg
Roofing Replacement – Revised

Dear Mr. Pyles,

We are pleased to submit an estimated cost for the roof replacement at the Muldraugh Filtration Building. Our pricing is based upon the reduced copy of the November 19, 1935 drawing 6393-525 from the Office of the Quartermaster General noted as Fort Knox – Kentucky Filtration Plant.

Since the above is the only information available, we have had to make some assumptions. In our pricing we assume the following:

- Removal of the existing roofing materials to be done by industry standards (Not Corps of Engineers standard)
- Removal and disposal into standard dumpsters; no hazardous materials handling is included
- No asbestos or lead paint disposal is included
- Corps of Engineers’ specifications and/or inspections not included
- Price good for 30 days only
- Price is based upon listed materials; if a different roof system or materials are desired, pricing may need to be adjusted
- Prevailing wage rates are not included

Scope of work:

1. Tear off the present roof down to the existing light weight insulation concrete deck and haul same from premises.
2. Nail 1 ply of PP28.
3. Install ½” wood fiber and fully adhered 045 EPDM.
4. Install composition SBS base flashing to the walls and curbs.
5. Install new roof drain leads.
6. Install new aluminum coping cap.
7. Embed the gravel surface in a pouring of hot steep asphalt.
8. Re-work/replace the metal counterflashing where the lower roof butts the upper.
The lump sum price for the new roof is $31,200.00.

Please review and let us know if you have any questions.

Sincerely,

Judy Construction Company

Kista Thomas

Attachment

cc: File
    Dale Wilson

KT/lj
ISDC 9

Central Water Treatment Plant
<table>
<thead>
<tr>
<th>Item</th>
<th>Units</th>
<th>Unit Cost</th>
<th>Total</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roof Replacement</td>
<td>1</td>
<td>$43,800</td>
<td>$43,800</td>
<td>Quote from contractor</td>
</tr>
<tr>
<td>Hazardous Materials</td>
<td>1</td>
<td>$13,560</td>
<td>$13,560</td>
<td>Project allowance for asbestos and lead-based paint testing and abatement</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td></td>
<td></td>
<td><strong>$57,360</strong></td>
<td></td>
</tr>
</tbody>
</table>
May 20, 2011

Hardin County Water District # 1
1400 Rogersville Road
Radcliff, KY 40160
Attn: Mr. Bret Pyles
Operations Manager

Ref: Ft. Knox Filtration Plant
Roofing Replacement – Revised

Dear Mr. Pyles,

We are pleased to submit an estimated cost for the roof replacement at the Ft. Knox Filtration Building. Our pricing is based upon the reduced copy of the November 19, 1935 drawing 6393-525 from the Office of the Quartermaster General noted as Fort Knox – Kentucky Filtration Plant.

Since the above is the only information available, we have had to make some assumptions. In our pricing we assume the following:

- Removal of the existing roofing materials to be done by industry standards (Not Corps of Engineers standard)
- Removal and disposal into standard dumpsters; no hazardous materials handling is included
- No asbestos or lead paint disposal is included
- Corps of Engineers’ specifications and/or inspections not included
- Price good for 30 days only
- Price is based upon listed materials; if a different roof system or materials are desired, pricing may need to be adjusted
- Prevailing wage rates are not included

Scope of work:

1. Tear off the present roof down to the existing light weight insulation concrete deck and haul same from premises.
2. Nail 1 ply of PP28.
3. Install ½” wood fiber and fully adhered 045 EPDM.
4. Install composition SBS base flashing to the walls and curbs.
5. Install new roof drain leads.
6. Install new aluminum coping cap.
7. Embed the gravel surface in a pouring of hot steep asphalt.
8. Re-work/replace the metal counterflashing where the lower roof butts the upper.
The lump sum price for the new roof is $43,800.00.

Please review and let us know if you have any questions.

Sincerely,

Judy Construction Company

Kista Thomas

Attachment

cc: File
Dale Wilson

KT/lj
ISDC 10

Central Water Treatment Plant Clearwell
February 11, 2011
Brett Pyles
Hardin County Water District No.1
1400 Rogersville Road
Radcliff, KY 40160

RE: Central Water Treatment Plant – Clearwell No.2

Mr. Pyles,

Please find below the estimated costs to make the necessary repairs to the tanks at the Ft. Knox water system. Please note that these are estimates based on similar projects that my company has provided inspection services for. These estimates were originally generated in July of 2008 and were revised in February, 2011.

Please let me know if you have any questions.

Sincerely,

Mike Topp
Horizon QC

Central WTP – Clearwell No.2

<table>
<thead>
<tr>
<th>Quan</th>
<th>Item</th>
<th>Unit Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>LS Removal of existing roof</td>
<td>$125,000</td>
<td>$125,000</td>
</tr>
<tr>
<td>1</td>
<td>LS Installation of Geo-dome Roof</td>
<td>$1,265,000</td>
<td>$1,265,000</td>
</tr>
<tr>
<td>1</td>
<td>LS Installation of interior liner system on sidewalls and floor</td>
<td>$145,000</td>
<td>$145,000</td>
</tr>
<tr>
<td>1</td>
<td>LS Replacement of existing vents</td>
<td>$25,000</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

Grand Total: $1,560,000
ISDC 11

Fire Hydrants
Preliminary Fire Hydrant Cost Estimate

Date Estimate Prepared: 02/28/11
Purpose of Estimate: Preliminary
Estimate Prepared By: AFW

A. Replace Fire Hydrant Utilizing Existing Tee

Material Cost

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2&quot; Polytape</td>
<td>2</td>
<td>ea</td>
<td>4.50</td>
<td>9.00</td>
</tr>
<tr>
<td>20&quot; Polywrap : for 4&quot;, 6&quot;, &amp; 8&quot; pipe</td>
<td>30</td>
<td>lf</td>
<td>0.15</td>
<td>4.50</td>
</tr>
<tr>
<td>4&quot; 6&quot; long, Double Pumper Fire Hydrant</td>
<td>1</td>
<td>ea</td>
<td>740.00</td>
<td>740.00</td>
</tr>
<tr>
<td>6&quot; Gate Valve MJ</td>
<td>1</td>
<td>ea</td>
<td>295.00</td>
<td>295.00</td>
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<tr>
<td>6&quot; Gland, Gripper MJ &amp; PVC</td>
<td>4</td>
<td>ea</td>
<td>19.50</td>
<td>78.00</td>
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<tr>
<td>6&quot; Pipe, Ductile Iron</td>
<td>10</td>
<td>lf</td>
<td>10.50</td>
<td>105.00</td>
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<tr>
<td>7&quot; Keytube Pipe (Plastic)</td>
<td>5</td>
<td>lf</td>
<td>1.90</td>
<td>9.50</td>
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<tr>
<td>All Concrete Block</td>
<td>8</td>
<td>ea</td>
<td>1.50</td>
<td>12.00</td>
</tr>
<tr>
<td>Valve Box &amp; Lid</td>
<td>1</td>
<td>ea</td>
<td>31.50</td>
<td>31.50</td>
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<tr>
<td>Miscellaneous Items</td>
<td>1</td>
<td>job</td>
<td>50.00</td>
<td>50.00</td>
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</tbody>
</table>

Material Sub-total $1,335
Sales Tax (6.0%) $80
Material Estimate $1,415

Contract Labor

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relocate Fire Hydrant</td>
<td>1</td>
<td>ls</td>
<td>1250.00</td>
<td>1,500</td>
</tr>
</tbody>
</table>

Contract Labor Estimate $1,500

COST SUMMARY

Material Estimate $1,415
Contract Labor Estimate $1,500
Project Estimate Total $2,915

Quantity $600
Total $1,749,000

Andrew F. Williams, P.E.
Project Engineer, Capital Planning & Hydraulics
Louisville Water Company
502.569.3600 x2219 Fax: 502.569.3691
ISDCs 13, 16, 17, 18, 24, 25, 26

Water Storage Tank Nos. 1, 2, 4, 5, 6, 8, 7
| ISDC# | Tank No | Location       | Size (kgs) | Year Built | Last Built/Upgrade | HCWD1     | Proposed Work | Coating System | End Year | $ Labor | $ Insp | $Mtls | $CathProt | $Alt Valve | $Total  |
|-------|---------|----------------|------------|------------|-------------------|-----------|---------------|----------------|----------|---------|-------|------|---------|------------|--------|-------|
| 24    | 1       | Educ Ctr 1     | 250        | 1935       | 2004              | M, O, I   | A, E, U       | 3              | $12,938  | $3,600  | $4,313 | $0    | $0      | $20,850    |        |
| 25    | 2       | Educ Ctr 2     | 500        | 1937       | 2004              | M, O, I   | A, E, U       | 3              | $12,938  | $3,600  | $4,313 | $0    | $0      | $20,850    |        |
| 26    | 4       | Brave Rifles   | 500        | 1941       | 2002              | A, O, I   | A, E, U       | 3              | $25,875  | $4,500  | $8,625 | $0    | $0      | $39,000    |        |
| 13    | 5       | Van Voorhis    | 300        | 1958       | 1994              | A, S, I, F, N, R, C | E, U | 1              | $237,190 | $15,000 | $80,000 | $30,000 | $13,400 | $375,590   |        |
| 16    | 6       | Frazier/Wilson | 500        | 1995       | 1995              | A, S, I, F, N, R, C | E, U | 2              | $210,000 | $15,000 | $70,000 | $30,000 | $13,400 | $338,400   |        |
| 18    | 7       | FKHS           | 500        | 1997       | 1997              | M, I, N, R | E, U | 3              | $90,000  | $7,500  | $30,000 | $30,000 | $13,400 | $170,900   |        |
| 17    | 8       | Prichard       | 500        | 1997       | 1997              | M, I, N, R, C | E, U | 2              | $210,000 | $15,000 | $70,000 | $30,000 | $13,400 | $338,400   |        |

Col G Key:  
M - Minor Rprs  
O - Overcoat  
S - Sanblast  
I - Interior  
A - major Rprs  
F - Full re-coat  
N - aNodes repl  
R - Rectifier repl  
P - Piping repl  
C - Containment  

Col H Key:  
A - Acrylic  
E - Epoxy  
U - Urethane
February 15, 2011

Mr. Brett Pyles  
Operations Manager  
Hardin County Water District No. 1  
1400 Rogersville Road  
Radcliff, Kentucky 40160

Re: Automatic Transfer Switch Costs

Dear Brett,

Pursuant to your email, I have generated the following cost estimates for furnishing and installing automatic transfer switches at three of your facilities. These costs use horsepower data presented in your email plus an assumed nominal amount of miscellaneous load. Each of these transfer switches are service-rated in stand alone outdoor enclosures with drawout normal and emergency switches for servicing one while the other remains in service.

Facility a  
480V/1200A ATS: $25,000  
Installation: $40,000  
Start up: $2,500  
Total: $67,500

Facility b  
480V/1600A ATS: $30,000  
Installation: $45,000  
Start up: $2,500  
Total: $77,500

Facility c  
480V/1200A ATS: $25,000  
Installation: $40,000  
Start up: $2,500  
Total: $67,500

Please let me know if you have any questions.

Sincerely,

Darryl W. Evans, P.E.

cc: Kevin Brian/HDR, P.E.

M:\Proposals\HCWD No. 1\Auto Transfer Switch Costs.doc

HDR Engineering, Inc.
ISDC 19

SCADA System
## Item #19 – SCADA System

<table>
<thead>
<tr>
<th>Item</th>
<th>Est Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractor</td>
<td>$244,903</td>
<td>Includes engineering, installation and material</td>
</tr>
<tr>
<td>District labor, G&amp;A</td>
<td>$85,097</td>
<td>Includes District labor, G&amp;A, oversight</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$330,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
Sewell Industrial Electronics, Inc.
"Quality at a fair price since 1975"
5851 Fern Valley Road Louisville, KY 40228
Phone: 502-968-3825  Fax: 502-968-1002

February 16, 2011

Curt Pickerell
Hardin County Water District #1
1400 Rogersville Road
Radcliff, KY 40160

Curt:

Please see the information below regarding Budgetary Pricing for Fort Knox Water Plant SCADA System.

**ESTIMATE: PUMP STATIONS AND TANKS**

<table>
<thead>
<tr>
<th>Material</th>
<th>ea</th>
<th>unit</th>
<th>cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>ControlView32-5000 tag, Dev., Linx, 1-R.T.</td>
<td>12</td>
<td>3,200</td>
<td>36,400</td>
</tr>
<tr>
<td>Fabrication</td>
<td>12</td>
<td>1400</td>
<td>16,800</td>
</tr>
<tr>
<td>ControlView32-5000 tag, Linx, 1-R.T.</td>
<td></td>
<td></td>
<td>4,715</td>
</tr>
<tr>
<td>RSLogix-500</td>
<td></td>
<td></td>
<td>1,200</td>
</tr>
<tr>
<td>Computers / Monitors?????</td>
<td></td>
<td></td>
<td>5,000</td>
</tr>
<tr>
<td>Tank telemetry equipment</td>
<td>8</td>
<td>12,128.46</td>
<td>97,028</td>
</tr>
<tr>
<td>Pump station telemetry equipment</td>
<td>3</td>
<td>6,060</td>
<td>18,180</td>
</tr>
<tr>
<td>Water plant telemetry equipment</td>
<td>1</td>
<td>6,060</td>
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</tbody>
</table>

**Engineering** (incl. Dwgs)

<table>
<thead>
<tr>
<th>Hrs</th>
<th>Programming</th>
<th>HMI Screen programming</th>
<th>Shop Test</th>
<th>Install</th>
<th>Startup</th>
<th>T &amp; V</th>
<th>Training</th>
<th>On-Site Assistance and Remote Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hrs</td>
<td>Hrs</td>
<td>Hrs</td>
<td>Hrs</td>
<td>Hrs</td>
<td>Hrs</td>
<td>Hrs</td>
<td>Hrs</td>
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<td>-------</td>
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<td>---------</td>
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<tr>
<td>88</td>
<td>80</td>
<td>120</td>
<td>30</td>
<td>24</td>
<td>24</td>
<td>16</td>
<td>24</td>
<td>80</td>
</tr>
</tbody>
</table>

Grand Total for Remote Sites as listed = 244,903

Thank you for this opportunity,

Allan Sewell
Sewell Industrial Electronics, Inc.
ISDC 27

West Point Well Field
May 16, 2011

Mr. Brett Pyles
Hardin County Water District No.1
1400 Rogersville Road
Radcliff, KY 40160

RE: Ft.Knox Well Platforms

Mr. Pyles,

Please find below the estimated costs to make the necessary repairs to the well field platforms in the Ft. Knox well fields near West Point, KY. Please note that these are estimates based on similar projects that my company has provided coating inspection services for. These estimates were originally generated in July of 2008 and to the best of my knowledge, should still be accurate estimates.

Please let me know if you have any questions.

Sincerely,

Mike Topp
Horizon QC

- Well Platforms (13)

Repairs: Surface Preparation – SSPC SP 3 Power Tool Cleaning on all corrosion spots.
Spot prime epoxy mastic 4.0 – 6.0 mils dft.
Finish coating UV compatible coating 3.0–4.0 mils dft.

Cost: $4,200 x 13 = 54,600.00
ISDC 28

Van Voohis Pump Station
February 11, 2011

Mr. Brett Pyles
Hardin County Water District No.1
1400 Rogersville Road
Radcliff, KY 40160

RE: Van Voorhis Pump House

Mr. Pyles,

Please find below the estimated costs to make the necessary repairs to the Van Voorhis Pump House in the Ft. Knox water system. Please note that these are estimates based on similar projects that my company has provided coating inspection services for. These estimates were originally generated in July of 2008 and to the best of my knowledge, should still be accurate estimates.

Please let me know if you have any questions.

Sincerely,

Mike Topp
Horizon QC

---

- **Van Voorhis Pump House**

Repairs: Surface Preparation – SSPC SP 3 Power Tool Cleaning on all corrosion spots.
Spot prime epoxy mastic 4.0 – 6.0 mils dft.
Finish coating - compatible coating 3.0–4.0 mils dft.

Cost: $7,500.00
ISDC 29

Decommission Muldraugh Water Treatment Plant
General Project Description

The client for this project is Fort Knox. The location of the project is in Muldraugh, KY. The project will include demolition of an existing treatment plant on the Fort Knox Military Reserve. Demolition will include two buildings which house equipment for the treatment facility, one garage, one clarifier tank, one sludge holding tank, two settling tanks, dirt to back fill the facility sites, and ground restoration of the existing facilities.

Scope of Work

The scope includes:

<table>
<thead>
<tr>
<th>Item</th>
<th>Length (ft)</th>
<th>Width (ft)</th>
<th>Diameter (ft)</th>
<th>Volume (yd³)</th>
<th>Unit Cost</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarifier Tank</td>
<td></td>
<td></td>
<td>50</td>
<td>300</td>
<td>$60.00</td>
<td>$18,000</td>
</tr>
<tr>
<td>Sludge Holding Tank</td>
<td>40</td>
<td>40</td>
<td></td>
<td>200</td>
<td>$60.00</td>
<td>$12,000</td>
</tr>
<tr>
<td>Garage</td>
<td>60</td>
<td>30</td>
<td></td>
<td>300</td>
<td>$30.00</td>
<td>$9,000</td>
</tr>
<tr>
<td>Settling Tank</td>
<td>60</td>
<td>50</td>
<td></td>
<td>400</td>
<td>$60.00</td>
<td>$24,000</td>
</tr>
<tr>
<td>Building (Above Grade)</td>
<td>160</td>
<td>35</td>
<td></td>
<td>1400</td>
<td>$30.00</td>
<td>$42,000</td>
</tr>
<tr>
<td>Building (Basement)</td>
<td>80</td>
<td>40</td>
<td></td>
<td>800</td>
<td>$30.00</td>
<td>$24,000</td>
</tr>
<tr>
<td>Building (Basement)</td>
<td>80</td>
<td>40</td>
<td></td>
<td>400</td>
<td>$60.00</td>
<td>$24,000</td>
</tr>
<tr>
<td>Building (Basement)</td>
<td>100</td>
<td>60</td>
<td></td>
<td>700</td>
<td>$60.00</td>
<td>$42,000</td>
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<tr>
<td>Settling Tank</td>
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<td></td>
<td></td>
<td></td>
<td>$0.20</td>
<td>$5,000</td>
</tr>
<tr>
<td>Fine Grade &amp; Seed</td>
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<td></td>
<td></td>
<td></td>
<td>$0.20</td>
<td>$5,000</td>
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<tr>
<td>Asbestos testing and abatement</td>
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<td></td>
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<td></td>
<td></td>
<td>$25,000</td>
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<tr>
<td>Lead Testing and Abatement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$30,000</td>
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<tr>
<td>Fill Material</td>
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<td></td>
<td></td>
<td>3000</td>
<td>$25.00</td>
<td>$75,000</td>
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<tr>
<td>Total Hauling</td>
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<td></td>
<td></td>
<td>5200</td>
<td>$10.00</td>
<td>$52,000</td>
</tr>
</tbody>
</table>

| Subtotal                            |             |            |               |              |           | $424,000|
| Engineer/Admin/Inspection           |             |            |               |              |           | $63,600 |
| Total                               |             |            |               |              |           | $487,600|
ISDCs 30, 31, 32, 33, 34

Muldraugh Water Treatment Plant Operation

Years 1 - 5
<table>
<thead>
<tr>
<th>Labor Category</th>
<th># of Emps</th>
<th>U/M</th>
<th>Labor Rate</th>
<th>Year 1 HRS</th>
<th>Year 1 $</th>
<th>Year 2-5 HRS</th>
<th>Year 2-5 $</th>
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</thead>
<tbody>
<tr>
<td>Water Treatment Operator</td>
<td>4</td>
<td>Hr</td>
<td>$47.63</td>
<td>8,736</td>
<td>416,138.92</td>
<td>8,736</td>
<td>416,138.92</td>
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<tr>
<td>Electrician/I&amp;C</td>
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<td>Hr</td>
<td>$46.54</td>
<td>1,092</td>
<td>50,821.35</td>
<td>1,092</td>
<td>50,821.35</td>
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<tr>
<td>Plant Mechanic</td>
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<td>Hr</td>
<td>$46.54</td>
<td>2,184</td>
<td>101,642.70</td>
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<td>101,642.70</td>
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<tr>
<td>TOTAL RAW LABOR (Raw + Fringe)</td>
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<td></td>
<td>12,012</td>
<td>568,602.98</td>
<td>12,012</td>
<td>568,602.98</td>
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<table>
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<tr>
<th>EXPENSES</th>
<th>U/M</th>
<th>Unit Rate</th>
<th>QTY</th>
<th>$</th>
<th>QTY</th>
<th>$</th>
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<tbody>
<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulk Lime</td>
<td>Ton</td>
<td>$124.00</td>
<td>456</td>
<td>56,544.00</td>
<td>456</td>
<td>56,544.00</td>
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<tr>
<td>Carbon Dioxide</td>
<td>lb</td>
<td>$0.07</td>
<td>374,746</td>
<td>26,232.22</td>
<td>374,746</td>
<td>26,232.22</td>
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<tr>
<td>Alum</td>
<td>lb</td>
<td>$0.15</td>
<td>287,474</td>
<td>43,121.10</td>
<td>287,474</td>
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<td>6,611.64</td>
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<td>6,611.64</td>
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<td>Chlorine</td>
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<td>$0.50</td>
<td>30,912</td>
<td>15,456.00</td>
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<td>Telephone</td>
<td>Month</td>
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<td>12</td>
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<td></td>
</tr>
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<td>OUTSIDE SERVICES / SUBCONTRACTS / PURCHASES</td>
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<td></td>
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<td>Uniforms</td>
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<td>12</td>
<td>600.00</td>
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<td>4,318</td>
<td>$151,130.00</td>
<td>4,318</td>
<td>151,130.00</td>
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<td></td>
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<td>TOTAL LABOR AND EXPENSES</td>
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<td></td>
<td></td>
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This page contains unprotected data and proprietary analytical methods that shall not be disclosed outside the Government and shall not be duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data and analytical methods to the extent provided in the resulting contract. This restriction does not limit the Government’s right to use information contained in this data if it is obtained from another source without restriction.
Volume IV
Attachment IV-4—G&A Cost Estimates
Attachment IV-4

Recapitulation of G&A, R&R, and ISDC Costs Shown in Table IV-8
G&A
Included in
Year O&M + Trans
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R&Rs
Including
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ISDCs

G&A

Excluding
G&A

Including
G&A

G&A

Excluding
G&A

Total
G&A

56,497
55,524
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Volume IV
Attachment IV-5—Basis of Estimate
Fort Knox Potable Water Utility System
Hardin County Water District No. 1
Fort Knox, Kentucky
BASIS OF ESTIMATE

Project Number: 398340
Project Name: Fort Knox Potable Water Utility System
Class Estimate: Class 5
Requested By: Dave Hackworth/LOU
Estimated By: Jay Bilmon/WPB
Estimator Phone: 561-940-7586
Estimate Date: July 31, 2010
CCI Index: 8864.72 (July 2010)
Material Index: 2719.55 (July 2010)

Jay Bilmon/WPB
ESTIMATOR
Purpose of Estimate

The purpose of this Engineer’s Estimate is for valuation of existing potable water facilities as listed in Request for Proposal (RFP) SP0600-08-0803 solicitation (Attachment J1).

General Project Description

Hardin County Water District No.1 (HCWD1) offers to purchase the Fort Knox potable water systems based on a development of Replacement Cost New Less Depreciation (RCNLD). This is consistent with utility rate making practice in North America where utility “rate base” is based on book value of utility assets that are “used and useful”. RCNLD is a surrogate for book value and is proposed because Fort Knox does not maintain an accounting record of the book value of its utility systems. The RCNLD valuation is based on:

- The system inventory data provided in the solicitation (J1).
- Data available on the installation date of system components identified solicitation (Attachment J1).
- Our estimate of the cost to replace each component in current year dollars.
- An estimate of the percentage depreciation of each system component based on its age and average useful life.
- Cost recovery of the purchase price payment will occur as a component of the general monthly service fee for O&M. As the Fort Knox potable water systems serve only Fort Knox, the facilities have no inherent value other than to provide service to the Government.

Estimate Classification

This cost estimate prepared is considered a conceptual level or class 5 estimate as defined by the American Association of Cost Engineering (AACE). It is considered accurate to +50% to −30%, based upon available system data.

The cost estimates shown have been prepared for guidance in project evaluation and implementation from the information available at the time of the estimate. The final cost of the project will depend upon the actual labor and material costs, competitive market conditions, final project costs, implementation schedule and other variable factors. As a result, the final project costs will vary from the estimates presented herein. Because of this, project feasibility and funding needs must be carefully reviewed prior to making specific financial decisions to help ensure proper project evaluation and adequate funding. Our estimate is based on material, equipment, and labor pricing as of July 2010.

Cost Resources

The following is a list of the various cost resources used in the development of the cost estimate.

- Louisville Water Company Historical Data
• Hardin County Water District No. 1 Historical Data
• CH2M HILL Historical Data
• R.S. Means 2010
• Parametric Modeling
• Vendor Quotes on Equipment and Materials where appropriate.

Labor unit prices reflect a burdened rate, including: workers compensation, unemployment taxes, Fringe Benefits, and medical insurance.

**Estimate Methodology**

The purchase price estimate for the Fort Knox potable water systems is based on a development of the Replacement Cost New Less Depreciation (RCNLD). This is consistent with utility rate making practice in North America where utility “rate base” is based on book value of utility assets that are “used and useful.” The development of the estimate for existing potable water facilities is based on the following:

- Costs for replacement of each component are in current dollars and update to current materials as necessary.
- An estimate of the percentage depreciation of each system component is based on its age and average useful life.
- The RCNLD valuation is based on the inventory data provided in the solicitation (Attachment J1). The valuations are as accurate and complete as the information provided.
- The estimate includes allowance costs and dollars per unit cost for certain components of the estimate. Pricing is fully loaded contractor rates for labor, materials, and systems in place and ready for use to reflect local area conditions. The fully loaded rate includes contractor overhead and profit and sales tax for contractor purchased materials and supplies.

**Replacement Cost New (RCN)**

The RCN value of the system was estimated by multiplying the current installed unit costs for a given inventory component times the number of those units included in the inventory. These RCN unit costs were estimated primarily from the following sources:

- Louisville Water Company engineering databases. This data was developed from actual bid prices on pipeline construction projects in an urban water system dating January 2009 to the present.
- Hardin County Water District No. 1 engineering databases, including data developed from the 2008 reconstruction of the Pirtle Spring Water Treatment Plant.
- CH2MILL engineering databases. This data was developed from experience on similar projects in similar conditions.
- Unit costs in cases where existing materials are no longer permitted to be installed, the corresponding permitted material option was assigned to replace the existing. For instance, cast iron pipe would be replaced with ductile iron and PVC pipe would be replaced with PVC DR-18.
• Unit costs were then multiplied by percentages to account for associated engineering and construction management costs associated with the installment of the inventory components. These percentages are current industry standards.

• Limited application of adjustment factors reflecting site-specific conditions. For ease, speed, and consistency, the estimating process was reduced to an approach that assumed all facilities have much in common, and took into account only limited site-specific features. The estimates are therefore generic and subject to refinement at a later date. Unit prices account for materials sales tax, security badge issuance and security related access delays.

**Raw water sources**
McCracken Spring Intake based on approximately 6’ x 6’ concrete and galvanized steel intake structure performed when area is drained to permit work in relatively dry strata conditions.

**Central Water Treatment Plant**
The elements to the Central WTP unit prices were estimated parametrically based on the number of gallons. The pumps and controls similarly were estimated parametrically based on the horsepower of the pump. Generators were priced on historical costs of generator installations of similar capacity.

**Water distribution**
The pipeline unit price was estimated as a weighted average price with 75% of the trenching in an area requiring sod restoration and 25% in an area requiring roadway asphalt restoration. Unit prices presumed that pipelines 4” diameter and above would be performed with open trench excavation. Minimum 3’ cover. Medium hard excavation, partial layback, backfill compacted to 95%. Trench excavated minimum 3’ width, allowing minimum 1’ each side of pipe. Pipe laid atop 6”thick select fill bedding. Ductile Iron pipe (DIP) is based on pressure class 350 with mechanical joints. Restrainer glands will be on all MJ fittings. Fittings will be double wrapped prior thrust block placement. Valves and fittings are included in the distribution piping and raw water line unit prices. Excavation in asphalt includes saw cutting, loading hauling and disposal of debris. Asphalt paving restoration to match existing, including wearing course and binder course on compacted sub-grade and stone base, includes stripping.

**Elevated Storage Tanks**
Elevated storage tanks unit prices were estimated parametrically based on a steel structure and the capacity in gallons. Price includes foundation, piping, valves, floor drain, cathodic protection, climbing equipment and railings, painting, flushing/disinfection and connection to existing system. Tank rehabilitation noted in the ISDC is based upon contractor supplied quote issued in 2008 and escalated to today’s dollar.

**Fire Hydrants**
Fire hydrants are based on actual costs and include hydrant and concrete pad, 6” diameter riser line, 90deg. elbow fitting, 6”lateral line, 6” gate valve and valve box and T- fitting at water main.
Cost Methodology

All initial capital upgrade and R&R projects include feasibility studies, engineering, design, permitting and construction. The estimates for construction costs for these improvements were prepared by use of the following general methods:

- Comparison with bid tabulations from recent similar projects in the Kentucky area available in Louisville Water Company, Hardin County Water District No. 1 and CH2M HILL databases.
- Review of the solicitation (Attachment J1) for the RFP.

Labor Costs and Unit Costs

The estimates are based on actual labor rates and bid prices from local, similar projects.

Escalation Rate

Escalation was not factored in the estimate.

Allowance Costs

Engineering, design and SDC estimated at 15% of total construction cost.

Major Assumptions

Hardin County Water District No. 1 price proposal uses information earned through years of work in the Kentucky area, performing services specifically applicable to those contained in the Government’s solicitation. As such, we have been able to minimize the assumptions used in our pricing, and have ensured that the assumptions we did use are the most reasonable for the environment and conditions expected at the Fort Knox post. The assumptions reflect the unknowns in developing the price and will be investigated during a period of due diligence.

The estimate is based on the assumption the work will be done on a competitive bid or design build basis and the contractor will have a reasonable amount of time to complete the work. All contractors are equal, with a reasonable project schedule, no overtime, constructed as under a single contract, no liquidated damages.

Excluded Costs

The cost estimate excludes the following costs:

- Non-construction or soft costs for land or legal costs.
- Electricity, energy or other utility requirements
Ms. Mattox;

Attached please find our initial questions and data request. We hope this format is suitable. If not, please let me know and we can put into a different format. I have attached both a PDF file and a Word file.

We assume these will be answered in a future Amendment issued to all interested parties.

Also, we would like to arrange one more site visit at Ft. Knox. The dates we are interested in are August 11 or 15. Do not anticipate will take more than an hour.

Please let me know if you need more information or clarification.

Sincerely,

Mr Jim Bruce
General Manager
Hardin County Water District No. 1
Phone: 270-351-3222, ext 208
Ms. Mattox or Mr. Koessel;

Attached please find our initial questions and data request. We hope this format is suitable. If not, please let me know and we can put into a different format. I have attached both a PDF file and a Word file.

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Please let me know if you need more information or clarification.

Sincerely,

Mr Jim Bruce
General Manager
Hardin County Water District No. 1
Phone: 270-351-3222, ext 208
Mr. Bruce,

DESC has sent a copy of your questions out for a response. You will be able to review the answers once we get them back and post them to our website. I will also send an email to the installation requesting a site-visit. Please let me know if you need anymore information. Thank you for your help in this matter.

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, July 31, 2008 6:29 PM
To: angela.e.mattox@dla.mil; Koessel, Brian (DESC); Plater, Lottie (DESC)
Subject: Initial Questions / Data Request - SP0600-08-R-0803 / Site Visit Request

Ms. Mattox or Mr. Koessel;

Attached please find our initial questions and data request. We hope this format is suitable. If not, please let me know and we can put into a different format. I have attached both a PDF file and a Word file.

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Please let me know if you need more information or clarification.

Sincerely,

Mr Jim Bruce
General Manager
Hardin County Water District No. 1
Phone: 270-351-3222, ext 208
Ms. Plater;

Thank you for your quick response. We look forward to reviewing the answers, and hearing back on the site visit. It was also nice meeting you at the pre-proposal meeting last week.

Jim Bruce
General Manager, HCWD1

-----Original Message-----
From: Plater, Lottie (DESC) [mailto:Lottie.Plater@dla.mil]
Sent: Friday, August 01, 2008 10:10 AM
To: Jim Bruce
Cc: Mattox, Angela E. (DESC); Koessel, Brian (DESC)
Subject: RE: Initial Questions / Data Request - SP0600-08-R-0803 / Site Visit Request

Mr. Bruce,

DESC has sent a copy of your questions out for a response. You will be able to review the answers once we get them back and post them to our website. I will also send an email to the installation requesting a site-visit. Please let me know if you need anymore information. Thank you for your help in this matter.

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From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, July 31, 2008 6:29 PM
To: angela.e.mattox@dla.mil; Koessel, Brian (DESC); Plater, Lottie (DESC)
Subject: Initial Questions / Data Request - SP0600-08-R-0803 / Site Visit Request

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Sincerely,

Mr Jim Bruce
General Manager
Hardin County Water District No. 1
Jim

Fort Knox has agreed to your request for a site visit on August 15th. Bob Ender (502.624.5252) will be your POC. He would like to begin at 0800 at Building 1205. They are also working hard to track down answers to the questions you submitted, and hope to provide a response sometime next week.

Regards,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlamil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, July 31, 2008 6:29 PM
To: angela.e.mattox@dlamil; Koessel, Brian (DESC); Plater, Lottie (DESC)
Subject: Initial Questions / Data Request - SP0600-08-R-0803 / Site Visit Request

Ms. Mattox or Mr. Koessel;

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Please let me know if you need more information or clarification.

Sincerely,

Mr Jim Bruce
General Manager
Hardin County Water District No. 1
Phone: 270-351-3222, ext 208
We will pass this on to Mike Topp as well. If you want to attend, please note time and date visit will begin.

Thanks

Jim Bruce

-----Original Message-----
From: Koessel, Brian (DESC) [mailto:Brian.Koessel@dla.mil]
Sent: Friday, August 08, 2008 8:46 AM
To: Jim Bruce
Cc: Mattox, Angela E. (DESC)
Subject: RE: Initial Questions / Data Request - SP0600-08-R-0803 / Site Visit Request

Jim,

Fort Knox has agreed to your request for a site visit on August 15th.
Bob Ender (502.624.5252) will be your POC. He would like to begin at 0800 at Building 1205. They are also working hard to track down answers to the questions you submitted, and hope to provide a response sometime next week.

Regards,

Brian J. Koessel
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Please let me know if you need more information or clarification.

Sincerely,

Mr Jim Bruce
General Manager
Hardin County Water District No. 1
Phone: 270-351-3222, ext 208
Mr. Koessel;

We have confirmed with Mr. Ender the site visit, and the time. We anticipate we will have 5 to 7 people there. Thank you for coordinating this with us.

Thanks

Jim Bruce

-----Original Message-----
From: Koessel, Brian (DESC) [mailto:Brian.Koessel@dla.mil]
Sent: Friday, August 08, 2008 8:46 AM
To: Jim Bruce
Cc: Mattox, Angela E. (DESC)
Subject: RE: Initial Questions / Data Request - SP0600-08-R-0803 / Site Visit Request

Jim,

Fort Knox has agreed to your request for a site visit on August 15th. Bob Ender (502.624.5252) will be your POC. He would like to begin at 0800 at Building 1205. They are also working hard to track down answers to the questions you submitted, and hope to provide a response sometime next week.

Regards,

Brian J. Koessler
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, July 31, 2008 6:29 PM
To: angela.e.mattox@dla.mil; Koessel, Brian (DESC); Plater, Lottie (DESC)
Subject: Initial Questions / Data Request - SP0600-08-R-0803 / Site Visit Request

Ms. Mattox or Mr. Koessel;

Attached please find our initial questions and data request. We hope this format is suitable. If not, please let me know and we can put into a different format. I have attached both a PDF file and a Word file.

We assume these will be answered in a future Amendment issued to all interested parties.
Also, we would like to arrange one more site visit at Ft. Knox. The dates we are interested in are August 11 or 15. Do not anticipate will take more than an hour.

Please let me know if you need more information or clarification.

Sincerely,

Mr Jim Bruce
General Manager
Hardin County Water District No. 1
Phone: 270-351-3222, ext 208
Jim,

My apologies for the delay. Our webmaster is having difficulty posting the questions. In an attempt to prevent further unnecessary delays, please find Q&A Set #1 attached. Should you have any further questions, please do not hesitate to ask.

Respectfully,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, July 31, 2008 6:29 PM
To: angela.mattox@dla.mil; Koessel, Brian (DESC); Plater, Lottie (DESC)
Subject: Initial Questions / Data Request - SP0600-08-R-0803 / Site Visit Request

Ms. Mattox or Mr. Koessel;

Attached please find our initial questions and data request. We hope this format is suitable. If not, please let me know and we can put into a different format. I have attached both a PDF file and a Word file.

We assume these will be answered in a future Amendment issued to all interested parties.

Also, we would like to arrange one more site visit at Ft. Knox. The dates we are interested in are August 11 or 15. Do not anticipate will take more than an hour.

Please let me know if you need more information or clarification.

Sincerely,

Mr Jim Bruce
General Manager
Hardin County Water District No. 1
Phone: 270-351-3222, ext 208
Ms. Mattox or Mr. Koessel;

Attached please find our second data request. This is only 1 question, and I think I have numbered consecutive to the last question number you answered.

We assume these will be answered in a future Amendment issued to all interested parties.

Please let me know if you need more information or clarification.

Sincerely,

Mr Jim Bruce
General Manager
Hardin County Water District No. 1
Phone: 270-351-3222, ext 208
Have you responded?

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, September 02, 2008 3:14 PM
To: Mattox, Angela E. (DESC); Koessel, Brian (DESC)
Subject: Second Data Request - SP0600-08-R-0803

Ms. Mattox or Mr. Koessel;

Attached please find our second data request. This is only 1 question, and I think I have numbered consecutive to the last question number you answered.

We assume these will be answered in a future Amendment issued to all interested parties.

Please let me know if you need more information or clarification.

Sincerely,

Mr Jim Bruce
General Manager
Hardin County Water District No. 1
Phone: 270-351-3222, ext 208
Ms. Mattox;

Did you mean to send this email to me or Brian? Not sure what you mean by responding.

Thanks

Jim Bruce
HCWD1

-----Original Message-----
From: Mattox, Angela E. (DESC) [mailto:Angela.Mattox@dla.mil]
Sent: Tuesday, September 02, 2008 4:47 PM
To: Jim Bruce
Subject: RE: Second Data Request - SP0600-08-R-0803

Have you responded?

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, September 02, 2008 3:14 PM
To: Mattox, Angela E. (DESC); Koessel, Brian (DESC)
Subject: Second Data Request - SP0600-08-R-0803

Ms. Mattox or Mr. Koessel;

Attached please find our second data request. This is only 1 question, and I think I have numbered consecutive to the last question number you answered.

We assume these will be answered in a future Amendment issued to all interested parties.

Please let me know if you need more information or clarification.

Sincerely,

Mr Jim Bruce
General Manager
Hardin County Water District No. 1
Phone: 270-351-3222, ext 208
Sorry. I meant to send it to Brian. Thanks

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, September 02, 2008 5:06 PM
To: Mattox, Angela E. (DESC)
Subject: RE: Second Data Request - SP0600-08-R-0803

Ms. Mattox;

Did you mean to send this email to me or Brian? Not sure what you mean by responding.

Thanks

Jim Bruce
HCWD1

-----Original Message-----
From: Mattox, Angela E. (DESC) [mailto:Angela.Mattox@dla.mil]
Sent: Tuesday, September 02, 2008 4:47 PM
To: Jim Bruce
Subject: RE: Second Data Request - SP0600-08-R-0803

Have you responded?

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, September 02, 2008 3:14 PM
To: Mattox, Angela E. (DESC); Koessel, Brian (DESC)
Subject: Second Data Request - SP0600-08-R-0803

Ms. Mattox or Mr. Koessel;

Attached please find our second data request. This is only 1 question, and I think I have numbered consecutive to the last question number you answered.

We assume these will be answered in a future Amendment issued to all interested parties.

Please let me know if you need more information or clarification.

Sincerely,

Mr Jim Bruce
General Manager
Hardin County Water District No. 1
Phone: 270-351-3222, ext 208
Jim Bruce

From: Koessel, Brian (DESC) [Brian.Koessel@dla.mil]
Sent: Wednesday, September 10, 2008 1:50 PM
To: Jim Bruce
Subject: RE: Second Data Request - SP0600-08-R-0803

Jim,

The response to your question is listed at #24 in Q&A Set #2. Those responses will be posted to the DESC webpage today.

Regards,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, September 02, 2008 3:14 PM
To: Mattox, Angela E. (DESC); Koessel, Brian (DESC)
Subject: Second Data Request - SP0600-08-R-0803

Ms. Mattox or Mr. Koessel;

Attached please find our second data request. This is only 1 question, and I think I have numbered consecutive to the last question number you answered.

We assume these will be answered in a future Amendment issued to all interested parties.

Please let me know if you need more information or clarification.

Sincerely,

Mr Jim Bruce
General Manager
Hardin County Water District No. 1
Phone: 270-351-3222, ext 208
-----Original Message-----
From: Koessel, Brian (DESC) [mailto:Brian.Koessel@dla.mil]
Sent: Wednesday, September 10, 2008 1:50 PM
To: Jim Bruce
Subject: RE: Second Data Request - SP0600-08-R-0803

Jim,

The response to your question is listed at #24 in Q&A Set #2. Those responses will be posted to the DESC webpage today.

Regards,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, September 02, 2008 3:14 PM
To: Mattox, Angela E. (DESC); Koessel, Brian (DESC)
Subject: Second Data Request - SP0600-08-R-0803

Ms. Mattox or Mr. Koessel;

Attached please find our second data request. This is only 1 question, and I think I have numbered consecutive to the last question number you answered.

We assume these will be answered in a future Amendment issued to all interested parties.

Please let me know if you need more information or clarification.

Sincerely,

Mr Jim Bruce
General Manager
Hardin County Water District No. 1
Phone: 270-351-3222, ext 208
SUBJECT: Fort Knox, KY / SP0600-08-R-0803 / Water System Privatization / Question and Answer Set #2

The Defense Energy Support Center (DESC) has issued Question and Answer Set #2 to Request for Proposal (RFP) SP0600-08-R-0803 for the privatization of the water utility system infrastructure at Fort Knox, KY.

A copy of Q&A Set #2 is available on the DESC website at: https://www.desc.dla.mil/DCM/DCMSolic.asp?SolicID=1414

Please address any questions concerning Q&A Set #2 to the following contracting team:

Brian Koessel, Contract Specialist: (703) 767-1595, brian.koessel@dlamil Angela Mattox, Contracting Officer: (703) 767-1348, angela.mattox@dlamil
Jim Bruce

From: Koessel, Brian (DESC) [Brian.Koessel@dla.mil]
Sent: Wednesday, September 10, 2008 4:55 PM
To: Jim Bruce
Subject: FW: Second Data Request - SP0600-08-R-0803
Attachments: Fort Knox Q&A Set #2 - 09-10-08.pdf

Jim,

The Q&A was posted to the DESC webpage, but apparently there is a problem with accessing it. I have no idea how long it will take our webmaster to remedy the problem, therefore I have attached the Q&A for your reference.

Regards,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

-----Original Message-----
From: Koessel, Brian (DESC)
Sent: Wednesday, September 10, 2008 1:50 PM
To: Jim Bruce
Subject: RE: Second Data Request - SP0600-08-R-0803

Jim,

The response to your question is listed at #24 in Q&A Set #2. Those responses will be posted to the DESC webpage today.

Regards,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, September 02, 2008 3:14 PM
To: Mattox, Angela E. (DESC); Koessel, Brian (DESC)
Subject: Second Data Request - SP0600-08-R-0803

Ms. Mattox or Mr. Koessel;

Attached please find our second data request. This is only 1 question, and I think I have numbered consecutive to the last question number you answered.
We assume these will be answered in a future Amendment issued to all interested parties.

Please let me know if you need more information or clarification.

Sincerely,

Mr Jim Bruce
General Manager
Hardin County Water District No. 1
Phone: 270-351-3222, ext 208
From: Koessel, Brian (DESC) [Brian.Koessel@dla.mil]
Sent: Wednesday, September 17, 2008 5:06 PM
Subject: FW: Amendment 0001 Issued for Utility Privatization of the Potable Water Utility System Infrastructure at Fort Knox, KY
Attachments: Amendment 0001.pdf

-----Original Message-----
From: Pearson, Randy (Contractor) (DESC)
Sent: Wednesday, September 17, 2008 4:10 PM
Subject: Amendment 0001 Issued for Utility Privatization of the Potable Water Utility System Infrastructure at Fort Knox, KY

Subject: Amendment 0001 Issued for Utility Privatization of the Potable Water Utility System Infrastructure at Fort Knox, KY

The Defense Energy Support Center (DESC) has issued Amendment 0001 to Request for Proposal (RFP) SP0600-08-R-0003 for the privatization of the potable water utility system infrastructure at Fort Knox, KY.

A copy of the amendment is available on the DESC website at: https://www.desc.dla.mil/DCM/DCMSolic.asp?SolicID=1414

Please address any questions concerning this Amendment to the following contracting team:

Brian Koessel, Contract Specialist: (703) 767-1595, brian.koessel@dla.mil Angela Mattox, Contracting Officer: (703) 767-1348, angela.mattox@dla.mil

-----------------------------------------------
Ms. Mattox / Mr. Koessel;

We would like to follow-up on our submitted proposal for the Fort Knox Water Privatization. As we are very interested in this opportunity, we want to make sure it was received and see if you have any questions. If possible, we are also interested in how many proposals were submitted.

I look forward to talking with you more in the future.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
Mr. Bruce,

I was out of the office last week and I apologize for just now getting back to you. DESC has received your proposals (base and alternate) and they are currently under evaluation. I will be contacting you monthly (typically, around the 15th) throughout the evaluation process for the purpose of providing you with updates. Lastly, the number of proposals received in response to a solicitation is considered source selection information and is therefore prohibited from disclosure.

Respectfully,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Monday, October 20, 2008 3:51 PM
To: Koessel, Brian (DESC); Mattox, Angela E. (DESC)
Cc: Brett Pyles; jsmith@lwcky.com; David.Hackworth@CH2M.com
Subject: SP0600-08-R-0803 - Submitted Proposal Follow-Up

Ms. Mattox / Mr. Koessel;

We would like to follow-up on our submitted proposal for the Fort Knox Water Privatization. As we are very interested in this opportunity, we want to make sure it was received and see if you have any questions. If possible, we are also interested in how many proposals were submitted.

I look forward to talking with you more in the future.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
Mr. Koessel;

Thanks very much for your response and update. We look forward to responding to any questions and providing additional information.

Sincerely,

Jim Bruce
General Manager
HCWD1

-----Original Message-----
From: Koessel, Brian (DESC) [mailto:Brian.Koessel@dla.mil]
Sent: Wednesday, October 29, 2008 11:15 AM
To: Jim Bruce
Cc: Brett Pyles; jsmith@lwcky.com; David.Hackworth@CH2M.com; Mattox, Angela E. (DESC)
Subject: RE: SP0600-08-R-0803 - Submitted Proposal Follow-Up

Mr. Bruce,

I was out of the office last week and I apologize for just now getting back to you. DESC has received your proposals (base and alternate) and they are currently under evaluation. I will be contacting you monthly (typically, around the 15th) throughout the evaluation process for the purpose of providing you with updates. Lastly, the number of proposals received in response to a solicitation is considered source selection information and is therefore prohibited from disclosure.

Respectfully,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Monday, October 28, 2008 3:51 PM
To: Koessel, Brian (DESC); Mattox, Angela E. (DESC)
Cc: Brett Pyles; jsmith@lwcky.com; David.Hackworth@CH2M.com
Subject: SP0600-08-R-0803 - Submitted Proposal Follow-Up

Ms. Mattox / Mr. Koessel;
We would like to follow-up on our submitted proposal for the Fort Knox Water Privatization. As we are very interested in this opportunity, we want to make sure it was received and see if you have any questions. If possible, we are also interested in how many proposals were submitted.

I look forward to talking with you more in the future.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
Mr. Arnett;

Here are last 3 years annual audit reports, and Sept 08 for 3Q unaudited reports. Feel free to call me if you need more info. My cell phone is 270-268-4069. Look forward to meeting you on the 17th.

Also, if you need any work papers or spreadsheets from our 07 audit, feel free to contact our CPA firm. Contact name is Brad Hayes, CPA, Ray, Foley, Hensley & Co. (Lexington, KY), phone 1-800-342-7299 and email is;

bhayes@rfhco.com

Jim Bruce
General Manager
HCWD1

( Brad, if contacted by Mr. Arnett, we authorize you to release any reports or workpapers. He is with Defense Contract Audit Agency and is working for Government on review of accounting systems related to our Ft. Knox Water Privatization Proposal)
Mr. Bruce,

For the accounting system survey, I need to know some details about the contract that has been proposed (contract type, amount, special provisions, etc.). If you could send me the proposal that would very helpful. Also, for our permant file we have a form called an Internal Control Questionnaire (ICQ) which needs to be completed. I have attached this form, please complete part A only.

Thank you very much, <<ICQ FY 2007.doc>>

Jason Arnett, MPA
Defense Contract Audit Agency
Humana Military Healthcare Suboffice
Indianapolis Branch Office
8899 E. 56th Street, Column 116-AA
Indianapolis, IN 46249-4900
(502) 580-3133
From: Jim Bruce  
Sent: Monday, November 10, 2008 11:16 AM  
To: Arnett, Jason, Mr, DCAA  
Subject: RE: ICQ and Contract Information  
Attachments: Volume I_BASE.pdf; Volume I_ALTERNATE.pdf; Volume II.pdf; Volume III.pdf; SF 33_SF 30_Reps&Certs.pdf; Small Business Subcontracting_Plan_FtKnoxWater.pdf; Volume IV_BASE.pdf; Volume IV_ALTERNATE.pdf

Jason;

Attached are PDF sections of our proposal. Will be completing and returning the survey in next day or two.

Thank You

Jim Bruce
HCW1

-----Original Message-----
From: Arnett, Jason, Mr, DCAA [mailto:Jason.Arnett@dcaamail]  
Sent: Monday, November 10, 2008 10:37 AM  
To: Jim Bruce  
Subject: ICQ and Contract Information

Mr. Bruce,

For the accounting system survey, I need to know some details about the contract that has been proposed (contract type, amount, special provisions, etc.). If you could send me the proposal that would very helpful. Also, for our permant file we have a form called an Internal Control Questionnaire (ICQ) which needs to be completed. I have attached this form, please complete part A only.

Thank you very much, <<ICQ FY 2007.doc>>

Jason Arnett, MPA  
Defense Contract Audit Agency  
Humana Military Healthcare Suboffice  
Indianapolis Branch Office  
8899 E. 56th Street, Column 116-AA  
Indianapolis, IN 46249-4900  
(502) 580-3133
Mr. Arnett;

I noticed in one of your questionnaires it mentioned CPA's management letter. I have attached this letter from our 2007 Audit report for your review.

Jim Bruce
General Manager
HCWD1
Mr. Arnett;

Attached please find questionnaire, Section A completed. Hope this is what you needed. Look forward to meeting with you on Monday.

Thanks

Jim Bruce
General Manager
HCWD1

-----Original Message-----
From: Arnett, Jason, Mr. DC AA [mailto:Jason.Arnett@dcaa.mil]
Sent: Monday, November 10, 2008 10:37 AM
To: Jim Bruce
Subject: ICQ and Contract Information

Mr. Bruce,

For the accounting system survey, I need to know some details about the contract that has been proposed (contract type, amount, special provisions, etc.). If you could send me the proposal that would very helpful. Also, for our permant file we have a form called an Internal Control Questionnaire (ICQ) which needs to be completed. I have attached this form, please complete part A only.

Thank you very much, <<ICQ FY 2007.doc>>

Jason Arnett, MPA
Defense Contract Audit Agency
Humana Military Healthcare Suboffice
Indianapolis Branch Office
8899 E. 56th Street, Column 116-AA
Indianapolis, IN 46249-4900
(502) 580-3133
Mr. Koessel  
Contract Specialist

RE: SP0600-08-R-0803 Accounting Inspection (Ft. Knox Water Privatization)

We were contacted by DCAA after they completed accounting inspection for exit conference. He said (Mr. Arnett) that they would submitting report to you this week. He also said we could request copy of the report, and if approved by DESC, we could receive a copy.

Please consider this our request for a copy of the report. If you are able to grant this request, you could just email us a copy

Thank You

Jim Bruce  
General Manager  
Hardin County Water District No. 1  
Phone: 270-351-3222
Mr. Bruce,

I have attached the DCAA reports you have requested. Please address any questions you may have with the reports to the POCs indentified therein.

Regards,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, December 18, 2008 2:51 PM
To: Koessel, Brian (DESC)
Cc: Brett Pyles
Subject: DCAA Accounting Inspection Report - SP0600-08-R-0803

Mr. Koessel
Contract Specialist

RE: SP0600-08-R-0803 Accounting Inspection (Ft. Knox Water Privatization)

We were contacted by DCAA after they completed accounting inspection for exit conference. He said (Mr. Arnett) that they would submitting report to you this week. He also said we could request copy of the report, and if approved by DESC, we could receive a copy.

Please consider this our request for a copy of the report. If you are able to grant this request, you could just email us a copy

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
Phone: 270-351-3222

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.287 / Virus Database: 270.11.59/2064 - Release Date: 04/24/09 07:54:00
Jim Bruce

From: Jim Bruce
Sent: Thursday, December 18, 2008 4:05 PM
To: Koessel, Brian (DESC)
Subject: RE: DCAA Accounting Inspection Report - SP0600-08-R-0803

Mr. Koessel;

Thank you for your quick response. Hope you have a nice Christmas holiday

Jim Bruce
HCWD1

-----Original Message-----
From: Koessel, Brian (DESC) [mailto:Brian.Koessel@dla.mil]
Sent: Thursday, December 18, 2008 3:10 PM
To: Jim Bruce
Cc: Brett Pyles
Subject: RE: DCAA Accounting Inspection Report - SP0600-08-R-0803

Mr. Bruce,

I have attached the DCAA reports you have requested. Please address any questions you may have with the reports to the POCs indentified therein.

Regards,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, December 18, 2008 2:51 PM
To: Koessel, Brian (DESC)
Cc: Brett Pyles
Subject: DCAA Accounting Inspection Report - SP0600-08-R-0803

Mr. Koessel
Contract Specialist

RE: SP0600-08-R-0803 Accounting Inspection (Ft. Knox Water Privatization)

We were contacted by DCAA after they completed accounting inspection for exit conference. He said (Mr. Arnett) that they would submitting report to you this week. He also said we could request copy of the report, and if approved by DESC, we could receive a copy.
Please consider this our request for a copy of the report. If you are able to grant this request, you could just email us a copy.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
Phone: 270-351-3222
Mr. Koessel;

We have received your request and will prepare the required replacement spreadsheets to deliver to your office as soon as possible. Once these are in transit, I will let you know when you can expect them.

Sincerely,

Jim Bruce
HCWD1, General Manager

Mr. Bruce,

With its electronic base price proposal, HCWD #1 provided eight (8) MS Excel files in its CD submittals. With its electronic alternate price proposal, HCWD #1 provided six (6) MS Excel files in its CD submittal, five (5) of which appear to be identical. After verifying that the hard copy of the alternate price proposal submitted by HCWD #1 contained separate spreadsheets, the Government hereby respectfully requests that HCWD #1 provide the proper electronic copies to replace the versions previously submitted. Please be advised that this submission must exactly match the previously submitted hard copy. No proposal revisions are being requested, nor will any be accepted at this time. Please contact me if you have any questions.

Respectfully,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil
Mr. Koessel;

We are attaching the requested replacement spreadsheets. Please let us know if these will be OK, or if you need actual files on a CD. We appreciate you notifying us of this, and apologize for the error. If you need to call me, my number is 270-351-3222

Sincerely,

Jim Bruce
HCWD1, General Manager

**********

Mr. Koessel;

We have received your request and will prepare the required replacement spreadsheets to deliver to your office as soon as possible. Once these are in transit, I will let you know when you can expect them.

Sincerely,

Jim Bruce
HCWD1, General Manager

From: Koessel, Brian (DESC) [mailto:Brian.Koessel@dla.mil]
Sent: Thursday, January 15, 2009 4:54 PM
To: Jim Bruce
Subject: Fort Knox, KY / Utility Privatization / SP0600-08-R-0803/ Missing Electronic Files
Importance: High

Mr. Bruce,

With its electronic base price proposal, HCWD #1 provided eight (8) MS Excel files in its CD submittals. With its electronic alternate price proposal, HCWD #1 provided six (6) MS Excel files in its CD submittal, five (5) of which appear to be identical. After verifying that the hard copy of the alternate price proposal submitted by HCWD #1 contained separate spreadsheets, the Government hereby respectfully requests that HCWD #1 provide the proper electronic copies to replace the versions previously submitted. Please be advised that this submission must exactly match the previously submitted hard copy. No proposal revisions are being requested, nor will any be accepted at this time. Please contact me if you have any questions.
Respectfully,

**Brian J. Koessel**  
Contract Specialist  
Defense Energy Support Center  
Energy Enterprise CBU (DESC-EA)  
P: (703) 767-1595 (DSN 427)  
F: (703) 767-2382  
Brian.Koessel@dlawil
Mr. Koessel,

We will prepare the CD's and have delivered to your office next week.

Thank You

Jim Bruce
HCWD1, General Manager

*******

-----Original Message-----
From: Koessel, Brian (DESC) [mailto:Brian.Koessel@dla.mil]
Sent: Friday, January 16, 2009 4:17 PM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com; jsmith@lwcky.com
Subject: RE: Fort Knox, KY / Utility Privatization / SP0600-08-R-0803/ Missing Electronic Files

Mr. Bruce,

Thank you for responding to my request. The files provided will allow the Government to continue its evaluation of your alternate proposal, however, the Government does require that HCWD1 provide corrected CDs to replace the incorrect versions previously submitted.

Respectfully,

Brian J. Koessel
Contract Specialist
Energy Enterprise CBU (DESC-EA)
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Friday, January 16, 2009 11:15 AM
To: Koessel, Brian (DESC)
Cc: David.Hackworth@CH2M.com; jsmith@lwcky.com
Subject: RE: Fort Knox, KY / Utility Privatization / SP0600-08-R-0803/ Missing Electronic Files

Mr. Koessel;

We are attaching the requested replacement spreadsheets. Please let us know if these will be OK, or if you need actual files on a CD. We appreciate you notifying us of this, and
apologize for the error. If you need to call me, my number is 270-351-3222

Sincerely,

Jim Bruce
HCWD1, General Manager

**********

Mr. Koessel;

We have received your request and will prepare the required replacement spreadsheets to deliver to your office as soon as possible. Once these are in transit, I will let you know when you can expect them.

Sincerely,

Jim Bruce
HCWD1, General Manager

From: Koessel, Brian (DESC) [mailto:Brian.Koessel@dla.mil]
Sent: Thursday, January 15, 2009 4:54 PM
To: Jim Bruce
Subject: Fort Knox, KY / Utility Privatization / SP0600-08-R-0803/ Missing Electronic Files
Importance: High

Mr. Bruce,

With its electronic base price proposal, HCWD #1 provided eight (8) MS Excel files in its CD submittals. With its electronic alternate price proposal, HCWD #1 provided six (6) MS Excel files in its CD submittal, five (5) of which appear to be identical. After verifying that the hard copy of the alternate price proposal submitted by HCWD #1 contained separate spreadsheets, the Government hereby respectfully requests that HCWD #1 provide the proper electronic copies to replace the versions previously submitted. Please be advised that this submission must exactly match the previously submitted hard copy. No proposal revisions are
being requested, nor will any be accepted at this time. Please contact me if you have any questions.

Respectfully,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil <mailto:Brian.Koessel@dla.mil>
Mr. Bruce,

DESC has completed its evaluations of the Base and Alternate proposals submitted by HCWD1, and is currently in the process of preparing for negotiations. At this time DESC estimates opening discussions with HCWD1 in late March / early April.

Respectfully,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Friday, February 27, 2009 12:38 PM
To: Koessel, Brian (DESC)
Cc: jsmith@lwcky.com; David.Hackworth@CH2M.com; Brett Pyles
Subject: RE: Update on Schedule - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Koessel;

We would like to know if you can provide an update on your schedule on the Ft. Knox Water Privatization.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
Mr. Koessel;

Thank you for your quick response. That is helpful. We look forward to future discussions / negotiations, if requested, in the near future.

Sincerely,

Jim Bruce
General Manager
HCWD1

-----Original Message-----
From: Koessel, Brian (DESC) [mailto:Brian.Koessel@dla.mil]
Sent: Friday, February 27, 2009 1:16 PM
To: Jim Bruce
Cc: jsmith@lwcky.com; David.Hackworth@CH2M.com; Brett Pyles
Subject: RE: Update on Schedule - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

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Respectfully,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Friday, February 27, 2009 12:38 PM
To: Koessel, Brian (DESC)
Cc: jsmith@lwcky.com; David.Hackworth@CH2M.com; Brett Pyles
Subject: Update on Schedule - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Koessel;
We would like to know if you can provide an update on your schedule on the Ft. Knox Water Privatization.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
good to hear that things are moving along...

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Friday, February 27, 2009 1:20 PM
To: Koessel, Brian (DESC)
Cc: Hackworth, David/LOU; jsmith@lwcky.com; Brett Pyles
Subject: RE: Update on Schedule - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Koessel;

Thank you for your quick response. That is helpful. We look forward to future discussions / negotiations, if requested, in the near future.

Sincerely,

Jim Bruce
General Manager
HCWD1

-----Original Message-----
From: Koessel, Brian (DESC) [mailto:Brian.Koessel@ dla.mil]
Sent: Friday, February 27, 2009 1:16 PM
To: Jim Bruce
Cc: jsmith@lwcky.com; David.Hackworth@CH2M.com; Brett Pyles
Subject: RE: Update on Schedule - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Bruce,

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Respectfully,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Mr. Koessel;

We would like to know if you can provide an update on your schedule on the Ft. Knox Water Privatization.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
Mr. Koessel;

We would like to know if you could again can provide an update on your schedule on the Ft. Knox Water Privatization.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
Mr. Koessel;

Thanks for the reply. We understand about not disclosing # of proposals, and you had informed us of that before. I re-used old email and should have removed that question. Look forward to responding to your future questions or inquiries.

Thank You

Jim Bruce
General Manager
HCWD1

-----Original Message-----
From: Koessel, Brian (DESC) [mailto:Brian.Koessel@dla.mil]
Sent: Wednesday, October 29, 2008 11:15 AM
To: Jim Bruce
Cc: Brett Pyles; jsmith@lwcky.com; David.Hackworth@CH2M.com; Mattox, Angela E. (DESC)
Subject: RE: SP0600-08-R-0803 - Submitted Proposal Follow-Up

Mr. Bruce,

I was out of the office last week and I apologize for just now getting back to you. DESC has received your proposals (base and alternate) and they are currently under evaluation. I will be contacting you monthly (typically, around the 15th) throughout the evaluation process for the purpose of providing you with updates. Lastly, the number of proposals received in response to a solicitation is considered source selection information and is therefore prohibited from disclosure.

Respectfully,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Monday, October 20, 2008 3:51 PM
To: Koessel, Brian (DESC); Mattox, Angela E. (DESC)
Cc: Brett Pyles; jsmith@lwcky.com; David.Hackworth@CH2M.com
Subject: SP0600-08-R-0803 - Submitted Proposal Follow-Up

Ms. Mattox / Mr. Koessel;
We would like to follow-up on our submitted proposal for the Fort Knox Water Privatization. As we are very interested in this opportunity, we want to make sure it was received and see if you have any questions. If possible, we are also interested in how many proposals were submitted.

I look forward to talking with you more in the future.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
Mr. Koessel;

We would like to request an update on the Ft. Knox Water Privatization (SP0600-08-R-0803). Had not heard anything since your last update. Would appreciate any information you can provide.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
(Phone; 270-268-4069)

------Original Message-----
From: Koessel, Brian (DESC) [mailto:Brian.Koessel@dla.mil]
Sent: Friday, February 27, 2009 1:16 PM
To: Jim Bruce
Cc: jsmith@lwcky.com; David.Hackworth@CH2M.com; Brett Pyles
Subject: RE: Update on Schedule - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Bruce,

DESC has completed its evaluations of the Base and Alternate proposals submitted by HCWD1, and is currently in the process of preparing for negotiations. At this time DESC estimates opening discussions with HCWD1 in late March / early April.

Respectfully,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

------Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Friday, February 27, 2009 12:38 PM
To: Koessel, Brian (DESC)
Cc: jsmith@lwcky.com; David.Hackworth@CH2M.com; Brett Pyles
Subject: Update on Schedule - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Koessel;
We would like to know if you can provide an update on your schedule on the Ft. Knox Water Privatization.

Thank You

Jim Bruce

General Manager

Hardin County Water District No. 1

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.287 / Virus Database: 270.11.59/2064 - Release Date: 04/19/09 20:04:00
Mr. Bruce,

Please see the attached notice that negotiations with HCWD1 are now open under solicitation SP0600-08-R-0803. I sincerely apologize for the long delay between updates.

Respectfully,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise BU (DESC-EA)
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Monday, June 29, 2009 1:12 PM
To: Koessel, Brian (DESC)
Subject: RE: Update on Schedule - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Koessel;

We would like to request an update on the Ft. Knox Water Privatization (SP0600-08-R-0803). Had not heard anything since your last update. Would appreciate any information you can provide.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
(Phone; 270-268-4069)
Mr. Koessel;

We appreciate the notice to open negotiations dated 30-June. We are excited to respond to all requested information, clarifications and answers to DESC’s upcoming messages and requests. We also look forward to refining and improving our proposal, to provide the very best value and quality service to the Government and Ft. Knox.

Sincerely,

Jim Bruce
General Manager
HCWD1

-----Original Message-----
From: Koessel, Brian (DESC) [mailto:Brian.Koessel@dlawe.gov]
Sent: Tuesday, June 30, 2009 10:55 AM
To: Jim Bruce
Cc: Mattox, Angela E. (DESC)
Subject: Open Negotiations / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Bruce,

Please see the attached notice that negotiations with HCWD1 are now open under solicitation SP0600-08-R-0803. I sincerely apologize for the long delay between updates.

Respectfully,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise BU (DESC-EA)
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hwcd.com]
Sent: Monday, June 29, 2009 1:12 PM
To: Koessel, Brian (DESC)
Subject: RE: Update on Schedule - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Koessel;

We would like to request an update on the Ft. Knox Water Privatization (SP0600-08-R-0803). Had not heard anything since your last update. Would appreciate any information you can provide.

Thank You
Jim Bruce

From: Koessel, Brian CIV DLA DESC-EA [Brian.Koessel@dla.mil]  
Sent: Wednesday, August 19, 2009 9:20 AM  
To: Jim Bruce  
Cc: Brett Pyles; Rivera, Taina CIV DLA DESC-PHA  
Subject: RE: Open Negotiations / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Bruce,

HCWD1 should expect to receive the first negotiation message during the first or second week of September. I again apologize for the delay in providing HCWD1 with the first negotiation message.

Additionally, in its original proposal, HCWD1 stated that its proposal would expire 300 days from its submittal. That date was August 5, 2009. Could you please provide DESC with a statement which extends HCWD1's proposals (base and alternate) until such time as Final Proposal Revisions might be requested (perhaps until 12/31/09)?

Respectfully,

Brian J. Koessel  
Contract Specialist  
Energy Enterprise BU (DESC-EA)  
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]  
Sent: Wednesday, July 29, 2009 9:20 AM  
To: Koessel, Brian (DESC)  
Cc: Brett Pyles  
Subject: RE: Open Negotiations / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Koessel;

In response to your 6/30 notice to Open Negotiations, we are requesting any update you might be able to provide on the process or schedule for the Ft. Knox Water Privatization (SP0600-08-R-0803).

Thank You

Jim Bruce  
General Manager  
HCWD1

-----Original Message-----
From: Koessel, Brian (DESC) [mailto:Brian.Koessel@dla.mil]  
Sent: Tuesday, June 30, 2009 10:55 AM  
To: Jim Bruce  
Cc: Mattox, Angela E. (DESC)  
Subject: Open Negotiations / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

495
Mr. Bruce,

Please see the attached notice that negotiations with HCWD1 are now open under solicitation SP0600-08-R-0803. I sincerely apologize for the long delay between updates.

Respectfully,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise BU (DESC-EA)
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Monday, June 29, 2009 1:12 PM
To: Koessel, Brian (DESC)
Subject: RE: Update on Schedule - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

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Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
(Phone: 270-268-4069)

Checked by AVG - www.avg.com
Version: 8.5.375 / Virus Database: 270.12.94/2208 - Release Date: 06/30/09 06:10:00

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.409 / Virus Database: 270.13.58/2309 - Release Date: 08/19/09 06:03:00
Mr. Koessel;

We appreciate the update and request for price extension. After consulting with our team, we are agreeable to extend our base and alternate proposal price until December 31, 2009.

Our proposal also assumed a start-up date of January 1, 2010. If a contract award were made closer to the end of the year, we would also need to extend the start-up date to a time 4 months after the contract execution. If a contract award were after December 31, 2009, we would have to request that we reserve the right to adjust our proposal price, if needed, after that date.

We again look forward to responding to the Government's negotiation questions and provide responses when requested, or sooner. Please call me if you have any questions.

Thank You

Jim Bruce
General Manager, HCWD1
Cell: 270-268-4069

-----Original Message-----
From: Koessel, Brian CIV DLA DESC-EA [mailto:Brian.Koessel@dla.mil]
Sent: Wednesday, August 19, 2009 9:20 AM
To: Jim Bruce
Cc: Brett Pyles; Rivera, Taina CIV DLA DESC-PHA
Subject: RE: Open Negotiations / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Bruce,

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Additionally, in its original proposal, HCWD1 stated that its proposal would expire 300 days from its submittal. That date was August 5, 2009. Could you please provide DESC with a statement which extends HCWD1's proposals (base and alternate) until such time as Final Proposal Revisions might be requested (perhaps until 12/31/09)?

Respectfully,

Brian J. Koessel
Contract Specialist
Energy Enterprise BU (DESC-EA)
(703) 767-1595 (DSN 427)

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Sent: Wednesday, July 29, 2009 9:20 AM
To: Koessel, Brian (DESC)
Cc: Brett Pyles
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Mr. Koessel;

In response to your 6/30 notice to Open Negotiations, we are requesting any update you might be able to provide on the process or schedule for the Ft. Knox Water Privatization (SP0600-08-R-0803).

Thank You

Jim Bruce
General Manager
HCWD1

-----Original Message-----
From: Koessel, Brian (DESC) [mailto:Brian.Koessel@dla.mil]
Sent: Tuesday, June 30, 2009 10:55 AM
To: Jim Bruce
Cc: Mattox, Angela E. (DESC)
Subject: Open Negotiations / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Bruce,

Please see the attached notice that negotiations with HCWD1 are now open under solicitation SP0600-08-R-0803. I sincerely apologize for the long delay between updates.

Respectfully,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise BU (DESC-EA)
(703) 767-1595 (DSN 427)

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From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Monday, June 29, 2009 1:12 PM
To: Koessel, Brian (DESC)
Subject: RE: Update on Schedule - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Koessel;

We would like to request an update on the Ft. Knox Water Privatization (SP0600-08-R-0803). I had not heard anything since your last update. I would appreciate any information you can provide.
Mr. Koessel;

We would like to request another update on the Ft. Knox Water Privatization (SP0600-08-R-0803). Had not heard anything since your 08-19-09 update. Would appreciate any information you can provide.

Thank You

Jim Bruce
General Manager, HCWD1

---

Mr. Koessel;

We appreciate the update and request for price extension. After consulting with our team, we are agreeable to extend our base and alternate proposal price until December 31, 2009.

Our proposal also assumed a start-up date of January 1, 2010. If a contract award were made closer to the end of the year, we would also need to extend the start-up date to a time 4 months after the contract execution.
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We again look forward to responding to the Government's negotiation questions and provide responses when requested, or sooner. Please call me if you have any questions.

Thank You

Jim Bruce
General Manager, HCWD1
Cell; 270-268-4069

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From: Koessel, Brian CIV DLA DESC-EA [mailto:Brian.Koessel@dla.mil]
Sent: Wednesday, August 19, 2009 9:20 AM
To: Jim Bruce
Cc: Brett Pyles; Rivera, Taina CIV DLA DESC-PHA
Subject: RE: Open Negotiations / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

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Brian J. Koessel
Contract Specialist
Energy Enterprise BU (DESC-EA)
(703) 767-1595 (DSN 427)

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Sent: Wednesday, July 29, 2009 9:20 AM
To: Koessel, Brian (DESC)
Cc: Brett Pyles
Subject: RE: Open Negotiations / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

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In response to your 6/30 notice to Open Negotiations, we are requesting any update you might be able to provide on the process or schedule for the Ft. Knox Water Privatization (SP0600-08-R-0803).

Thank You

Jim Bruce
General Manager
HCWD1

-----Original Message-----
From: Koessel, Brian (DESC) [mailto:Brian.Koessel@dla.mil]
Sent: Tuesday, June 30, 2009 10:55 AM
To: Jim Bruce
Cc: Mattox, Angela E. (DESC)
Subject: Open Negotiations / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

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Respectfully,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise BU (DESC-EA)
(703) 767-1595 (DSN 427)

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From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Monday, June 29, 2009 1:12 PM
To: Koessel, Brian (DESC)
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Jim Bruce
General Manager
Hardin County Water District No. 1
(Phone; 270-268-4069)

Checked by AVG - www.avg.com
Version: 8.5.375 / Virus Database: 270.12.94/2208 - Release Date: 06/30/09 06:10:00

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.409 / Virus Database: 270.13.58/2309 - Release Date: 08/19/09 06:03:00

Tracking:

535
Mr. Bruce,

I received your voicemail yesterday regarding the e-mail below. Unfortunately, I am unable to discuss any details regarding this pending legislation. However, if you have any questions for DESC, you may contact our counsel directly. Ms. Danica Irvine (703.767.5004) is the focal point for this issue. She will be available to return your call beginning Tuesday, October 13, 2009. I apologize for not being able to respond to you directly.

Respectfully,

Brian J. Koessel
Supv. Contract Specialist
Defense Energy Support Center
Energy Enterprise BU (DESC-EF)
(703) 767-1595 (DSN 427)
Brian.Koessel@dlamil

-----Original Message-----
From: Randy1 [mailto:think27@verizon.net]
Sent: Tuesday, October 06, 2009 10:58 AM
To: Randy1
Subject: Notification to Utilities Privatization Offerors

You are receiving this notification because you have either offered on or expressed interest in offering on a Utilities Privatization (UP) procurement. In developing your pricing proposal(s), please be aware that there is pending legislation in the House of Representatives version of the National Defense Authorization Act of 2010 that, if passed, may affect the economic analysis conveyance criteria currently set forth in the solicitation. A copy of this legislation is attached and a link to the Library of Congress website is provided so that you can track its progress and adjust your proposal as you may deem necessary and appropriate. This bill is currently in conference, however, should the Senate agree to the House language and the legislation pass, solicitation amendments will be issued.

http://www.thomas.gov (Type "H.R. 2647" in the search box and click "Bill Number" then click "Search")

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.421 / Virus Database: 270.14.5/2419 - Release Date: 10/09/09 08:10:00
Mr. Bruce,

Yes, I am available at 3:00 pm.

Angela Mattox

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, October 27, 2009 8:40 AM
To: Rivera, Taina CIV DLA DESC-EF; Mattox, Angela E CIV DLA DESC-EA; Koessel, Brian CIV DLA DESC-EF
Cc: Brett Pyles; Jim Smith; David.Hackworth@CH2M.com
Subject: RE: Discussions - Vol II & III Ft. Knox RFP SP0600-08-R-0803

Ms. Mattox;

Our team is working on the responses to NM #2. We have a few short questions for you or your team. Would it be possible to call you about 3PM today? Only about two questions, but would like members of our team to be on call also. Please let me know.

Thanks

Jim Bruce
HCWD1

From: Rivera, Taina CIV DLA DESC-EF [mailto:Taina.Rivera@dla.mil]
Sent: Thursday, October 22, 2009 5:43 PM
To: Jim Bruce
Cc: Mattox, Angela E CIV DLA DESC-EA; Koessel, Brian CIV DLA DESC-EF
Subject: Discussions - Vol II & III Ft. Knox RFP SP0600-08-R-0803

Mr. Bruce,

Per our conversation yesterday, October 21, 2009, attached are the notes discussed regarding Socioeconomic, Past Performance and Contract Documentation items presented in your proposal. Please consider providing any revisions and/or responses by October 30, 2009 to the Contracting Officer, Ms. Angela Mattox.

Should you have any questions or concerns, please do not hesitate to contact one of the team members shown in the attached correspondence.

Very Respectfully,
Taina

Taina M. Rivera
Contract Specialist
Energy Enterprise
DESC-EF
received

-----Original Message-----

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, October 27, 2009 9:16 AM
To: Mattox, Angela E CIV DLA DESC-EA
Cc: Brett Pyles; Jim Smith; David.Hackworth@CH2M.com
Subject: RE: Discussions - Vol II & III Ft. Knox RFP SP0600-08-R-0803

Ms. Mattox;

Thank you, we will call you at 3PM EST today.

Jim Bruce
HCWD1

-----Original Message-----

From: Mattox, Angela E CIV DLA DESC-EA [mailto:Angela.Mattox@dla.mil]
Sent: Tuesday, October 27, 2009 9:11 AM
To: Jim Bruce
Subject: RE: Discussions - Vol II & III Ft. Knox RFP SP0600-08-R-0803

Mr. Bruce,

Yes, I am available at 3:00 pm.

Angela Mattox

-----Original Message-----

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, October 27, 2009 8:40 AM
To: Rivera, Taina CIV DLA DESC-EF; Mattox, Angela E CIV DLA DESC-EA; Koessel, Brian CIV DLA DESC-EF
Cc: Brett Pyles; Jim Smith; David.Hackworth@CH2M.com
Subject: RE: Discussions - Vol II & III Ft. Knox RFP SP0600-08-R-0803

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Jim Bruce
HCWD1

From: Rivera, Taina CIV DLA DESC-EF [mailto:Taina.Rivera@dla.mil]
Sent: Thursday, October 22, 2009 5:43 PM
To: Jim Bruce
Cc: Mattox, Angela E CIV DLA DESC-EA; Koessel, Brian CIV DLA DESC-EF
Subject: Discussions - Vol II & III Ft. Knox RFP SP0600-08-R-0803

Mr. Bruce,

Per our conversation yesterday, October 21, 2009, attached are the notes discussed regarding Socioeconomic, Past Performance and Contract Documentation items presented in your proposal. Please consider providing any revisions and/or responses by October 30, 2009 to the Contracting Officer, Ms. Angela Mattox.

Should you have any questions or concerns, please do not hesitate to contact one of the team members shown in the attached correspondence.

Very Respectfully,
Taina

Taina M. Rivera
Contract Specialist
Energy Enterprise
DESC-EF
Com: (703) 767-8130 DSN: 427
Fax: (703) 767-2382
E-mail: Taina.Rivera@dlai.mil <mailto:Taina.Rivera@dlai.mil> No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.423 / Virus Database: 270.14.26/2451 - Release Date: 10/22/09 08:51:00

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Ms Mattox;

If you don't mind, please use our conference call system by dialing number below and entering Conference Code;

Reservationless-Plus Toll-free dial-in number (US and Canada): (866) 203-7023 Conference code: 4322591258

Thanks

Jim Bruce
HCWD1

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Sent: Tuesday, October 27, 2009 9:17 AM
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To: Mattox, Angela E CIV DLA DESC-EA
Cc: Brett Pyles; Jim Smith; David.Hackworth@CH2M.com
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Ms. Mattox;

Thank you, we will call you at 3PM EST today.

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Mr. Bruce,

Yes, I am available at 3:00 pm.

Angela Mattox
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Energy Enterprise
DESC-EF
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Here is list of persons on the conference call.

Jim Bruce - HCWD1
Brett Pyles - HCWD1

Jim Smith - Louisville Water Company

David Hackworth - CH2M Hill
Jon Greene - CH2M Hill
David Gray - CH2M Hill

Let me know if you need more information

Thanks for assisting us with the phone call and providing direction

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Sent: Tuesday, October 27, 2009 9:17 AM
To: Jim Bruce
Subject: RE: Discussions - Vol II & III Ft. Knox RFP SP0600-08-R-0003

received

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Sent: Tuesday, October 27, 2009 9:16 AM
To: Mattox, Angela E CIV DLA DESC-EA
Cc: Brett Pyles; Jim Smith; David.Hackworth@CH2M.com
Subject: RE: Discussions - Vol II & III Ft. Knox RFP SP0600-08-R-0003

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602
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Sent: Tuesday, October 27, 2009 3:29 PM
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Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles
Subject: RE: Discussions - Vol II & III Ft. Knox RFP SP0600-08-R-0803

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From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, October 28, 2009 4:20 PM
To: Mattox, Angela E CIV DLA DESC-EA
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles
Subject: Response - Correspondence #3 - Ft. Knox RFP SP0600-08-R-0803

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thanks
Jim Bruce

From: Jim Bruce
Sent: Friday, November 06, 2009 8:44 AM
To: Mattox, Angela E CIV DLA DESC-EA; Koessel, Brian CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF
Cc: Brett Pyles; David.Hackworth@CH2M.com; Jim Smith
Subject: Requested Site Visit Ft. Knox RFP SP0600-08-R-0803

Ms. Mattox;

We would like to request a site visit of the Ft. Knox water system. We mostly want to discuss changes and water projects started or completed in last year. Do not really need to tour facilities, other than maybe the water tower replacement site near the new HRC building.

If possible, please send us a few acceptable dates from Ft. Knox personnel, and we will coordinate to one of those dates. Anticipate 5 persons maximum.

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Jim Bruce
General Manager
HCWD1
Mr. Bruce,

DESC will coordinate with Fort Knox and get back with you. Thanks

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Cc: Brett Pyles; David.Hackworth@CH2M.com; Jim Smith
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Thank you

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General Manager
HCWD1

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.425 / Virus Database: 270.14.36/2465 - Release Date: 11/06/09 07:38:00
From: Koessel, Brian CIV DLA DESC EF [Brian.Koessel@dla.mil]
Sent: Friday, November 13, 2009 10:08 AM
To: Jim Bruce
Cc: Brett Pyles; David.Hackworth@CH2M.com; Jim Smith; Mattox, Angela E CIV DLA DESC-EA; Rivera, Taina CIV DLA DESC-EF; Muse, Kenny Mr CIV USA IMCOM
Subject: RE: Requested Site Visit Ft. Knox RFP SP0600-08-R-0803

Mr. Bruce,

DESC has coordinated with Fort Knox regarding your request for a site visit. Fort Knox is available the week of December 7th. Please coordinate your visit with Mr. Kenny Muse (kenny.muse1@us.army.mil / 502.624.5830).

If HCWD1 has any questions for the Government related to completed, ongoing, or planned water projects, then HCWD1 shall submit those questions to the Government in writing. The Government will then prepare a written response and provide it to you.

Respectfully,

Brian J. Koessel
Supv. Contract Specialist
Defense Energy Support Center
Energy Enterprise BU (DESC-EF)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

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If possible, please send us a few acceptable dates from Ft. Knox personnel, and we will coordinate to one of those dates. Anticipate 5 persons maximum.

Thank you

Jim Bruce
General Manager
HCWD1
Mr. Ender;

Please let us know if Monday Dec 7 (anytime) or Wed Dec 9 after 12PM will work for a site tour and visit regarding the Ft. Knox Water Privatization Proposal. We anticipate 5 persons or less, and do not need a complete tour, just visit to any locations where major water improvements have been started or completed in last year. We will also be forwarding several written questions to DESC next week as well.

Thank You

Jim Bruce
General Manager
HCW/D1

-----Original Message-----
From: Muse, Kenny Mr CIV USA IMCOM [mailto:kenny.muse1@us.army.mil]
Sent: Friday, November 13, 2009 10:52 AM
To: Koessel, Brian CIV DLA DESC-EF; Jim Bruce
Cc: Brett Pyles; David.Hackworth@CH2M.com; Jim Smith; Mattox, Angela E CIV DLA DESC-EA; Rivera, Taina CIV DLA DESC-EF
Subject: RE: Requested Site Visit Ft. Knox RFP SP0600-08-R-0803 (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

Coordinate your site visit with Bob Ender if possible.

Kenneth Muse
Chief of Operations & Maintenance
Directorate of Public Works
Bldg. 1110, Room 310
125 6th Ave. STE 320
Fort Knox, Ky. 40121-5719
Office 502.624.5830
Cell 502.442.3632
Fax 502.624.3679
email -- kenny.muse1@us.army.mil

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From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dla.mil]
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Mr. Bruce,

DESC has coordinated with Fort Knox regarding your request for a site visit. Fort Knox is available the week of December 7th. Please coordinate your visit with Mr. Kenny Muse (kenny.muse1@us.army.mil / 502.624.5830).

If HCWD1 has any questions for the Government related to completed, ongoing, or planned water projects, then HCWD1 shall submit those questions to the Government in writing. The Government will then prepare a written response and provide it to you.

Respectfully,

Brian J. Koessel
Supv. Contract Specialist
Defense Energy Support Center
Energy Enterprise BU (DESC-EF)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlamil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Friday, November 06, 2009 8:44 AM
To: Mattox, Angela E CIV DLA DESC-EA; Koessel, Brian CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF
Cc: Brett Pyles; David.Hackworth@CH2M.com; Jim Smith
Subject: Requested Site Visit Ft. Knox RFP SP0600-08-R-0803

Ms. Mattox;

We would like to request a site visit of the Ft. Knox water system. We mostly want to discuss changes and water projects started or completed in last year. Do not really need to tour facilities, other than maybe the water tower replacement site near the new HRC building.

If possible, please send us a few acceptable dates from Ft. Knox personnel, and we will coordinate to one of those dates. Anticipate 5 persons maximum.

Thank you

Jim Bruce
General Manager
HCWD1

Classification: UNCLASSIFIED
Caveats: NONE

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.425 / Virus Database: 270.14.56/2491 - Release Date: 11/13/09 07:54:00

Tracking:
To All, A tour on 9 Dec. 09 at 1200 hrs works best for us. We can visit any part of the system at your request. We can visit several sites where work is in progress as well some of the more recently completed projects. Bob

-----Original Message-----
From: Jim Bruce
Sent: Friday, November 13, 12:01 PM
To: Muse, Kenny Mr CIV USA IMCOM; Mattox, Angela E CIV DLA DESC-EA; Rivera, Taina CIV DLA DESC-EF; Ender, Robert K Mr CIV USA IMCOM
Cc: Brett Pyles; David.Hackworth@CH2M.com; Jim Smith
Subject: RE: Requested Site Visit Ft. Knox RFP SP0600-08-R-0803 (UNCLASSIFIED)

Mr. Ender;

Please let us know if Monday Dec 7 (anytime) or Wed Dec 9 after 12PM will work for a site tour and visit regarding the Ft. Knox Water Privatization Proposal. We anticipate 5 persons or less, and do not need a complete tour, just visit to any locations where major water improvements have been started or completed in last year. We will also be forwarding several written questions to DESC next week as well.

Thank You

Jim Bruce
General Manager
HCWD1

-----Original Message-----
From: Muse, Kenny Mr CIV USA IMCOM
Sent: Friday, November 13, 2009 10:52 AM
To: Koessel, Brian CIV DLA DESC-EF; Jim Bruce
Cc: Brett Pyles; David.Hackworth@CH2M.com; Jim Smith; Mattox, Angela E CIV DLA DESC-EA; Rivera, Taina CIV DLA DESC-EF
Subject: RE: Requested Site Visit Ft. Knox RFP SP0600-08-R-0803 (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

Coordinate your site visit with Bob Ender if possible.

Kenneth Muse
Chief of Operations & Maintenance
Directorate of Public Works
-----Original Message-----
From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dla.mil]
Sent: Friday, November 13, 2009 10:08 AM
To: Jim Bruce
Cc: Brett Pyles; David.Hackworth@CH2M.com; Jim Smith; Mattox, Angela E CIV DLA DESC-EA;
Rivera, Taina CIV DLA DESC-EF; Muse, Kenny Mr CIV USA IMCOM
Subject: RE: Requested Site Visit Ft. Knox RFP SP0600-08-R-0803

Mr. Bruce,

DESC has coordinated with Fort Knox regarding your request for a site visit. Fort Knox is available the week of December 7th. Please coordinate your visit with Mr. Kenny Muse (kenny.muse1@us.army.mil / 502.624.5830).

If HCWD1 has any questions for the Government related to completed, ongoing, or planned water projects, then HCWD1 shall submit those questions to the Government in writing. The Government will then prepare a written response and provide it to you.

Respectfully,

Brian J. Koessel
Supv. Contract Specialist
Defense Energy Support Center
Energy Enterprise BU (DESC-EF)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Friday, November 06, 2009 8:44 AM
To: Mattox, Angela E CIV DLA DESC-EA; Koessel, Brian CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF
Cc: Brett Pyles; David.Hackworth@CH2M.com; Jim Smith
Subject: Requested Site Visit Ft. Knox RFP SP0600-08-R-0803

Ms. Mattox;

We would like to request a site visit of the Ft. Knox water system. We mostly want to discuss changes and water projects started or completed in last year. Do not really need to tour facilities, other than maybe the water tower replacement site near the new HRC building.

If possible, please send us a few acceptable dates from Ft. Knox personnel, and we will coordinate to one of those dates. Anticipate 5 persons maximum.

Thank you

631
Jim Bruce

From: Koessel, Brian CIV DLA DESC-EF [Brian.Koessel@dla.mil]
Sent: Tuesday, December 15, 2009 4:46 PM
To: Jim Bruce
Cc: Mattox, Angela E CIV DLA DESC-EA; Rivera, Taina CIV DLA DESC-EF
Subject: Utility Privatization / Potable Water / Fort Knox, KY / SP0600-08-R-0803 / Amendment 0002
Attachments: Amendment 0002.pdf
Importance: High

Mr. Bruce,

The Defense Energy Support Center (DESC) hereby issues Amendment 0002 to Request for Proposal (RFP) SP0600-08-R-0803 for the privatization of the potable water utility system infrastructure at Fort Knox, KY. Please note that Attachments J1 and J44 are included in the attached amendment.

Please address any questions concerning this amendment to the following contracting team:

Angela Mattox, Contracting Officer: (703) 767-1348, angela.mattox@dla.mil
Taina Rivera, Contract Specialist: (703) 767-8130, taina.rivera@dla.mil
Brian Koessel, Contract Specialist: (703) 767-1595, brian.koessel@dla.mil

Respectfully,

Brian J. Koessel
Supv. Contract Specialist
Defense Energy Support Center
Energy Enterprise BU (DESC-EF)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.427 / Virus Database: 270.14.105/2562 - Release Date: 12/15/09 07:52:00
Ms. Mattox;

Attached please find our signed Amendment / Modification 0002 which we received on 15-December-2009. We also received and reviewed all attached documentation and changes that came with this mod. We are mailing an original signed sheet also for your records.

Also, if you recall we had agreed to extend our base and alternative pricing through 31-December-2010. We would like to know if you will be requesting another price extension, or have an update on the DESC schedule for possible contract award or further negotiations. Please let us know if we will need to discuss another pricing extension.

Thank You

Jim Bruce
General Manager, HCWD1
Cell; 270-268-4069

-----Original Message-----
From: Jim Bruce
Sent: Thursday, August 20, 2009 10:41 AM
To: 'Koessel, Brian CIV DLA DESC-EA'
Cc: Brett Pyles; 'jsmith@lwcky.com'; 'Greg Heitzman'; 'Jon.Green@ch2m.com'; 'David.Hackworth@CH2M.com'
Subject: RE: Open Negotiations / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Koessel;

We appreciate the update and request for price extension. After consulting with our team, we are agreeable to extend our base and alternate proposal price until December 31, 2009.

Our proposal also assumed a start-up date of January 1, 2010. If a contract award were made closer to the end of the year, we would also need to extend the start-up date to a time 4 months after the contract execution.

If a contract award were after December 31, 2009, we would have to request that we reserve the right to adjust our proposal price, if needed, after that date.

We again look forward to responding to the Government's negotiation questions and provide responses when requested, or sooner. Please call me if you have any questions.
Thank You

Jim Bruce
General Manager, HCWD1
Cell: 270-268-4069

-----Original Message-----
From: Koessel, Brian CIV DLA DESC-EA [mailto:Brian.Koessel@dla.mil]
Sent: Wednesday, August 19, 2009 9:20 AM
To: Jim Bruce
Cc: Brett Pyles; Rivera, Taina CIV DLA DESC-PHA
Subject: RE: Open Negotiations / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Bruce,

HCWD1 should expect to receive the first negotiation message during the first or second week of September. I again apologize for the delay in providing HCWD1 with the first negotiation message.

Additionally, in its original proposal, HCWD1 stated that its proposal would expire 300 days from its submittal. That date was August 5, 2009. Could you please provide DESC with a statement which extends HCWD1's proposals (base and alternate) until such time as Final Proposal Revisions might be requested (perhaps until 12/31/09)?

Respectfully,

Brian J. Koessel
Contract Specialist
Energy Enterprise BU (DESC-EA)
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, July 29, 2009 9:20 AM
To: Koessel, Brian (DESC)
Cc: Brett Pyles
Subject: RE: Open Negotiations / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Koessel;

In response to your 6/30 notice to Open Negotiations, we are requesting any update you might be able to provide on the process or schedule for the Ft. Knox Water Privatization (SP0600-08-R-0803).

Thank You

Jim Bruce
General Manager
HCWD1

-----Original Message-----
From: Koessel, Brian (DESC) [mailto:Brian.Koessel@dla.mil]
Sent: Tuesday, June 30, 2009 10:55 AM
To: Jim Bruce
Cc: Mattox, Angela E. (DESC)
Subject: Open Negotiations / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Bruce,

Please see the attached notice that negotiations with HCWD1 are now open under solicitation SP0600-08-R-0803. I sincerely apologize for the long delay between updates.

Respectfully,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise BU (DESC-EA)
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Monday, June 29, 2009 1:12 PM
To: Koessel, Brian (DESC)
Subject: RE: Update on Schedule - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Koessel;

We would like to request an update on the Ft. Knox Water Privatization (SP0600-08-R-0803). Had not heard anything since your last update. Would appreciate any information you can provide.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
(Phone; 270-268-4069)

Checked by AVG - www.avg.com
Version: 8.5.375 / Virus Database: 270.12.94/2208 - Release Date: 06/30/09 06:10:00

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.409 / Virus Database: 270.13.58/2309 - Release Date: 08/19/09 06:03:00
Mr. Bruce,

This project has been assigned to another contracting officer, Ms. Martha Gray. She may be reached at (703)767-9415.

Angela Mattox

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Monday, January 11, 2010 4:14 PM
To: Mattox, Angela E CIV DLA DESC-EA; Rivera, Taina CIV DLA DESC-EF; Koessel, Brian CIV DLA DESC-EF
Cc: Brett Pyles; david.hackworth@ch2m.com; Jim Smith; Scott Schmuck
Subject: Pricing Extension - Schedule Update - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Importance: High

Ms. Mattox;

Attached please find our signed Amendment / Modification 0002 which we received on 15-December-2009. We also received and reviewed all attached documentation and changes that came with this mod. We are mailing an original signed sheet also for your records.

Also, if you recall we had agreed to extend our base and alternative pricing through 31-December-2010. We would like to know if you will be requesting another price extension, or have an update on the DESC schedule for possible contract award or further negotiations. Please let us know if we will need to discuss another pricing extension.

Thank You

Jim Bruce
General Manager, HCWD1
Cell; 270-268-4069

-----Original Message-----
From: Jim Bruce
Sent: Thursday, August 20, 2009 10:41 AM
To: 'Koessel, Brian CIV DLA DESC-EA'
Cc: Brett Pyles; 'jsmith@lwcky.com'; 'Greg Heitzman'; 'Jon.Green@ch2m.com'; 'David.Hackworth@CH2M.com'
Subject: RE: Open Negotiations / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Mr. Koessel;

We appreciate the update and request for price extension. After consulting with our team, we are agreeable to extend our base and alternate proposal price until December 31, 2009.

Our proposal also assumed a start-up date of January 1, 2010. If a contract award were made closer to the end of the year, we would also need to extend the start-up date to a time 4 months after the contract execution.
If a contract award were after December 31, 2009, we would have to request that we reserve the right to adjust our proposal price, if needed, after that date.

We again look forward to responding to the Government's negotiation questions and provide responses when requested, or sooner. Please call me if you have any questions.

Thank You

Jim Bruce
General Manager, HCWD1
Cell; 270-268-4069

-----Original Message-----
From: Koessel, Brian CIV DLA DESC-EA [mailto:Brian.Koessel@dlami]n]
Sent: Wednesday, August 19, 2009 9:20 AM
To: Jim Bruce
Cc: Brett Pyles; Rivera, Taina CIV DLA DESC-PHA
Subject: RE: Open Negotiations / Fort Knox, KY / Utility Privatization /
SP0600-08-R-0003

Mr. Bruce,

HCWD1 should expect to receive the first negotiation message during the first or second week of September. I again apologize for the delay in providing HCWD1 with the first negotiation message.

Additionally, in its original proposal, HCWD1 stated that its proposal would expire 300 days from its submittal. That date was August 5, 2009.
Could you please provide DESC with a statement which extends HCWD1's proposals (base and alternate) until such time as Final Proposal Revisions might be requested (perhaps until 12/31/09)?

Respectfully,

Brian J. Koessel
Contract Specialist
Energy Enterprise BU (DESC-EA)
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, July 29, 2009 9:20 AM
To: Koessel, Brian (DESC)
Cc: Brett Pyles
Subject: RE: Open Negotiations / Fort Knox, KY / Utility Privatization /
SP0600-08-R-0803

Mr. Koessel;

In response to your 6/30 notice to Open Negotiations, we are requesting any update you might be able to provide on the process or schedule for the Ft. Knox Water Privatization (SP0600-08-R-0803).

Thank You

Jim Bruce
General Manager
HCWD1

-----Original Message-----
From: Koessel, Brian (DESC) [mailto:Brian.Koessel@dla.mil]
Sent: Tuesday, June 30, 2009 10:55 AM
To: Jim Bruce
Cc: Mattox, Angela E. (DESC)
Subject: Open Negotiations / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Bruce,

Please see the attached notice that negotiations with HCWD1 are now open under solicitation SP0600-08-R-0803. I sincerely apologize for the long delay between updates.

Respectfully,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise BU (DESC-EA)
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@chwcd.com]
Sent: Monday, June 29, 2009 1:12 PM
To: Koessel, Brian (DESC)
Subject: RE: Update on Schedule - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Mr. Koessel;

We would like to request an update on the Ft. Knox Water Privatization (SP0600-08-R-0803). Had not heard anything since your last update.
Would appreciate any information you can provide.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
(Phone; 270-268-4069)
Mr. Bruce,

I apologize for the delay in responding to your telephone call. At this time we are reviewing the technical and pricing portions of Negotiation Message #1 before sending it forward to you and your team for responses. It has been brought to my attention that your proposal was previously extended to 31 Dec 2009. Would you be agreeable to extending your proposal until 30 Sep 2010? You will have the opportunity to revise your pricing as needed during the negotiation/final proposal revision process.

Please let me know if this extension is acceptable to you.

Thank you,
Martha

Martha A. Gray
Division Chief/Contracting Officer
UP Contracting Division IV
DESC-EF - Energy Enterprise BU
Phone: (703) 767-9415 DSN 427
Fax: (703) 767-2382
Email: martha.gray@dlamil


No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.432 / Virus Database: 271.1.1/2637 - Release Date: 01/24/10 07:33:00
Ms. Gray;

Our team is reviewing your request. We will be looking at our original pricing, and current costs and construction market. We plan to have our response to you by end of next week.

Thank You,

Jim Bruce
General Manager
HCWD1

Mr. Bruce,

I apologize for the delay in responding to your telephone call. At this time we are reviewing the technical and pricing portions of Negotiation Message #1 before sending it forward to you and your team for responses. It has been brought to my attention that your proposal was previously extended to 31 Dec 2009. Would you be agreeable to extending your proposal until 30 Sep 2010? You will have the opportunity to revise your pricing as needed during the negotiation/final proposal revision process.

Please let me know if this extension is acceptable to you.

Thank you,
Martha

Martha A. Gray
Division Chief/Contracting Officer
UP Contracting Division IV
DESC-EF - Energy Enterprise BU
Phone: (703) 767-9415 DSN 427
Fax: (703) 767-2382
Email: martha.gray@dlamil

Ms. Gray;

Please see attached letter and response to your request for proposal extension. Please let me know if you need anything else.

Thank You

Jim Bruce
General Manager
HCWD1

Mr. Bruce,

I apologize for the delay in responding to your telephone call. At this time we are reviewing the technical and pricing portions of Negotiation Message #1 before sending it forward to you and your team for responses. It has been brought to my attention that your proposal was previously extended to 31 Dec 2009. Would you be agreeable to extending your proposal until 30 Sep 2010? You will have the opportunity to revise your pricing as needed during the negotiation/final proposal revision process.

Please let me know if this extension is acceptable to you.

Thank you,

Martha

Mr. Bruce,

DESC acknowledges receipt of your extension.

Thank you,

Martha

Martha A. Gray
Division Chief/Contracting Officer
UP Contracting Division IV
DESC-EF - Energy Enterprise BU
Phone: (703) 767-9415 DSN 427
Fax: (703) 767-2382
Email: martha.gray@dla.mil

***Register now and join us for the DESC 2010 Worldwide Energy Conference; Energy Solutions for the Future.

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, February 03, 2010 2:54 PM
To: Gray, Martha A CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Koessel, Brian CIV DLA DESC-EF
Cc: Jim Smith; david.hackworth@ch2m.com; Brett Pyles
Subject: RE: Proposal Extension for HCWD #1 - Fort Knox Utility Privatization - SP0600-08-R-0803

Ms. Gray;

Please see attached letter and response to your request for proposal extension. Please let me know if you need anything else.

Thank You

Jim Bruce
General Manager
HCWD1

From: Gray, Martha A CIV DLA DESC-EF [mailto:Martha.Gray@dla.mil]
Sent: Sunday, January 24, 2010 5:55 PM
To: Jim Bruce
Cc: Koessel, Brian CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF
Subject: Proposal Extension for HCWD #1 - Fort Knox Utility Privatization - SP0600-08-R-0803

Mr. Bruce,
I apologize for the delay in responding to your telephone call. At this time we are reviewing the technical and pricing portions of Negotiation Message #1 before sending it forward to you and your team for responses. It has been brought to my attention that your proposal was previously extended to 31 Dec 2009. Would you be agreeable to extending your proposal until 30 Sep 2010? You will have the opportunity to revise your pricing as needed during the negotiation/final proposal revision process.

Please let me know if this extension is acceptable to you.

Thank you,

Martha

Martha A. Gray
Division Chief/Contracting Officer
UP Contracting Division IV
DESC-EF - Energy Enterprise BU
Phone: (703) 767-9415 DSN 427
Fax: (703) 767-2382
Email: martha.gray@dla.mil


No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.432 / Virus Database: 271.1.1/2637 - Release Date: 01/24/10 07:33:00

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.435 / Virus Database: 271.1.1/2643 - Release Date: 02/03/10 08:09:00
Ms. Martha Gray;

Division Chief/Contracting Officer
UP Contracting Division IV
DESC-EF - Energy Enterprise BU

If possible, we would request a schedule update on the Ft. Knox Water Utility Privatization. We have not heard anything since February and were hoping you could provide an updated schedule.

Thank You,

Jim Bruce
General Manager
HCWD1
Jim Bruce

From: Gray, Martha A CIV DLA DESC-EF [Martha.Gray@dla.mil]
Sent: Friday, June 25, 2010 5:41 PM
To: Jim Bruce
Cc: Rivera, Taina CIV DLA DESC-EF; david.hackworth@ch2m.com; Jim Smith; Brett Pyles; Koessel, Brian CIV DLA DESC-EF
Subject: RE: Schedule Update Request - Fort Knox Utility Privatization - SP0600-08-R-0803

Jim,

If you would provide me with your phone number, I would like to give you a call on Monday to discuss.

Thanks very much,

Martha

Martha A. Gray
Division Chief/Contracting Officer
UP Contracting Division IV
DESC-EF - Energy Enterprise BU
Phone: (703) 767-9415 DSN 427
Fax: (703) 767-2382
Email: martha.gray@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, June 16, 2010 3:24 PM
To: Gray, Martha A CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Koessel, Brian CIV DLA DESC-EF
Cc: Brett Pyles; Jim Smith; david.hackworth@ch2m.com
Subject: Schedule Update Request - Fort Knox Utility Privatization - SP0600-08-R-0803

Ms. Martha Gray;

Division Chief/Contracting Officer
UP Contracting Division IV
DESC-EF - Energy Enterprise BU

If possible, we would request a schedule update on the Ft. Knox Water Utility Privatization. We have not heard anything since February and were hoping you could provide an updated schedule.

Thank You,

Jim Bruce
General Manager
HCWD1
Jim Bruce

From: Gray, Martha A CIV DLA DESC-EF [Martha.Gray@dla.mil]
Sent: Sunday, June 27, 2010 9:48 PM
To: Jim Bruce
Cc: Brett Pyles; Rivera, Taina CIV DLA DESC-EF; Koessel, Brian CIV DLA DESC-EF
Subject: RE: Schedule Update Request - Fort Knox Utility Privatization - SP0600-08-R-0803

Jim,

Thank you. I will call you on Monday morning at the number you've provided.

Martha

Martha A. Gray
Division Chief/Contracting Officer
UP Contracting Division IV
DESC-EF - Energy Enterprise BU
Phone: (703) 767-9415 DSN 427
Fax: (703) 767-2382
Email: martha.gray@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Saturday, June 26, 2010 8:47 AM
To: Gray, Martha A CIV DLA DESC-EF
Cc: Brett Pyles
Subject: RE: Schedule Update Request - Fort Knox Utility Privatization - SP0600-08-R-0803

Ms. Gray;

I will be back in KY on Monday and will be available on my cell phone. You can call me at 270-268-4069. If I do not answer, please leave a message and I will call you back as soon as I get back in house.

Thank You

Jim Bruce

-----Original Message-----
From: Gray, Martha A CIV DLA DESC-EF [mailto:Martha.Gray@dla.mil]
Sent: Fri 6/25/2010 5:40 PM
To: Jim Bruce
Cc: Rivera, Taina CIV DLA DESC-EF; david.hackworth@ch2m.com; Jim Smith; Brett Pyles; Koessel, Brian CIV DLA DESC-EF
Subject: RE: Schedule Update Request - Fort Knox Utility Privatization - SP0600-08-R-0803

Jim,

If you would provide me with your phone number, I would like to give you a call on Monday to discuss.
Thanks very much,

Martha

Martha A. Gray  
Division Chief/Contracting Officer  
UP Contracting Division IV  
DESC-EF - Energy Enterprise BU  
Phone: (703) 767-9415 DSN 427  
Fax: (703) 767-2382  
Email: martha.gray@dlamil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]  
Sent: Wednesday, June 16, 2010 3:24 PM  
To: Gray, Martha A CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Koessel, Brian CIV DLA DESC-EF  
Cc: Brett Pyles; Jim Smith; david.hackworth@ch2m.com  
Subject: Schedule Update Request - Fort Knox Utility Privatization - SP0600-08-R-0803

Ms. Martha Gray;

Division Chief/Contracting Officer  
UP Contracting Division IV  
DESC-EF - Energy Enterprise BU

If possible, we would request a schedule update on the Ft. Knox Water Utility Privatization. We have not heard anything since February and were hoping you could provide an updated schedule.

Thank You,

Jim Bruce  
General Manager  
HCWD1

No virus found in this incoming message.  
Checked by AVG - www.avg.com  
Version: 8.5.439 / Virus Database: 271.1.1/2917 - Release Date: 06/25/10 06:35:00

No virus found in this incoming message.  
Checked by AVG - www.avg.com  
Version: 8.5.439 / Virus Database: 271.1.1/2917 - Release Date: 06/27/10 18:35:00
Mr. Bruce,

Please see the attached Negotiation Message in response to HCWD1’s base proposal for privatization of the Fort Knox Potable Water Utility System under Solicitation SP0600-08-R-0803. As Ms. Gray recently discussed with you, the Army desires an award by September 30, 2010. Therefore HCWD1 is respectfully requested to provide its responses to the attached message no later than Friday, July 16, 2010.

Due to the upcoming holiday, I will be out of the office until Tuesday July 6th. If you have any questions, please contact Taina Rivera at 703-767-8130 or Martha Gray at 703-767-9415 on July 2nd.

Thank you for your patience and for your continued participation in this procurement.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU (DESC-EF)
Defense Energy Support Center
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlaim
Mr. Koessel;

Please see attached correspondence with questions / clarification requests in response to the Governments 1-July Negotiation Message 070110. Please feel free to call or email me if you have any questions regarding these.

Thank You

Jim Bruce
General Manager
HCWD1

Attached

From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dla.mil]
Sent: Thursday, July 01, 2010 4:29 PM
To: Jim Bruce; Brett Pyles; Jim Smith
Cc: Gray, Martha A CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF
Subject: Negotiation Message - 070110 / SP0600-08-R-0803 / Fort Knox, KY / HCWD1
Importance: High

Mr. Bruce,

Please see the attached Negotiation Message in response to HCWD1’s base proposal for privatization of the Fort Knox Potable Water Utility System under Solicitation SP0600-08-R-0803. As Ms. Gray recently discussed with you, the Army desires an award by September 30, 2010. Therefore HCWD1 is respectfully requested to provide its responses to the attached message no later than Friday, July 16, 2010.

Due to the upcoming holiday, I will be out of the office until Tuesday July 6th. If you have any questions, please contact Taina Rivera at 703-767-8130 or Martha Gray at 703-767-9415 on July 2nd.

Thank you for your patience and for your continued participation in this procurement.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU (DESC-EF)
Defense Energy Support Center
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil
Mr. Bruce,

Attached please find the Government’s response to the questions/clarifications requested by HCWD1. Additionally, I have attached a template of Schedule B-1 for HCWD1’s use in submitting its revised pricing. Breaking out costs in the manner provided for in the Schedule will assist our team in reviewing the price proposal. Please let me know if you have any questions.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU (DESC-EF)
Defense Energy Support Center
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlamil

Mr. Koessel;

Please see attached correspondence with questions / clarification requests in response to the Governments 1-July Negotiation Message 070110. Please feel free to call or email me if you have any questions regarding these.

Thank You

Jim Bruce
General Manager
HCWD1

Attached
From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dlp.mil]
Sent: Thursday, July 01, 2010 4:29 PM
To: Jim Bruce; Brett Pyles; Jim Smith
Cc: Gray, Martha A CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF
Subject: Negotiation Message - 070110 / SP0600-08-R-0803 / Fort Knox, KY / HCWD1
Importance: High

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Regards,

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Energy Enterprise BU (DESC-EF)
Defense Energy Support Center
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlp.mil

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.439 / Virus Database: 271.1.1/2917 - Release Date: 07/01/10 06:35:00

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.441 / Virus Database: 271.1.1/2989 - Release Date: 07/14/10 06:36:00
Mr. Koessel;

Please see our attached document with attachment as our responses to your recent Negotiation Message 070110. We look forward to your additional questions, and we are already working on finalizing our final revised proposal.

Thank You

Jim Bruce
General Manager
HCWD1
Mr. Koessel;

Please see our attached document with attachment as our responses to your recent Negotiation Message 070110. We look forward to your additional questions, and we are already working on finalizing our final revised proposal.

Thank You

Jim Bruce
General Manager
HCWD1
Mr. Bruce,

DESC is in receipt of your message. Thank you for your timely response.

Have a good weekend,

Martha

Martha A. Gray  
Division Chief/Contracting Officer  
UP Contracting Division IV  
DESC-EF - Energy Enterprise BU  
Phone: (703) 767-9415 DSN 427  
Fax: (703) 767-2382  
Email: martha.gray@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]  
Sent: Friday, July 16, 2010 4:56 PM  
To: Koessel, Brian CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF  
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles  
Subject: RE: Negotiation Message - 070110 / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

Mr. Koessel;

Please see our attached document with attachment as our responses to your recent Negotiation Message 070110. We look forward to your additional questions, and we are already working on finalizing our final revised proposal.

Thank You

Jim Bruce  
General Manager  
HCWD1

No virus found in this incoming message.  
Checked by AVG - www.avg.com  
Version: 8.5.441 / Virus Database: 271.1.1/3006 - Release Date: 07/16/10 06:35:00
From: Jim Bruce
Sent: Wednesday, July 21, 2010 12:57 PM
To: Koessel, Brian CIV DLA DESC-EF; Taina.Rivera@dla.mil; Gray, Martha A CIV DLA DESC-EF
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles
Subject: Additional Questions / SP0600-08-R-0803 / Fort Knox, KY / HCWD1
Attachments: BK Question Request.pdf; BK Question Request.doc

Mr. Koessel;

Please see our attached document with additional questions regarding the above privatization of the Ft. Knox Water Utility.

Thank You

Jim Bruce
General Manager
HCWD1
Phone: 270-268-4069 (c)
Jim Bruce

From: Koessel, Brian CIV DLA DESC-EF [Brian.Koessel@dla.mil]
Sent: Wednesday, July 21, 2010 4:28 PM
To: Jim Bruce
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Subject: RE: Negotiation Message - 070110 / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

Mr. Bruce,

The Government would like to discuss HCWD1's 071610 response to the Negotiation Message sent on 070110. The Government would like to schedule the discussion on July 22nd from 3-5pm ET. A list of topics will be provided tomorrow morning. Most of the topics pertain to the pricing issues. Please confirm availability of your team.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Chief/Contracting Officer
DLA Energy
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Friday, July 16, 2010 4:55 PM
To: Koessel, Brian CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles
Subject: RE: Negotiation Message - 070110 / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

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Thank You

Jim Bruce
General Manager
HCWD1

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.441 / Virus Database: 271.1.1/3006 - Release Date: 07/21/10 06:36:00
Mr Koessel,

We are available tomorrow at 3PM to participate in the call. If you need to use our conference calling system, here is access information;

Reservationless-Plus Toll-free dial-in number (US and Canada): (866) 203-7023

Conference code: 432 259 1258

We look forward to further discussions about our proposal and hopefully answer all your questions.

Thank You,

Jim Bruce
General Manager
HCWD1

Mr. Bruce,

The Government would like to discuss HCWD1’s 071610 response to the Negotiation Message sent on 070110. The Government would like to schedule the discussion on July 22nd from 3-5pm ET. A list of topics will be provided tomorrow morning. Most of the topics pertain to the pricing issues. Please confirm availability of your team.

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No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.441 / Virus Database: 271.1.1/3006 - Release Date: 07/21/10 06:36:00
Jim Bruce

From: Koessel, Brian CIV DLA DESC-EF [Brian.Koessel@dlamil]
Sent: Thursday, July 22, 2010 12:34 PM
To: Jim Bruce; Gray, Martha A CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF
Cc: Brett Pyles; Jim Smith; David.Hackworth@CH2M.com
Subject: RE: Negotiation Message - 070110 / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

Importance: High

Mr. Bruce,

Thank you for confirming the availability of your team. The Government has arranged a call-in number for this afternoon's discussion. The number is 703-767-8509. There is no code required. If you are the first caller, then the line will ring until a second caller joins.

During the call, the Government would like to discuss HCWD1's responses to the following Negotiation Message issues:

Volume I - Technical:
Issues 4, 5, 11, 14, 16, 21, and 24-26

Volume IV - Price:
Issues 1, 4, 5, 6, 7, and 8.

Exceptions/Assumptions:
General Assumptions: 8, 22, 33, 50, 52, 56, and 58 Key Pricing Assumptions: 16

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, July 21, 2010 5:08 PM
To: Koessel, Brian CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF
Cc: Brett Pyles; Jim Smith; David.Hackworth@CH2M.com
Subject: RE: Negotiation Message - 070110 / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

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Conference code: 432 259 1258
We look forward to further discussions about our proposal and hopefully answer all your questions

Thank You,

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dlamil]
Sent: Wednesday, July 21, 2010 4:28 PM
To: Jim Bruce
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Subject: RE: Negotiation Message - 070110 / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

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Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Friday, July 16, 2010 4:55 PM
To: Koessel, Brian CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles
Subject: RE: Negotiation Message - 070110 / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

Mr. Koessel;

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Thank You

Jim Bruce
General Manager
HCWD1
Mr. Bruce,

We have passed along HCWD1's additional questions to Fort Knox for a response. Many of our team members there are out of the office this week and will return on Monday. We hope that upon their return they will be able to provide HCWD1 with a response by COB 26 July.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, July 21, 2010 12:57 PM
To: Koessel, Brian CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles
Subject: Additional Questions / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

Mr. Koessel;

Please see our attached document with additional questions regarding the above privatization of the Ft. Knox Water Utility.

Thank You

Jim Bruce
General Manager
HCWD1
Phone: 270-268-4069 (c)

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.441 / Virus Database: 271.1.1/3006 - Release Date: 07/22/10 06:36:00
Mr Koessel;

Thank You

Jim Bruce
HCWD1

-----Original Message-----
From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dla.mil]
Sent: Thursday, July 22, 2010 1:15 PM
To: Jim Bruce
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Subject: RE: Additional Questions / SP0600-08-R-0003 / Fort Knox, KY / HCWD1

Mr. Bruce,

We have passed along HCWD1's additional questions to Fort Knox for a response. Many of our team members there are out of the office this week and will return on Monday. We hope that upon their return they will be able to provide HCWD1 with a response by COB 26 July.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, July 21, 2010 12:57 PM
To: Koessel, Brian CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles
Subject: Additional Questions / SP0600-08-R-0003 / Fort Knox, KY / HCWD1

Mr. Koessel;

Please see our attached document with additional questions regarding the above privatization of the Ft. Knox Water Utility.

Thank You

Jim Bruce
General Manager
Mr. Koessel;

Our participants in call yesterday were;

HCWD1:
Jim Bruce
Brett Pyles
Scott Schmuck
Richard Stranahan

LWC:
Jim Smith

CH2M HILL
David Hackworth

I have also attached KRS 74.395. I thought it was a KAR (KY Administrative Regulation) but it is actually a KRS – Kentucky Revised Statute.

Have also attached KAR 807 5:011. See section 13 regarding Special Contracts. This is allowance for PSC to avoid regular rate making regulations if a special contract has been entered into between customer and water district, allowing for special provisions and agreement. This is what we have filed past tariffs and rate changes under on FK Sewer with PSC. KAR 807 5:001, Section 10 is also attached which gives regulations and requirements for normal rate case or general tariff rate adjustment. With our FK Sewer rate, this section did not apply since we filed as a Special Contract.

We hope this is helpful

Thank You

Jim Bruce
General Manager
HCWD1
Phone: 270-268-4069 (c)
Mr. Koessel;

We have attached our spreadsheet used for pricing capital and construction costs. We believe this addresses your Issue 4 (R&R costs), Issue 6 (Project Costs) and Assumption 16 (Key Pricing Assumptions)

Thank You

Jim Bruce
General Manager
HCWD1
Phone: 270-268-4069 (c)
Mr. Koessel;

Please see our attached document with additional questions regarding the above privatization of the Ft. Knox Water Utility.

Thank You

Jim Bruce
General Manager
HCWD1
Phone: 270-268-4069 (c)
Mr. Bruce,

Please see the attached response to the questions submitted on July 21, 2010. Additionally, the Government has determined that HCWD1 may stagger its Final Proposal Revision (FPR) submittal. The revised due dates are:

CD Versions, 4 with tracked changes and 4 with changes accepted July 30, 2010: Volumes I and II (NLT 3:00pm ET) August 4, 2010: Volumes III and IV (NLT 3:00pm ET)

Hard Copies:
August 9, 2010 (NLT 3:00pm ET)

The CD versions will be the official versions. Please let me know if you have any questions.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

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Sent: Wednesday, July 21, 2010 12:57 PM
To: Koessel, Brian CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles
Subject: Additional Questions / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

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Thank You

Jim Bruce
General Manager
HCWD1
Phone: 270-268-4069 (c)

No virus found in this incoming message.
Mr. Koessel;

Please clarify whether you intended to have Volumes I and II submitted NLT 1500 on 30-July, and Volumes III and IV NLT 1500 on 4-August. It was not clear in your email if you mean two different dates, or, all CD's, both versions are due on 30-July

Thank You

Jim Bruce
HCWD1
General Manager

-----Original Message-----
From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dla.mil]
Sent: Monday, July 26, 2010 4:34 PM
To: Jim Bruce
Cc: Gray, Martha A CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Brett Pyles; Jim Smith; David.Hackworth@CH2M.com
Subject: RE: Additional Questions / SP0600-08-R-0803 / Fort Knox, KY / HCWD1
Importance: High

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Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

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From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, July 21, 2010 12:57 PM
To: Koessel, Brian CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF  
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles  
Subject: Additional Questions / SP0600-08-R-0003 / Fort Knox, KY / HCWD1

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Thank You

Jim Bruce 
General Manager 
HCWD1 
Phone: 270-268-4069 (c)

No virus found in this incoming message.  
Checked by AVG - www.avg.com  
Version: 8.5.441 / Virus Database: 271.1.1/3023 - Release Date: 07/26/10 06:36:00
Mr. Bruce,

I apologize for the confusion. The intent is to extend the due date for CDs (tracked and accepted) for Volumes III and IV to NLT 1500 on 4-August. The due date for CDs (tracked and accepted) for Volumes I and II remains 30-July. The Government determined that additional time was warranted as a result of our recent pricing discussions. We hope this time will help in the preparation of your price proposal. Additionally, to the extent that the subcontracting plan incorporates elements of the price proposal, we added Volume III as well.

Respectfully,

Brian J. Koessell
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, July 27, 2010 10:30 AM
To: Koessell, Brian CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Cc: David.Hackworth@CH2M.com; Jim Smith; Brett Pyles
Subject: RE: Additional Questions / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

Mr. Koessell;

Please clarify whether you intended to have Volumes I and II submitted NLT 1500 on 30-July, and Volumes III and IV NLT 1500 on 4-August. It was not clear in your email if you mean two different dates, or, all CD's, both versions are due on 30-July.

Thank You

Jim Bruce
HCWD1
General Manager

-----Original Message-----
From: Koessell, Brian CIV DLA DESC-EF [mailto:Brian.Koessell@dlamil]
Sent: Monday, July 26, 2010 4:34 PM
To: Jim Bruce
Cc: Gray, Martha A CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Brett Pyles; Jim Smith; David.Hackworth@CH2M.com
Subject: RE: Additional Questions / SP0600-08-R-0803 / Fort Knox, KY / HCWD1
Importance: High

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DLA Energy
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Checked by AVG - www.avg.com
Version: 8.5.441 / Virus Database: 271.1.1/3023 - Release Date: 07/26/10 06:36:00

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.441 / Virus Database: 271.1.1/3023 - Release Date: 07/27/10 06:09:00
Mr. Koessel;

Thank you, that clarifies it for us.

Jim Bruce
HCWD1

-----Original Message-----
From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dla.mil]
Sent: Tuesday, July 27, 2010 11:18 AM
To: Jim Bruce
Cc: Gray, Martha A CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Brett Pyles; Jim Smith; David.Hackworth@CH2M.com
Subject: RE: Additional Questions / SP0600-08-R-0803 / Fort Knox, KY / HCWD1
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Brian J. Koeessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Monday, July 26, 2010 9:18 AM
To: Koeessel, Brian CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles
Subject: Additional Question 07262010 / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

Mr. Koeessel;

Please see our attached document with additional questions regarding the above privatization of the Ft. Knox Water Utility.

Thank You

Jim Bruce
General Manager
HCWD1
Phone: 270-268-4069 (c)

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.441 / Virus Database: 271.1.1/3023 - Release Date: 07/27/10 18:34:00
Mr. Bruce,

Reference is made to Defense Energy Support Center (DESC) solicitation SP0600-08-R-0803. In accordance with FAR 15.307, Proposal Revisions, you are hereby notified that negotiations will close on July 30, 2010 at 3:00 p.m. ET. As discussed previously, a hard copy of HCWD1’s Final Proposal Revision (FPR) is due on August 9, 2010 at 3:00pm ET. CD versions of the FPR shall be submitted according to the dates and times identified in Negotiation Message #2. The CD versions of the FPR will be considered the official versions.

The FPR shall be addressed to:
DLA Energy – EFA
Attn: Brian Koessel, Contracting Officer
8725 John J. Kingman Road, Room 3937
Fort Belvoir, VA 22060.

The Government requests that your FPR address all issues identified during negotiations and any others that you feel will improve your proposal. Include a summary of any and all revisions that you have made since your last submittal along with supporting rationale. Be sure that this summary captures all changes, not only those issues discussed during recent negotiations. With each of those issues there should be a reference as to where in the FPR that information can be found.

Please note that after July 30, 2010 at 3:00 p.m. ET, the Government does not plan on holding further discussions with any offeror as the process moves into the final evaluation, Source Selection Authority (SSA) decision, Congressional notification, and final award phase. You will be notified in writing of the SSA decision.

Please do not hesitate to contact me with any questions.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlaiml

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.441 / Virus Database: 271.1.1/3023 - Release Date: 07/27/10 18:34:00
Mr. Bruce,

Please see the attached Negotiation Message #2 in response to HCWD1's July 16, 2010 correspondence. NM#2 incorporates many of the items discussed during the telephone conferences on July 22-23, 2010. Please also note the changes to items 10, 11, and 12 on page 2 of the message. As always, you may contact me with any questions.

Respectfully,

Brian J. Koessler
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Friday, July 16, 2010 4:55 PM
To: Koessler, Brian CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles
Subject: RE: Negotiation Message - 070110 / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

Mr. Koessler;

Please see our attached document with attachment as our responses to your recent Negotiation Message 070110. We look forward to your additional questions, and we are already working on finalizing our final revised proposal

Thank You

Jim Bruce
General Manager
HCWD1

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.441 / Virus Database: 271.1.1/3023 - Release Date: 07/27/10 18:34:00
From: Jim Bruce  
Sent: Wednesday, July 28, 2010 9:00 AM  
To: Koessel, Brian CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF  
Cc: Brett Pyles; Jim Smith; David.Hackworth@CH2M.com  
Subject: RE: Additional Question 07262010 / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

Mr Koessel;

Thank you for your quick response. Your response answered this question for us.

Jim Bruce  
HCWD1  
General Manager

From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dla.mil]  
Sent: Tuesday, July 27, 2010 6:29 PM  
To: Jim Bruce  
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles; Gray, Martha A CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF  
Subject: RE: Additional Question 07262010 / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

Mr. Bruce,

Please see the attached response to the question submitted on July 26, 2010. Please let me know if you have any questions.

Respectfully,

Brian J. Koessel  
Branch Chief/Contracting Officer  
Energy Enterprise BU  
DLA Energy  
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]  
Sent: Monday, July 26, 2010 9:18 AM  
To: Koessel, Brian CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF  
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles  
Subject: Additional Question 07262010 / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

Mr. Koessel;

Please see our attached document with additional questions regarding the above privatization of the Ft. Knox Water Utility.

Thank You

Jim Bruce  
General Manager  
HCWD1
Mr. Koessel;

Please see our latest responses to remaining items requiring an answer or response from your 27-July correspondence. Please let us know if any of the items require additional response.

Thank You

Jim Bruce
General Manager
HCWD1

---Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Friday, July 16, 2010 4:55 PM
To: Koessel, Brian CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles
Subject: RE: Negotiation Message - 070110 / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

Mr. Koessel;
Please see our attached document with attachment as our responses to your recent Negotiation Message 070110. We look forward to your additional questions, and we are already working on finalizing our final revised proposal.

Thank You

Jim Bruce
General Manager
HCwD1

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.441 / Virus Database: 271.1.1/3023 - Release Date: 07/27/10 18:34:00
Mr. Bruce,

No additional responses are required at this time. The Government looks forward to receiving your FPR submittal.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, July 28, 2010 3:05 PM
To: Koessel, Brian CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles
Subject: Negotiation Message #2 / SP0600-08-R-0003 / Fort Knox, KY /
HCWD1 072810 Responses

Mr. Koessel;

Please see our latest responses to remaining items requiring an answer or response from your 27-July correspondense. Please let us know if any of the items require additional response

Thank You

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dla.mil]
Sent: Tuesday, July 27, 2010 6:38 PM
To: Jim Bruce
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles; Gray, Martha A CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF
Subject: Negotiation Message #2 / SP0600-08-R-0003 / Fort Knox, KY /
HCWD1
Importance: High

Mr. Bruce,
Please see the attached Negotiation Message #2 in response to HCWD1's July 16, 2010 correspondence. NM#2 incorporates many of the items discussed during the telephone conferences on July 22-23, 2010. Please also note the changes to items 10, 11, and 12 on page 2 of the message.

As always, you may contact me with any questions.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Friday, July 16, 2010 4:55 PM
To: Koessel, Brian CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles
Subject: RE: Negotiation Message - 070110 / SP0600-08-R-0003 / Fort Knox, KY / HCWD1

Mr. Koessel;

Please see our attached document with attachment as our responses to your recent Negotiation Message 070110. We look forward to your additional questions, and we are already working on finalizing our final revised proposal.

Thank You

Jim Bruce
General Manager
HCWD1

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.441 / Virus Database: 271.1.1/3023 - Release Date: 07/27/10 18:34:00

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.441 / Virus Database: 271.1.1/3034 - Release Date: 07/28/10 17:38:00
Jim Bruce

From: Jim Bruce
Sent: Thursday, July 29, 2010 9:17 AM
To: Koessel, Brian CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles
Subject: Clarification Request / SP0600-08-R-0803 / Fort Knox, KY

Mr. Koessel;

Please confirm if the following is the correct physical address for DLA and the addressee is correct;

Ms. Martha A. Gray
Division Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
8725 John J. Kingman Road, Suite 4950
Fort Belvoir, Virginia 22060-6222

Thank You

Jim Bruce
General Manager
HCWD1
Mr. Bruce,

Please address the submittal as follows:

Mr. Brian J. Koessel  
DLA Energy - EF  
8725 John J. Kingman Road, Suite 3937  
Fort Belvoir, Virginia 22060-6222

Respectfully,  

Brian J. Koessel  
Branch Chief/Contracting Officer  
Energy Enterprise BU  
DLA Energy  
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, July 29, 2010 9:17 AM
To: Koessel, Brian CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles
Subject: Clarification Request / SP0600-08-R-0803 / Fort Knox, KY

Mr. Koessel;

Please confirm if the following is the correct physical address for DLA and the addressee is correct;

Ms. Martha A. Gray  
Division Chief/Contracting Officer  
Energy Enterprise BU  
DLA Energy  
8725 John J. Kingman Road, Suite 4950  
Fort Belvoir, Virginia 22060-6222

Thank You

Jim Bruce  
General Manager  
HCWD1

No virus found in this incoming message.
Mr. Koessel,

Thank you for your quick response and answer.

Jim Bruce
HCWD1

-----Original Message-----
From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dla.mil]
Sent: Thursday, July 29, 2010 9:28 AM
To: Jim Bruce; Gray, Martha A CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles
Subject: RE: Clarification Request / SP0600-08-R-0083 / Fort Knox, KY

Mr. Bruce,

Please address the submittal as follows:

Mr. Brian J. Koessel
DLA Energy - EF
8725 John J. Kingman Road, Suite 3937
Fort Belvoir, Virginia 22060-6222

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, July 29, 2010 9:17 AM
To: Koessel, Brian CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF
Cc: Jim Smith; David.Hackworth@CH2M.com; Brett Pyles
Subject: Clarification Request / SP0600-08-R-0083 / Fort Knox, KY

Mr. Koessel;

Please confirm if the following is the correct physical address for DLA and the addressee is correct;
Ms. Martha A. Gray  
Division Chief/Contracting Officer  
Energy Enterprise BU  
DLA Energy  
8725 John J. Kingman Road, Suite 4950  
Fort Belvoir, Virginia 22060-6222

Thank You

Jim Bruce  
General Manager  
HCWD1

No virus found in this incoming message.  
Checked by AVG - www.avg.com  
Version: 8.5.441 / Virus Database: 271.1.1/3034 - Release Date: 07/29/10 06:34:00
Mr. Bruce,

I am writing to confirm that DLA Energy did receive HCWD1's delivery of volumes III and IV yesterday. In reviewing the submittal, it was noted that no MS Excel Spreadsheets were provided with the pricing volume. DLA Energy respectfully requests that HCWD1 provide the supporting spreadsheets as soon as possible. Please let me know if you have any questions.

With respect to your question regarding pagination, as long as there are no changes to content, then I will accept the hard copies with shifted page numbers. For ease of identification and reference, please include a summary listing the start and end of each shift in page correlation with your hard copy submittal.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.441 / Virus Database: 271.1.1/3034 - Release Date: 08/05/10 06:35:00
Mr. Schmuck,

Per Mr. Bruce’s out of office message, I am forwarding the attached request/response to your attention. Please let me know if you have any questions.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

I am out of office 8/5 and 8/6. Scott Schmuck will be in charge during my absence. Scott’s extension is 222 (351-3222) and email is sscmuck@hcwd.com

Thanks, Jim Bruce

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.441 / Virus Database: 271.1.1/3034 - Release Date: 08/05/10 06:35:00
Mr. Koessel,

I am in receipt of your email and am working on getting this corrected.

Scott

From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dla.mil]
Sent: Thursday, August 05, 2010 4:17 PM
To: Scott Schmuck
Cc: Jim Bruce
Subject: FW: Final Proposal Revision / SP0600-08-R-0803 / Fort Knox, KY / HCWD1
Importance: High

Mr. Schmuck,

Per Mr. Bruce’s out of office message, I am forwarding the attached request/response to your attention. Please let me know if you have any questions.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, August 05, 2010 4:08 PM
To: Koessel, Brian CIV DLA DESC-EF
Subject: Out of Office AutoReply: Final Proposal Revision / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

I am out of office 8/5 and 8/6. Scott Schmuck will be in charge during my absence. Scott’s extension is 222 (351-3222) and email is sschmuck@hcwd.com

Thanks, Jim Bruce
Mr. Koessel,

Jim Bruce is on vacation and asked me to send you this email. We were originally planning to send the excel files with the hard copies of the FPR, which will go out tomorrow by Fed ex. However, we can email the files to you now. Please let us know your preference.

Respectfully,

David Hackworth, P.E.
Vice President and Area Manager
CH2M HILL
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Solutions Without Boundaries

-----Original Message-----
From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dla.mil]
Sent: Thursday, August 05, 2010 4:09 PM
To: Jim Bruce; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Cc: Hackworth, David/LOU; Brett Pyles; Jim Smith
Subject: Final Proposal Revision / SP0600-08-R-0803 / Fort Knox, KY / HCWD1
Importance: High

Mr. Bruce,

I am writing to confirm that DLA Energy did receive HCWD1's delivery of volumes III and IV yesterday. In reviewing the submittal, it was noted that no MS Excel Spreadsheets were provided with the pricing volume. DLA Energy respectfully requests that HCWD1 provide the supporting spreadsheets as soon as possible. Please let me know if you have any questions.

With respect to your question regarding pagination, as long as there are no changes to content, then I will accept the hard copies with shifted page numbers. For ease of identification and reference, please include a summary listing the start and end of each shift in page correlation with your hard copy submittal.

Respectfully,

Brian J. Koessel
Mr. Koessel,

I have been in contact with David Hackworth and he will be following up with an email shortly to you for clarification on sending the spreadsheets via email or with the hard copies. Please let us know your preference.

Thanks
Scott

Mr. Schmuck,

Per Mr. Bruce’s out of office message, I am forwarding the attached request/response to your attention. Please let me know if you have any questions.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

I am out of office 8/5 and 8/6. Scott Schmuck will be in charge during my absence. Scott’s extension is 222 (351-3222) and email is sschnuck@hcwd.com

Thanks, Jim Bruce
Mr. Hackworth,

Our preference is to have them e-mailed ahead of the hard copy submittal. That will allow for additional review time over the weekend. Thank you.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

-----Original Message-----
From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Thursday, August 05, 2010 4:23 PM
To: Koessel, Brian CIV DLA DESC-EF; tbruce@hcwd.com; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Cc: bpyles@hcwd.com; JSmith@lwcky.com; sschmuck@HCWD.com
Subject: RE: Final Proposal Revision / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

Mr. Koessel,

Jim Bruce is on vacation and asked me to send you this email. We were originally planning to send the excel files with the hard copies of the FPR, which will go out tomorrow by Fed ex. However, we can email the files to you now. Please let us know your preference.

Respectfully,

David Hackworth, P.E.
Vice President and Area Manager
CH2M HILL
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Solutions Without Boundaries
Sent: Thursday, August 05, 2010 4:09 PM
To: Jim Bruce; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Cc: Hackworth, David/LOU; Brett Pyles; Jim Smith
Subject: Final Proposal Revision / SP0600-08-R-0803 / Fort Knox, KY / HCWD1
Importance: High

Mr. Bruce,

I am writing to confirm that DLA Energy did receive HCWD1's delivery of volumes III and IV yesterday. In reviewing the submittal, it was noted that no MS Excel Spreadsheets were provided with the pricing volume. DLA Energy respectfully requests that HCWD1 provide the supporting spreadsheets as soon as possible. Please let me know if you have any questions.

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Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.441 / Virus Database: 271.1.1/3034 - Release Date: 08/05/10 06:35:00
Mr. Koessel,

We have attached the files that were used in the FPR. Please let us know if you have any other questions.

Respectfully,

David Hackworth, P.E.
Vice President and Area Manager
CH2M HILL
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Solutions Without Boundaries

-----Original Message-----
From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dla.mil]
Sent: Thursday, August 05, 2010 4:27 PM
To: Hackworth, David/LOU; jbruce@hcwd.com; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Cc: bpyles@hcwd.com; JSmith@lwcky.com; sschmuck@HCWD.com
Subject: RE: Final Proposal Revision / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

Mr. Hackworth,

Our preference is to have them e-mailed ahead of the hard copy submittal. That will allow for additional review time over the weekend. Thank you.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

-----Original Message-----
Mr. Koessel,

Jim Bruce is on vacation and asked me to send you this email. We were originally planning to send the excel files with the hard copies of the FPR, which will go out tomorrow by Fedex. However, we can email the files to you now. Please let us know your preference.

Respectfully,

David Hackworth, P.E.
Vice President and Area Manager
CH2M HILL
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Solutions Without Boundaries

-----Original Message-----
From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dlamil]  
Sent: Thursday, August 05, 2010 4:09 PM  
To: Jim Bruce; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF  
Cc: Hackworth, David/LOU; Brett Pyles; Jim Smith  
Subject: Final Proposal Revision / SP0600-08-R-0803 / Fort Knox, KY / HCWD1  
Importance: High

Mr. Bruce,

I am writing to confirm that DLA Energy did receive HCWD1's delivery of volumes III and IV yesterday. In reviewing the submittal, it was noted that no MS Excel Spreadsheets were provided with the pricing volume. DLA Energy respectfully requests that HCWD1 provide the supporting spreadsheets as soon as possible. Please let me know if you have any questions.

With respect to your question regarding pagination, as long as there are no changes to content, then I will accept the hard copies with shifted page numbers. For ease of identification and reference, please include a summary listing the start and end of each shift in page correlation with your hard copy submittal.

Respectfully,

Brian J. Koessel  
Branch Chief/Contracting Officer  
Energy Enterprise BU
Mr. Hackworth,

Thank you for the prompt provision of the spreadsheets.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

-----Original Message-----
From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Thursday, August 05, 2010 5:06 PM
To: Koessel, Brian CIV DLA DESC-EF; jbruce@hcwd.com; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Cc: bpyles@hcwd.com; JSmith@lwcky.com; sschmuck@HCWD.com; Dave.Gray@CH2M.com; Sally.Peek@CH2M.com
Subject: RE: Final Proposal Revision / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

Mr. Koessel,

We have attached the files that were used in the FPR. Please let us know if you have any other questions.

Respectfully,

David Hackworth, P.E.
Vice President and Area Manager
CH2M HILL
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Solutions Without Boundaries

-----Original Message-----
From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dlamil]
Sent: Thursday, August 05, 2010 4:27 PM
To: Hackworth, David/LOU; jbruce@hcwd.com; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Cc: byyles@hcwd.com; JSmith@lwcky.com; sschmuck@HCWD.com
Subject: RE: Final Proposal Revision / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

Mr. Hackworth,

Our preference is to have them e-mailed ahead of the hard copy submittal. That will allow for additional review time over the weekend. Thank you.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

-----Original Message-----
From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Thursday, August 05, 2010 4:23 PM
To: Koessel, Brian CIV DLA DESC-EF; jbruce@hcwd.com; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Cc: byyles@hcwd.com; JSmith@lwcky.com; sschmuck@HCWD.com
Subject: RE: Final Proposal Revision / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

Mr. Koessel,

Jim Bruce is on vacation and asked me to send you this email. We were originally planning to send the excel files with the hard copies of the FPR, which will go out tomorrow by Fed ex. However, we can email the files to you now. Please let us know your preference.

Respectfully,

David Hackworth, P.E.
Vice President and Area Manager
CH2M HILL
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Solutions Without Boundaries

-----Original Message-----
From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dla.mil]
Sent: Thursday, August 05, 2010 4:09 PM
To: Jim Bruce; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Cc: Hackworth, David/LOU; Brett Pyles; Jim Smith
Subject: Final Proposal Revision / SP0600-08-R-0803 / Fort Knox, KY / HCWD1
Importance: High
Mr. Bruce,

I am writing to confirm that DLA Energy did receive HCWD1's delivery of volumes III and IV yesterday. In reviewing the submittal, it was noted that no MS Excel Spreadsheets were provided with the pricing volume. DLA Energy respectfully requests that HCWD1 provide the supporting spreadsheets as soon as possible. Please let me know if you have any questions.

With respect to your question regarding pagination, as long as there are no changes to content, then I will accept the hard copies with shifted page numbers. For ease of identification and reference, please include a summary listing the start and end of each shift in page correlation with your hard copy submittal.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlai.mil

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.441 / Virus Database: 271.1.1/3034 - Release Date: 08/05/10 06:35:00
Mr. Bruce,

Please see the attached Small Business Subcontracting Plan extracted from Volume III of HCWD1's final proposal revision. On page 1, in Part 1 – Subcontracting Goals, Section (B)(1), the percentage allocation for large businesses (72%) and small businesses (23%) does not sum to 100%. The Government requests that HCWD1, review the percentages and associated dollars, correct this minor error, and re-submit the corrected, signed subcontracting plan.

Respectfully,

Brian J. Koessel  
Branch Chief/Contracting Officer  
Energy Enterprise BU  
DLA Energy  
P: (703) 767-1595 (DSN 427)  
F: (703) 767-2382  
Brian.Koessel@dlamil

No virus found in this incoming message.  
Checked by AVG - www.avg.com  
Version: 8.5.441 / Virus Database: 271.1.1/3034 - Release Date: 08/11/10 06:34:00
Mr. Koessel;

We are sending out today the revised Small Business Subcontracting Plan with original signature.

Please contact us when you receive.

Thank You

Jim Bruce
HCWD1

Mr. Bruce,

Please see the attached Small Business Subcontracting Plan extracted from Volume III of HCWD1's final proposal revision. On page 1, in Part 1 – Subcontracting Goals, Section (B)(1), the percentage allocation for large businesses (72%) and small businesses (23%) does not sum to 100%. The Government requests that HCWD1, review the percentages and associated dollars, correct this minor error, and re-submit the corrected, signed subcontracting plan.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil
Mr Koessel;

Thank you for the confirmation

Jim Bruce
HCWD1

From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dia.mil]
Sent: Tuesday, August 17, 2010 11:45 AM
To: Jim Bruce
Cc: Brett Pyles; Jim Smith; David.Hackworth@CH2M.com; Rivera, Taina CIV DLA DESC-EF
Subject: RE: Clarification / Final Proposal Revision / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

Mr. Bruce,

DLA Energy is now in receipt of HCWD1’s revised Small Business Subcontracting Plan.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 787-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Friday, August 13, 2010 10:41 AM
To: Koessel, Brian CIV DLA DESC-EF
Cc: Brett Pyles; Jim Smith; David.Hackworth@CH2M.com
Subject: RE: Clarification / Final Proposal Revision / SP0600-08-R-0803 / Fort Knox, KY / HCWD1

Mr. Koessel;

We are sending out today the revised Small Business Subcontracting Plan with original signature.

Please contact us when you receive.

Thank You

Jim Bruce
HCWD1
Mr. Bruce,

Please see the attached Small Business Subcontracting Plan extracted from Volume III of HCWD1’s final proposal revision. On page 1, in Part 1 – Subcontracting Goals, Section (B)(1), the percentage allocation for large businesses (72%) and small businesses (23%) does not sum to 100%. The Government requests that HCWD1, review the percentages and associated dollars, correct this minor error, and re-submit the corrected, signed subcontracting plan.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlamil

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.441 / Virus Database: 271.1.1/3064 - Release Date: 08/17/10 06:35:00
Mr. Bruce,

Please see the attached notice that negotiations with HCWD1 have reopened under solicitation SP0600-08-R-0803. The Government’s review of HCWD1’s final proposal revision identified several items for further discussion. As noted therein, a negotiation message and schedule will be provided in the coming weeks. Please feel free to contact me with any questions.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlaw.mil

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.445 / Virus Database: 271.1.1/3140 - Release Date: 09/28/10 06:34:00
Mr. Koessel;

In your latest 28-Sep-2010 letter re-opening negotiations, you mention that DLA intends to hold at least one face to face negotiation session. Our team has discussed an option to come to your office for a session in November. Our intent would be to answer as many questions during that session, and provide other information requests as soon as possible when we return. Each of our team would be represented.

Possible dates for us that work in November would be; 3 ~ 5, 8,10,11,17 & 18,22 & 23. Please let us know if you are interested in this offer and if so, what day(s) would work for your staff.

Thank You,

Jim Bruce
General Manager
HCWD1
Mr. Bruce,

DLA Energy appreciates your willingness to travel to HQ DLA to meet with us, however, we would prefer to hold discussions in Kentucky to ensure maximum participation by installation personnel. Unfortunately, our team is unavailable for the month of November and is working with the installation and our support contractors to develop a new schedule. Tentatively, I would like to target the week of 13-17 December. Would that week work for you and your team?

Regards,

Brian J. Koessel  
Branch Chief/Contracting Officer  
Energy Enterprise BU  
DLA Energy  
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce  
Sent: Thursday, October 28, 2010 8:44 AM  
To: Koessel, Brian CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF  
Cc: Jim Smith; David.Hackworth@CH2M.com  
Subject: Negotiation Meeting Offer - SP0600-08-R-0803

Mr. Koessel;

In your latest 28-Sep-2010 letter re-opening negotiations, you mention that DLA intends to hold at least one face to face negotiation session. Our team has discussed an option to come to your office for a session in November. Our intent would be to answer as many questions during that session, and provide other information requests as soon as possible when we return. Each of our team would be represented.

Possible dates for us that work in November would be; 3 ~ 5, 8,10,11,17 & 18,22 & 23. Please let us know if you are interested in this offer and if so, what day(s) would work for your staff.

Thank You,

Jim Bruce  
General Manager  
HCWD1
Mr. Koessel;

Thanks for your response. Myself and other team members are available and keep the 13-17 Dec dates open. We look forward to further negotiations and meeting you again soon.

Thank You

Jim Bruce
General Manager
HCWD1

-----Original Message-----
From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dla.mil]
Sent: Thursday, October 28, 2010 7:15 PM
To: Jim Bruce
Cc: Jim Smith; David.Hackworth@CH2M.com; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Subject: RE: Negotiation Meeting Offer - SP0600-08-R-0803

Mr. Bruce,

DLA Energy appreciates your willingness to travel to HQ DLA to meet with us, however, we would prefer to hold discussions in Kentucky to ensure maximum participation by installation personnel. Unfortunately, our team is unavailable for the month of November and is working with the installation and our support contractors to develop a new schedule. Tentatively, I would like to target the week of 13-17 December. Would that week work for you and your team?

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, October 28, 2010 8:44 AM
To: Koessel, Brian CIV DLA DESC-EF; Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Cc: Jim Smith; David.Hackworth@CH2M.com
Subject: Negotiation Meeting Offer - SP0600-08-R-0803
Mr. Koessel;

In your latest 28-Sep-2010 letter re-opening negotiations, you mention that DLA intends to hold at least one face to face negotiation session. Our team has discussed an option to come to your office for a session in November. Our intent would be to answer as many questions during that session, and provide other information requests as soon as possible when we return. Each of our team would be represented.

Possible dates for us that work in November would be; 3 - 5, 8, 10, 11, 17 & 18, 22 & 23. Please let us know if you are interested in this offer and if so, what day(s) would work for your staff.

Thank You,

Jim Bruce
General Manager
HCWD1

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.449 / Virus Database: 271.1.1/3140 - Release Date: 10/28/10 06:34:00
Mr Koessel;

We would like to know if you are still considering coming next week for negotiations. Want to make sure we keep our schedule open and have everyone available, if you are still planning on coming. Please advise.

Thank You

Jim Bruce
General Manager
HCWD1

Mr. Bruce,

Please see the attached notice that negotiations with HCWD1 have reopened under solicitation SP0600-08-R-0803. The Government’s review of HCWD1’s final proposal revision identified several items for further discussion. As noted therein, a negotiation message and schedule will be provided in the coming weeks. Please feel free to contact me with any questions.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Chief Enterprise BU
DLA Energy
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlad.mil

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.445 / Virus Database: 271.1.1/3140 - Release Date: 09/28/10 06:34:00
Mr. Bruce,

I’m sorry about getting back to you so late. The Government will not be available to meet next week, and is now targeting the week of January 10-14, 2011 for face-to-face discussions. We are in the final stages of putting together the remaining issues for discussion. We hope to have those to you and your team no later than December 20, 2010.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

Mr Koessel;

We would like to know if you are still considering coming next week for negotiations. Want to make sure we keep our schedule open and have everyone available, if you are still planning on coming. Please advise.

Thank You

Jim Bruce
General Manager
HCWD1

Mr. Bruce,
Please see the attached notice that negotiations with HCWD1 have reopened under solicitation SP0600-08-R-0803. The Government’s review of HCWD1’s final proposal revision identified several items for further discussion. As noted therein, a negotiation message and schedule will be provided in the coming weeks. Please feel free to contact me with any questions.

Respectfully,

**Brian J. Koessel**  
Branch Chief/Contracting Officer  
Energy Enterprise BU  
DLA Energy  
P: (703) 757-1595 (DSN 427)  
F: (703) 767-2382  
Brian.Koessel@dla.mil

No virus found in this incoming message.  
Checked by AVG - www.avg.com  
Version: 8.5.445 / Virus Database: 271.1.1/3140 - Release Date: 09/28/10 06:34:00

No virus found in this incoming message.  
Checked by AVG - www.avg.com  
Version: 8.5.449 / Virus Database: 271.1.1/3140 - Release Date: 12/07/10 07:34:00
Mr Koessel:

Thanks for getting back to us with update. We look forward to meeting with you in January. Hope you and your staff have a nice Christmas holiday

Jim Bruce
General Manager
HCWD1

Mr. Bruce,

I’m sorry about getting back to you so late. The Government will not be available to meet next week, and is now targeting the week of January 10-14, 2011 for face-to-face discussions. We are in the final stages of putting together the remaining issues for discussion. We hope to have those to you and your team no later than December 20, 2010.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

Mr Koessel;

We would like to know if you are still considering coming next week for negotiations. Want to make sure we keep our schedule open and have everyone available, if you are still planning on coming. Please advise.
Thank You

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian CIV DLA DESC-EF [mailto:Brian.Koessel@dlad.mil]
Sent: Tuesday, September 28, 2010 4:14 PM
To: Jim Bruce; Scott Schmuck; Brett Pyles
Cc: Rivera, Taina CIV DLA DESC-EF; Gray, Martha A CIV DLA DESC-EF
Subject: Reopen Negotiations / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1
Importance: High

Mr. Bruce,

Please see the attached notice that negotiations with HCWD1 have reopened under solicitation SP0600-08-R-0803. The Government’s review of HCWD1’s final proposal revision identified several items for further discussion. As noted therein, a negotiation message and schedule will be provided in the coming weeks. Please feel free to contact me with any questions.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlad.mil

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.445 / Virus Database: 271.1.1/3140 - Release Date: 09/28/10 06:34:00

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.449 / Virus Database: 271.1.1/3140 - Release Date: 12/07/10 07:34:00
From: Koessel, Brian DLA CIV ENERGY [Brian.Koessel@dla.mil]

Sent: Wednesday, January 05, 2011 3:25 PM

To: Jim Bruce; Brett Pyles

Cc: Jim Smith; David.Hackworth@CH2M.com; Rivera, Taina DLA CIV ENERGY

Subject: Face-to-Face Discussions / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

Importance: High

Mr. Bruce,

The Government would like to meet with the HCWD1 team for face-to-face discussions at Fort Knox on Thursday, January 13, 2011. Will your team be available to meet on that date? A room has been reserved from 8:30 am to 4:00 pm.

As I mentioned in December, we are finishing the issues for discussion and will provide them by the end of this week so that you may have them in advance of the meeting. Please let me know if you have any questions.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil
Mr Koessel,

Thank you for the update and request for face to face negotiations. Our team has kept this week open and will be available. Once you have the room number and building decided, please let us know. We look forward to meeting with you and your team next week.

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Wednesday, January 05, 2011 3:25 PM
To: Jim Bruce; Brett Pyles
Cc: Jim Smith; David.Hackworth@CH2M.com; Rivera, Taina DLA CIV ENERGY
Subject: Face-to-Face Discussions / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1
Importance: High

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Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil
Mr. Bruce,

Attached please find Negotiation Message #3. If you have any questions regarding this message, or if anything contained therein requires clarification prior to Thursday, please let me know. We will be meeting in Building 1110, in Conference Room 121 (1st floor), beginning at 8:30 am on Thursday, January 13, 2011.

Thank you for your continued patience and participation in this procurement. The Government looks forward to discussions with HCWD1 and its team on Thursday.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlamil

Mr Koessel,

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Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dlamil]
Sent: Wednesday, January 05, 2011 3:25 PM
To: Jim Bruce; Brett Pyles
Cc: Jim Smith; David.Hackworth@CH2M.com; Rivera, Taina DLA CIV ENERGY
Subject: Face-to-Face Discussions / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1
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Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlamil
Mr Koessel;

Thank you for sending the advance questions and new issues. Our team will be meeting tomorrow to review and will attempt to have all answers for our session Thursday, and be prepared to discuss each. We look forward to meeting with you.

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Tuesday, January 11, 2011 10:44 AM
To: Jim Bruce
Cc: Brett Pyles; david.hackworth@ch2m.com; jsmith@lwcky.com; Rivera, Taina DLA CIV ENERGY
Subject: Negotiation Message #3 / Face-to-Face Discussions / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1
Importance: High

Mr. Bruce,

Attached please find Negotiation Message #3. If you have any questions regarding this message, or if anything contained therein requires clarification prior to Thursday, please let me know. We will be meeting in Building 1110, in Conference Room 121 (1st floor), beginning at 8:30 am on Thursday, January 13, 2011.

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Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, January 06, 2011 8:21 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: Brett Pyles; david.hackworth@ch2m.com; jsmith@lwcky.com
Subject: RE: Face-to-Face Discussions / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1
Mr Koessel,

Thank you for the update and request for face to face negotiations. Our team has kept this week open and will be available. Once you have the room number and building decided, please let us know. We look forward to meeting with you and your team next week.

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dlamil]
Sent: Wednesday, January 05, 2011 3:25 PM
To: Jim Bruce; Brett Pyles
Cc: Jim Smith; David.Hackworth@CH2M.com; Rivera, Taina DLA CIV ENERGY
Subject: Face-to-Face Discussions / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1
Importance: High

Mr. Bruce,

The Government would like to meet with the HCWD1 team for face-to-face discussions at Fort Knox on Thursday, January 13, 2011. Will your team be available to meet on that date? A room has been reserved from 8:30 am to 4:00 pm.

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Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlamil
From: Koessel, Brian DLA CIV ENERGY [Brian.Koessel@dlamil]
Sent: Tuesday, January 11, 2011 1:20 PM
To: Jim Bruce
Cc: jsmith@lwcky.com; david.hackworth@ch2m.com; Brett Pyles
Subject: RE: Negotiation Message #3 / Face-to-Face Discussions / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

Mr. Bruce,

Would you please provide a list of the folks that you intend to bring with you on Thursday? Also, if you intend to bring an attorney, would you please note that as well? Thank you.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1585 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, January 11, 2011 12:37 PM
To: Koessel, Brian DLA CIV ENERGY
Cc: jsmith@lwcky.com; david.hackworth@ch2m.com; Brett Pyles
Subject: RE: Negotiation Message #3 / Face-to-Face Discussions / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

Mr Koessel;

Thank you for sending the advance questions and new issues. Our team will be meeting tomorrow to review and will attempt to have all answers for our session Thursday, and be prepared to discuss each. We look forward to meeting with you.

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dlamil]
Sent: Tuesday, January 11, 2011 10:44 AM
To: Jim Bruce
Cc: Brett Pyles; david.hackworth@ch2m.com; jsmith@lwcky.com; Rivera, Taina DLA CIV ENERGY
Subject: Negotiation Message #3 / Face-to-Face Discussions / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1
Importance: High

Mr. Bruce,
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Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlamil

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, January 06, 2011 8:21 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: Brett Pyles; david.hackworth@ch2m.com; jsmith@lwcky.com
Subject: RE: Face-to-Face Discussions / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

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Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dlamil]
Sent: Wednesday, January 05, 2011 3:25 PM
To: Jim Bruce; Brett Pyles
Cc: Jim Smith; David.Hackworth@CH2M.com; Rivera, Taina DLA CIV ENERGY
Subject: Face-to-Face Discussions / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1
Importance: High

Mr. Bruce,

The Government would like to meet with the HCWD1 team for face-to-face discussions at Fort Knox on Thursday, January 13, 2011. Will your team be available to meet on that date? A room has been reserved from 8:30 am to 4:00 pm.

As I mentioned in December, we are finishing the issues for discussion and will provide them by the end of this week so that you may have them in advance of the meeting. Please let me know if you have any questions.

Respectfully,
From: Jim Bruce
Sent: Tuesday, January 11, 2011 1:56 PM
To: 'Koessel, Brian DLA CIV ENERGY'
Cc: 'jsmith@lwcky.com'; david.hackworth@ch2m.com; Brett Pyles
Subject: RE: Negotiation Message #3 / Face-to-Face Discussions / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

Mr Koessel;

Participants in discussions will be;

Jim Bruce – HCWD1, General Manager
Brett Pyles – HCWD1, Operations Manager
Jim Smith – Louisville Water Company
David Hackworth, P.E. – CH2M Hill, Louisville

(Observing only – Preston Pendley, P.E., HCWD1 Engineering Manager)

Our attorney will not be attending

Thanks

Jim Bruce

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Tuesday, January 11, 2011 1:20 PM
To: Jim Bruce
Cc: jsmith@lwcky.com; david.hackworth@ch2m.com; Brett Pyles
Subject: RE: Negotiation Message #3 / Face-to-Face Discussions / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

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Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, January 11, 2011 12:37 PM
To: Koessel, Brian DLA CIV ENERGY
Cc: jsmith@lwcky.com; david.hackworth@ch2m.com; Brett Pyles
Mr. Bruce,

HCWD1’s request for an extension for providing its Final Proposal Revision has been granted. During our discussions last week, HCWD1 stated that it would be able to provide its response to Negotiation Message #3 by the requested due date of January 31, 2011. Next week I will be providing an Amended Section J1, however, I do not intend to move the response date, as the changes will be clarifying in nature.

The Government will review the responses to the message, and will provide its comments to HCWD1. At that time, a Final Proposal Revision may be requested. If there are any remaining issues, we may need to hold a teleconference to resolve them. Please let me know if you have any questions at this time.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil
Mr Koessel;

Please see attached Negotiation Message responses with attachments. We are pleased that our proposal has received further consideration by the Government and your team. We will wait to hear back from you on any new issues, questions and a revised date for submission of a new FPR.

Sincerely,

Jim Bruce
General Manager
HCWD1
Mr. Bruce,

The Government requests that HCWD1 provide revised pricing for the Government’s review. The Government wishes to perform its review prior to requesting a FPR. Further, the Government would like to hold a telephonic discussion with HCWD1 next week to clarify expectations regarding the revised pricing submittal.

Please select from the following times:

2/7: 1400-1530 ET; or
2/8: 1030-1200 ET

If you have any questions concerning this request, please don’t hesitate to contact me.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

Mr Koessel;

Please see attached Negotiation Message responses with attachments. We are pleased that our proposal has received further consideration by the Government and your team. We will wait to hear back from you on any new issues, questions and a revised date for submission of a new FPR.

Sincerely,

Jim Bruce
General Manager
HCWD1
Mr. Bruce,

Thank you for your reply. We are sorry that Mr. Hackworth will be unable to attend. If further discussions with him are necessary, then we will work to schedule them later this week.

The call-in number for tomorrow is 703-767-8509. There is no passcode required. The line will ring until a caller from DLA Energy dials in. Please let me know if you have any questions.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

Mr Koessel;

We would be able to participate tomorrow (Tuesday) at 1030AM. Our team member with CH2M will not be able to participate as he is traveling, however, we would like to proceed with the call. If that will work OK, please provide us with confirmation and call in number and passcode

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
The Government requests that HCWD1 provide revised pricing for the Government’s review. The Government wishes to perform its review prior to requesting a FPR. Further, the Government would like to hold a telephonic discussion with HCWD1 next week to clarify expectations regarding the revised pricing submittal.

Please select from the following times:

2/7: 1400-1530 ET; or
2/8: 1030-1200 ET

If you have any questions concerning this request, please don’t hesitate to contact me.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Friday, January 28, 2011 3:06 PM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: Brett Pyles; Jim Smith; David.Hackworth@CH2M.com
Subject: Responses to NM3 / SP0600-08-R-0803 / HCWD1

Mr Koessel;

Please see attached Negotiation Message responses with attachments. We are pleased that our proposal has received further consideration by the Government and your team. We will wait to hear back from you on any new issues, questions and a revised date for submission of a new FPR.

Sincerely,

Jim Bruce
General Manager
HCWD1
Mr Koessel

We will call in tomorrow and look forward to answering DLA’s questions and receiving further clarifications

Thank You

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Monday, February 07, 2011 1:41 PM
To: Jim Bruce
Cc: Jim Smith; David.Hackworth@CH2M.com; Preston Pendley; Brett Pyles; Rivera, Taina DLA CIV ENERGY
Subject: RE: Responses to NM3 / SP0600-08-R-0803 / HCWD1

Mr. Bruce,

Thank you for your reply. We are sorry that Mr. Hackworth will be unable to attend. If further discussions with him are necessary, then we will work to schedule them later this week.

The call-in number for tomorrow is 703-767-8509. There is no passcode required. The line will ring until a caller from DLA Energy dials in. Please let me know if you have any questions.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Monday, February 07, 2011 1:01 PM
To: Koessel, Brian DLA CIV ENERGY
Cc: Jim Smith; David.Hackworth@CH2M.com; Preston Pendley; Brett Pyles
Subject: RE: Responses to NM3 / SP0600-08-R-0803 / HCWD1

Mr Koessel;

We would be able to participate tomorrow (Tuesday) at 1030AM. Our team member with CH2M will not be able to participate as he is traveling, however, we would like to proceed with the call. If that will work OK, please provide us with confirmation and call in number and passcode
Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Friday, February 04, 2011 7:13 PM
To: Jim Bruce
Cc: Brett Pyles; Jim Smith; David.Hackworth@CH2M.com; Rivera, Taina DLA CIV ENERGY
Subject: RE: Responses to NM3 / SP0600-08-R-0803 / HCWD1
Importance: High

Mr. Bruce,

The Government requests that HCWD1 provide revised pricing for the Government’s review. The Government wishes to perform its review prior to requesting a FPR. Further, the Government would like to hold a telephonic discussion with HCWD1 next week to clarify expectations regarding the revised pricing submittal.

Please select from the following times:

2/7: 1400-1530 ET; or
2/8: 1030-1200 ET

If you have any questions concerning this request, please don’t hesitate to contact me.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Friday, January 28, 2011 3:06 PM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: Brett Pyles; Jim Smith; David.Hackworth@CH2M.com
Subject: Responses to NM3 / SP0600-08-R-0803 / HCWD1

Mr Koessel;

Please see attached Negotiation Message responses with attachments. We are pleased that our proposal has received further consideration by the Government and your team. We will wait to hear back from you on any new issues, questions and a revised date for submission of a new FPR.

Sincerely,

Jim Bruce
General Manager
Mr Koessel;

Please see attached updated summary and additional information on our ISDC pricing. We will also be mailing 4 hard copies to your office.

We look forward to providing additional information and answers to your questions, or request to submit the FPR.

Sincerely,

Jim Bruce
General Manager
HCWD1
Mr Koessel;

Thanks for your response and update. We look forward again to answer future questions or submitting the final proposal revision. We have not yet mailed the hard copies, so will not be sending those per your email.

Sincerely,

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dl.a.mil]
Sent: Thursday, March 03, 2011 5:32 PM
To: Jim Bruce
Subject: RE: ISDC Update Summary / SP0600-08-R-0803 / HCWD1

Mr. Bruce,

Thank you for compiling all of the additional ISDC information. Our team is reviewing the submittal and will incorporate any questions we may have into our next message. If you have not already mailed the hard copies, please note that there is no need for four copies to be provided. We only retain one hard copy (which I can print). The rest is maintained and disseminated electronically.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, March 03, 2011 3:47 PM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: Brett Pyles; Jim Smith; David.Hackworth@CH2M.com
Subject: ISDC Update Summary / SP0600-08-R-0803 / HCWD1

Mr Koessel;

Please see attached updated summary and additional information on our ISDC pricing. We will also be mailing 4 hard copies to your office.
We look forward to providing additional information and answers to your questions, or request to submit the FPR.

Sincerely,

Jim Bruce
General Manager
HCWD1
Mr. Bruce,

DLA Energy is preparing its request for a Final Proposal Revision (FPR) from HCWD1. The request for a FPR will be accompanied by a negotiation message, identifying the remaining open issues. The remaining open issues are predominantly clarifications and requests for additional information pertaining to responses already provided by HCWD1. To assist in our planning, I would like to request an estimate of how much time HCWD1 will require to prepare and submit its FPR. The Government hopes that three weeks will be sufficient.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlamil
Mr Koessel;

Thank you for the update and request for response. Our team has a meeting scheduled this Friday and we will be able to respond to your question about timing on Friday. We look forward to further dialogue in the future.

Thank You

Jim Bruce
HCWD1
General Manager

Mr. Bruce,

DLA Energy is preparing its request for a Final Proposal Revision (FPR) from HCWD1. The request for a FPR will be accompanied by a negotiation message, identifying the remaining open issues. The remaining open issues are predominantly clarifications and requests for additional information pertaining to responses already provided by HCWD1. To assist in our planning, I would like to request an estimate of how much time HCWD1 will require to prepare and submit its FPR. The Government hopes that three weeks will be sufficient.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlra.mil
From: Jim Bruce  
Sent: Wednesday, March 30, 2011 8:49 AM  
To: Rivera, Taina DLA CIV ENERGY  
Subject: FW: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Koessel;

Thank you for the update and request for response. Our team has a meeting scheduled this Friday and we will be able to respond to your question about timing on Friday. We look forward to further dialogue in the future.

Thank You

Jim Bruce  
HCWD1  
General Manager

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dlac.com]  
Sent: Tuesday, March 29, 2011 11:56 AM  
To: Jim Bruce; Brett Pyles; Preston Pendley; Jim Smith; David.Hackworth@CH2M.com  
Cc: Rivera, Taina DLA CIV ENERGY  
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

DLA Energy is preparing its request for a Final Proposal Revision (FPR) from HCWD1. The request for a FPR will be accompanied by a negotiation message, identifying the remaining open issues. The remaining open issues are predominantly clarifications and requests for additional information pertaining to responses already provided by HCWD1. To assist in our planning, I would like to request an estimate of how much time HCWD1 will require to prepare and submit its FPR. The Government hopes that three weeks will be sufficient.

Regards,

Brian J. Koessel  
Branch Chief/Contracting Officer  
Energy Enterprise BU  
DLA Energy-EFA  
P: (703) 767-1595 (DSN 427)  
F: (703) 767-2382  
Brian.Koessel@dlac.com
Mr. Koessel;

Our team did discuss your request on a conference call referenced in our 30-March email below. We had left you a voice message on 1-April requesting a conference call with you as we had a few questions before we could provide a response to your 29-March request. A couple weeks later, I had left another voice message with you to see if we could schedule the conference call.

We had not heard any response, possibly because your voice messaging was not working, or you had been traveling or working on other deadlines. We wanted to provide this email to request a conference call to hopefully answer our few questions, and provide a response on the FPR submittal timing.

We look forward to hearing back from you.

Thank You

Jim Bruce
HCWD1

**********

Mr Koessel;

Thank you for the update and request for response. Our team has a meeting scheduled this Friday and we will be able to respond to your question about timing on Friday. We look forward to further dialogue in the future.

Thank You

Jim Bruce
HCWD1
General Manager

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Tuesday, March 29, 2011 11:56 AM
To: Jim Bruce; Brett Pyles; Preston Pendley; Jim Smith; David.Hackworth@CH2M.com
Cc: Rivera, Taina DLA CIV ENERGY
Subject: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

DLA Energy is preparing its request for a Final Proposal Revision (FPR) from HCWD1. The request for a FPR will be accompanied by a negotiation message, identifying the remaining open issues. The remaining open issues are predominantly clarifications and requests for additional information pertaining to responses already provided by
HCWD1. To assist in our planning, I would like to request an estimate of how much time HCWD1 will require to prepare and submit its FPR. The Government hopes that three weeks will be sufficient.

Regards,

Brian J. Koessel  
Branch Chief/Contracting Officer  
Energy Enterprise BU  
DLA Energy-EFA  
P: (703) 767-1595 (DSN 427)  
F: (703) 767-2382  
Brian.Koessel@dlain
From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dlamil]
Sent: Tuesday, March 29, 2011 11:56 AM
To: Jim Bruce; Brett Pyles; Preston Pendley; Jim Smith; David.Hackworth@CH2M.com
Cc: Rivera, Taina DLA CIV ENERGY
Subject: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

DLA Energy is preparing its request for a Final Proposal Revision (FPR) from HCWD1. The request for a FPR will be accompanied by a negotiation message, identifying the remaining open issues. The remaining open issues are predominantly clarifications and requests for additional information pertaining to responses already provided by HCWD1. To assist in our planning, I would like to request an estimate of how much time HCWD1 will require to prepare and submit its FPR. The Government hopes that three weeks will be sufficient.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlamil
Mr. Bruce,

I apologize for the delay in my response. I have arranged a conference line on Thursday at 11ET for our discussion. If this time is convenient for you, please let me know and I will send out a meeting invite. The Government looks forward to discussing any questions that you and your team may have. To better prepare ourselves, are these questions that will require the participation of the technical and pricing folks or are the questions general in nature? Again, I apologize for not returning your inquiry sooner.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

Mr. Koessel;

Our team did discuss your request on a conference call referenced in our 30-March email below. We had left you a voice message on 1-April requesting a conference call with you as we had a few questions before we could provide a response to your 29-March request. A couple weeks later, I had left another voice message with you to see if we could schedule the conference call.

We had not heard any response, possibly because your voice messaging was not working, or you had been traveling or working on other deadlines. We wanted to provide this email to request a conference call to hopefully answer our few questions, and provide a response on the FPR submittal timing.

We look forward to hearing back from you

Thank You

Jim Bruce
HCWD1

**********

Mr Koessel;
Thank you for the update and request for response. Our team has a meeting scheduled this Friday and we will be able to respond to your question about timing on Friday. We look forward to further dialogue in the future.

Thank You

Jim Bruce
HCWD1
General Manager

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Tuesday, March 29, 2011 11:56 AM
To: Jim Bruce; Brett Pyles; Preston Pendley; Jim Smith; David.Hackworth@CH2M.com
Cc: Rivera, Taina DLA CIV ENERGY
Subject: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

DLA Energy is preparing its request for a Final Proposal Revision (FPR) from HCWD1. The request for a FPR will be accompanied by a negotiation message, identifying the remaining open issues. The remaining open issues are predominantly clarifications and requests for additional information pertaining to responses already provided by HCWD1. To assist in our planning, I would like to request an estimate of how much time HCWD1 will require to prepare and submit its FPR. The Government hopes that three weeks will be sufficient.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil
Jim Bruce

From: Jim Bruce
Sent: Tuesday, May 03, 2011 3:21 PM
To: 'Koessel, Brian DLA CIV ENERGY'; 'Taina.Rivera@dla.mil'
Cc: Preston Pendley; Brett Pyles; 'David.Hackworth@CH2M.com'; 'Jim Smith'
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr Koessel;

A conference call Thursday at 11AM will work for us. Our questions are more of process and timing, and sequence of getting final questions from Govt before finalizing FPR or submitting FPR and then getting another round of questions / information requests. Also would help to know nature of final questions an information requests to know how much resources or time responding to those will take, before starting on FPR. Should take 30 minutes or less to go over our questions and get clarification.

Please send meeting invite information.

Thank You

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Monday, May 02, 2011 5:59 PM
To: Jim Bruce
Cc: Jim Smith; Brett Pyles; Preston Pendley; David.Hackworth@CH2M.com; Rivera, Taina DLA CIV ENERGY
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

I apologize for the delay in my response. I have arranged a conference line on Thursday at 11ET for our discussion. If this time is convenient for you, please let me know and I will send out a meeting invite. The Government looks forward to discussing any questions that you and your team may have. To better prepare ourselves, are these questions that will require the participation of the technical and pricing folks or are the questions general in nature? Again, I apologize for not returning your inquiry sooner.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, April 28, 2011 8:33 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: Jim Smith; Brett Pyles; Preston Pendley; David.Hackworth@CH2M.com
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Koessel;
Our team did discuss your request on a conference call referenced in our 30-March email below. We had left you a voice message on 1-April requesting a conference call with you as we had a few questions before we could provide a response to your 29-March request. A couple weeks later, I had left another voice message with you to see if we could schedule the conference call.

We had not heard any response, possibly because your voice messaging was not working, or you had been traveling or working on other deadlines. We wanted to provide this email to request a conference call to hopefully answer our few questions, and provide a response on the FPR submittal timing.

We look forward to hearing back from you

Thank You

Jim Bruce
HCWD1

*********

Mr Koessel;

Thank you for the update and request for response. Our team has a meeting scheduled this Friday and we will be able to respond to your question about timing on Friday. We look forward to further dialogue in the future.

Thank You

Jim Bruce
HCWD1
General Manager

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Tuesday, March 29, 2011 11:56 AM
To: Jim Bruce; Brett Pyles; Preston Pendley; Jim Smith; David.Hackworth@CH2M.com
Cc: Rivera, Taina DLA CIV ENERGY
Subject: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

DLA Energy is preparing its request for a Final Proposal Revision (FPR) from HCWD1. The request for a FPR will be accompanied by a negotiation message, identifying the remaining open issues. The remaining open issues are predominantly clarifications and requests for additional information pertaining to responses already provided by HCWD1. To assist in our planning, I would like to request an estimate of how much time HCWD1 will require to prepare and submit its FPR. The Government hopes that three weeks will be sufficient.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil
Mr. Bruce,

I have set up the call for tomorrow at 10:30. I hope this new time will work for your team. Additionally, I would like to attempt to answer many of your questions in writing before tomorrow. My plan is to provide HCWD1 with the final negotiation message, an amendment to the RFP (including Section J1), and a request for a FPR next week. I would then like to have a teleconference with the Government team and the HCWD1 team to clarify any portions of the negotiation message or amendment that are unclear. We will also discuss any questions or concerns that you may have. I plan to request that the FPR be submitted during the week of May 30.

The RFP Amendment includes updates to several FAR clauses to incorporate changes which have occurred since the last amendment was issued. It also provides an updated Wage Determination, Model Easement, and Subcontracting Plan which will need to be completed and submitted as part of the FPR. The amendment also provides a revised Section J1. The changes in J1 include: clarifying language regarding the treatment of the leased wells and 14-inch line; clarifying language regarding sludge disposal and sludge lagoon ownership; updated information for the 280kw generator at the Central WTP; reduced scope of work for Tank No. 7; and language pertaining to logos on elevated storage tanks.

The negotiation message will request additional detail for some ISDC projects and include a general theme that the scopes of work proposed be clearly articulated in the FPR. This theme will also extend to the calculation of costs and the description of assumptions as well. Meeting those objectives will help the Government make its fair and reasonable determination and reduce the amount and frequency of requests for clarification, especially at this stage of the procurement.

I hope this explanation is helpful, and I look forward to our discussion tomorrow.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)
information requests. Also would help to know nature of final questions an information requests to know how much resources or time responding to those will take, before starting on FPR. Should take 30 minutes or less to go over our questions and get clarification.

Please send meeting invite information.

Thank You

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Monday, May 02, 2011 5:59 PM
To: Jim Bruce
Cc: Jim Smith; Brett Pyles; Preston Pendley; David.Hackworth@CH2M.com; Rivera, Taina DLA CIV ENERGY
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

I apologize for the delay in my response. I have arranged a conference line on Thursday at 11ET for our discussion. If this time is convenient for you, please let me know and I will send out a meeting invite. The Government looks forward to discussing any questions that you and your team may have. To better prepare ourselves, are these questions that will require the participation of the technical and pricing folks or are the questions general in nature? Again, I apologize for not returning your inquiry sooner.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, April 28, 2011 8:33 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: Jim Smith; Brett Pyles; Preston Pendley; David.Hackworth@CH2M.com
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Koessel;

Our team did discuss your request on a conference call referenced in our 30-March email below. We had left you a voice message on 1-April requesting a conference call with you as we had a few questions before we could provide a response to your 29-March request. A couple weeks later, I had left another voice message with you to see if we could schedule the conference call.

We had not heard any response, possibly because your voice messaging was not working, or you had been traveling or working on other deadlines. We wanted to provide this email to request a conference call to hopefully answer our few questions, and provide a response on the FPR submittal timing.

We look forward to hearing back from you

Thank You
Mr Koessel;

Thank you for the update and request for response. Our team has a meeting scheduled this Friday and we will be able to respond to your question about timing on Friday. We look forward to further dialogue in the future.

Thank You

Jim Bruce
HCWD1
General Manager

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Tuesday, March 29, 2011 11:56 AM
To: Jim Bruce; Brett Pyles; Preston Pendley; Jim Smith; David.Hackworth@CH2M.com
Cc: Rivera, Taina DLA CIV ENERGY
Subject: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

DLA Energy is preparing its request for a Final Proposal Revision (FPR) from HCWD1. The request for a FPR will be accompanied by a negotiation message, identifying the remaining open issues. The remaining open issues are predominantly clarifications and requests for additional information pertaining to responses already provided by HCWD1. To assist in our planning, I would like to request an estimate of how much time HCWD1 will require to prepare and submit its FPR. The Government hopes that three weeks will be sufficient.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil
Mr. Bruce,

The Defense Logistics Agency Energy hereby issues Amendment 0003 to Request for Proposal (RFP) SP0600-08-R-0803 for the privatization of the potable water utility system at Fort Knox, KY. Please note that amended Attachments J1, J41, J43, and J44 are provided in the attached amendment. As always, please let me know if you have any questions or require clarification for any of the changes included in this amendment.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlal.mil
Mr. Bruce,

Attached please find Negotiation Message #4. If you have any questions regarding this message, or if anything contained therein requires clarification, please note it for our telephonic discussion on Monday, May 16, 2011 at 1:00 pm ET. A request for HCWD1 to submit its Final Proposal Revision will follow under separate cover.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil
Mr. Bruce,

HCWD1 is hereby requested to submit its Final Proposal Revision (FPR) in accordance with the instructions provided in the attached letter. Please do not hesitate to contact me with any questions.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlamil
Mr. Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA

Mr. Koessel;

As follow-up to our conference call on 16-May, here are the questions we have requested and will need answered at the soonest convenience, so we may complete our FPR;

1. In demolishing the Muldraugh WTP facility, would we be allowed to implode structures into basins or cavities on site, and cover with topsoil and seed, or, will we be required to haul all construction debris to an off site landfill or disposal facility?
2. Our pricing estimate for painting the elevated tanks included surface prep and overcoat of existing lead based paint, or encapsulating the current coating (but grinding and repairing any bare or surface rust first) using deleading overspray to convert old paint to a non-hazardous waste (similar to Corps of Engineers, FEAP-M3-F83 and FEAPFM-F74, “Deleading of Elevated Steel Water Tanks). Will the alternate methods to lead waste disposal be allowed or will EMD / Ft Knox require that a full bare metal sand or media blast completely remove all lead paint and haul hazardous dust and old lead paint to an off site landfill or facility?
3. Do the replacement of altitude valves apply to each rehabilitated elevated tank in the ISDC list, or just one of the tanks?
4. Please provide specific roof materials or type which will be mandated for roof replacement at the Central WTP
5. Do the responses to Negotiation Messages 1-3 also need to be included in Volume 3?

We appreciate your timely response so we may proceed with finalizing all submittals requested by the deadline provided.

Sincerely,

Jim Bruce
General Manager
Hardin County Water District No. 1
Jim Bruce

From: Koessel, Brian DLA CIV ENERGY [Brian.Koessel@dla.mil]
Sent: Wednesday, May 18, 2011 4:22 PM
To: Jim Bruce
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com;
Rivera, Taina DLA CIV ENERGY
Subject: RE: DLA Questions

Mr. Bruce,

We are awaiting a clarification from Fort Knox EMD and will provide our responses upon receipt. If I do not receive the clarification by 6pm, I will send the rest of the responses and provide the clarification separately, upon receipt.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, May 17, 2011 1:46 PM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com
Subject: DLA Questions

Mr. Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA

Mr. Koessel;

As follow-up to our conference call on 16-May, here are the questions we have requested and will need answered at the soonest convenience, so we may complete our FPR;

1. In demolishing the Muldraugh WTP facility, would we be allowed to implode structures into basins or cavities on site, and cover with topsoil and seed, or, will we be required to haul all construction debris to an off site landfill or disposal facility?
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3. Do the replacement of altitude valves apply to each rehabilitated elevated tank in the ISDC list, or just one of the tanks?
4. Please provide specific roof materials or type which will be mandated for roof replacement at the Central WTP
5. Do the responses to Negotiation Messages 1-3 also need to be included in Volume 3?
We appreciate your timely response so we may proceed with finalizing all submittals requested by the deadline provided.

Sincerely,

Jim Bruce  
General Manager  
Hardin County Water District No. 1
Mr Koessel;

Thank you for providing all the answers. We will proceed with modifying our pricing and finalizing FPR as required.

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Wednesday, May 18, 2011 7:02 PM
To: Jim Bruce
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com; Rivera, Taina DLA CIV ENERGY
Subject: RE: DLA Questions

Mr. Bruce,

Please see the attached responses to the questions submitted below. Please let me know if you have any additional questions.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, May 17, 2011 1:46 PM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com
Subject: DLA Questions

Mr. Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA

Mr. Koessel;
As follow-up to our conference call on 16-May, here are the questions we have requested and will need answered at the soonest convenience, so we may complete our FPR;

1. In demolishing the Muldraugh WTP facility, would we be allowed to implode structures into basins or cavities on site, and cover with topsoil and seed, or, will we be required to haul all construction debris to an off site landfill or disposal facility?

2. Our pricing estimate for painting the elevated tanks included surface prep and overcoat of existing lead based paint, or encapsulating the current coating (but grinding and repairing any bare or surface rust first) using deleading overspray to convert old paint to a non-hazardous waste (similar to Corps of Engineers, FEAP-M3-F83 and FEAPFM-F74, “Deleading of Elevated Steel Water Tanks). Will the alternate methods to lead waste disposal be allowed or will EMD / Ft Knox require that a full bare metal sand or media blast completely remove all lead paint and haul hazardous dust and old lead paint to an off site landfill or facility?

3. Do the replacement of altitude valves apply to each rehabilitated elevated tank in the ISDC list, or just one of the tanks?

4. Please provide specific roof materials or type which will be mandated for roof replacement at the Central WTP

5. Do the responses to Negotiation Messages 1-3 also need to be included in Volume 3?

We appreciate your timely response so we may proceed with finalizing all submittals requested by the deadline provided.

Sincerely,

Jim Bruce
General Manager
Hardin County Water District No. 1
Mr Koessel;

Attached please find our responses incorporated into Negotiation Message #4. Please let me know if you need any additional information.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1

---

Mr. Bruce,

Attached please find Negotiation Message #4. If you have any questions regarding this message, or if anything contained therein requires clarification, please note it for our telephonic discussion on Monday, May 16, 2011 at 1:00 pm ET. A request for HCWD1 to submit its Final Proposal Revision will follow under separate cover.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlamil
Mr Koessel;

Attached please find our responses incorporated into Negotiation Message #4. Please let me know if you need any additional information.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Friday, May 13, 2011 7:30 PM
To: Jim Bruce
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com; Rivera, Taina DLA CIV ENERGY
Subject: Negotiation Message #4 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1
Importance: High

Mr. Bruce,

Attached please find Negotiation Message #4. If you have any questions regarding this message, or if anything contained therein requires clarification, please note it for our telephonic discussion on Monday, May 16, 2011 at 1:00 pm ET. A request for HCWD1 to submit its Final Proposal Revision will follow under separate cover.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil
Mr. Bruce,

The Government has received HCWD1's response. At this time, I do not anticipate requesting any additional information prior to receipt of HCWD1's FPR.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, May 26, 2011 8:49 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com
Subject: RE: Negotiation Message #4 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

Mr Koessel;

Attached please find our responses incorporated into Negotiation Message #4. Please let me know if you need any additional information.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@cla.mil]
Sent: Friday, May 13, 2011 7:30 PM
To: Jim Bruce
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com; Rivera, Taina DLA CIV ENERGY
Subject: Negotiation Message #4 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1
Importance: High

Mr. Bruce,
Attached please find Negotiation Message #4. If you have any questions regarding this message, or if anything contained therein requires clarification, please note it for our telephonic discussion on Monday, May 16, 2011 at 1:00 pm ET. A request for HCWD1 to submit its Final Proposal Revision will follow under separate cover.

Regards,

Brian J. Koessel  
Branch Chief/Contracting Officer  
Energy Enterprise BU  
DLA Energy-EFA  
P: (703) 767-1595 (DSN 427)  
F: (703) 767-2382  
Brian.Koessel@dladotmil
Mr Koessel;

We had a question about tariff sheet format with pricing. On your New Issue #13, 11-JAN-2011 Negotiation Message, you requested that we change the format of the pricing format. You mentioned that the purchase credit needed to offset the monthly service charge. Please review our attached draft format. We were unclear if we needed to show the credit below the monthly charge, with the net surcharge also, or if as attached is acceptable. Also, do you need to see CLIN numbers next to each charge?

Thank you

Jim Bruce
General Manager
Hardin County Water District No. 1
Mr. Bruce,

The attached tariff sheet is acceptable. There is no need to show the CLINs on the tariff sheet. There is also no need to alter the order of surcharges or to show the credit as an offset thereon.

My understanding was that the attached tariff sheet was to be provided to the KPSC (p. IV-2). If that is the case, then I would only ask that it be made clear to the KPSC that the credit is a reduction, and not an addition, to the monthly service charge for the period proposed (i.e. 120 months). The narrative in HCWD1’s last proposal revision stated that the rate schedule would have 4 separate charges (IV-1), so any adjustment to the tariff sheet would likely need to be explained in the narrative as well.

Additionally, the negotiation message comment regarding the offset was made to raise awareness to the absence of the purchase price credit from the tariff sheet and the lack of a calculation showing it as a reduction to the monthly service charge (CLIN 0001) in Schedule B-1. Section B.4.1 of the RFP identifies the requirement to show the credit offset to the monthly service charge along with the identifying CLIN numbers in Schedule B-1. However, the Government sample Schedule B-1 did not include such a calculation. Therefore, after reviewing HCWD1’s previously submitted Schedule B-1, I see no reason to request an adjustment to its format.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

Mr Koessel;

We had a question about tariff sheet format with pricing. On your New Issue #13, 11-JAN-2011 Negotiation Message, you requested that we change the format of the pricing format. You mentioned that the purchase credit needed to offset the monthly service charge. Please review our attached draft format. We were unclear if we needed to show the credit below the monthly charge, with the net surcharge also, or if as attached is acceptable. Also, do you need to see CLIN numbers next to each charge?

Thank you
Mr Koessel;

The digital / CD versions of our FPR are scheduled to be delivered this morning. If you do not mind, we would appreciate it if you can notify us that they arrived today.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
Jim Bruce

From: Koessel, Brian DLA CIV ENERGY [Brian.Koessel@dla.mil]
Sent: Thursday, June 02, 2011 12:27 PM
To: Jim Bruce
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com;
Rivera, Taina DLA CIV ENERGY
Subject: RE: CD Delivery Confirmation - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

Mr. Bruce,

The CDs have arrived at my office and all files contained therein are readable.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 787-1595 (DSN 427)

---

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, June 02, 2011 8:51 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com
Subject: CD Delivery Confirmation - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

Mr Koessel;

The digital / CD versions of our FPR are scheduled to be delivered this morning. If you do not mind, we would appreciate it if you can notify us that they arrived today.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
Mr Koessel;

Thank you for the confirmation. We look forward to hearing the Government’s decision, and hopefully, we will be successful and be able to provide additional quality service and value to the Government and U.S. Army at Fort Knox.

Jim Bruce
General Manager, HCWD1

Mr. Bruce,

The CDs have arrived at my office and all files contained therein are readable.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

Mr Koessel;

The digital / CD versions of our FPR are scheduled to be delivered this morning. If you do not mind, we would appreciate it if you can notify us that they arrived today.

Thank You

Jim Bruce
General Manager
Mr Koessle;

We received confirmation that the hard copies were signed for yesterday. If you do not mind, we would appreciate it if you can notify us that they arrived today.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
Mr Koessel;

Thank you for the confirmation

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Tuesday, June 07, 2011 1:29 PM
To: Jim Bruce
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com; Rivera, Taina DLA CIV ENERGY
Subject: RE: FPR Hard Copy Delivery Confirmation - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

Mr. Bruce,

The hard copies were delivered to me yesterday.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, June 07, 2011 12:47 PM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com
Subject: FPR Hard Copy Delivery Confirmation - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

Mr Koessel;

We received confirmation that the hard copies were signed for yesterday. If you do not mind, we would appreciate it if you can notify us that they arrived today

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1
Mr. Bruce,

During its review of HCWD1’s final proposal revision (FPR), the Government identified the following items for which it requires clarification:

1) Volume I, Attachment I-4, ISDC #8 – Muldraugh High Lift Pump Station: Request clarification regarding the inclusion of item 7 of the scope of work. The Government does not believe this is necessary for an EPDM roof.

2) Volume III, Exhibit III-4, Subcontract Goals Meet Government Goals: Line 2 (23%) in the exhibit does not reflect the percentage identified in line 1 (25%). Additionally, line 3 (VOSB + SDVOB – 7%) does not reflect the adjustment to the proposed percentages (VOSB – 7%, SD-VOSB – 3%) identified in Part 1 of the Small Business Subcontracting Plan. The Government requests that these errors/typos be corrected and a revised page III-10 be resubmitted in .pdf format.

3) Volume IV, Table IV-3, Renewals and Replacement Costs and Residual Values, 2” Distribution Pipe – Transite (Replaced with C-900/PVC sch 80): The -$2.00 cost included in this table for 2013 appears to be an error. The supporting spreadsheet (Proposal—Base_6-1-11—Protected, Tab “3. R&R—50 yr Sched” Cell “D186”) appears to have a cell reference error. The Government requests that this error/typo be corrected and the supporting spreadsheet be resubmitted. Please also resubmit the corrected Table IV-3 (i.e. page IV-26) in .pdf format.

4) Volume IV, Table IV-5, ISDC Schedule, Van Voorhis Pump House (Rehab): The $9.00 cost included in this table appears to be an error. The supporting spreadsheet (Proposal—Base_6-1-11—Protected, Tab “5. ISDCs” Cell “E42”) appears to have a cell reference or formulaic error. The Government requests that this error/typo be corrected and the supporting spreadsheet be resubmitted. Please also resubmit the corrected Table IV-5 (i.e. page IV-38) in .pdf format.

5) Volume IV, Attachment IV-3, ISDC #8 – Muldraugh High Lift Pump Station: Requests clarification regarding whether a cost is included for the effort associated with item 7 of the scope of work in the lump sum price for the new roof. The Government does not believe this is necessary for an EPDM roof.

6) The Government requests that HCWD1 resubmit its clarified supporting spreadsheets as unprotected.

7) In addition to the revised .pdf pages requested above, the Government also requests that HCWD1 submit MS Word versions of its clarified FPR.

Additionally, an administrative issue was identified as well. Section K of the solicitation identifies the NAICS code applicable to this acquisition as 221310 (Water Supply and Irrigation Systems). HCWD1’s CCR registration does not identify NAICS code 221310 as part of the goods/services that it provides. The Government requests that HCWD1 update its CCR registration to include NAICS code 221310 and revise its representations and certifications in ORCA and then resubmit in .pdf format. Also, while not directly related to this acquisition, it might be advisable for HCWD1 to also update its CCR registration to include NAICS code 221320 (Sewage Treatment Facilities), as it currently provides those services to Fort Knox under an existing contract.
It is not necessary for HCWD1 to provide clarified/revised hard copies of its FPR. The clarified/revised versions of the FPR should be provided on CD with replacement sheets for the affected pages. Your response is requested as soon as practicable so that our evaluation may be completed promptly. Please contact Taina and/or me with any questions you may have regarding this request. I will be out of the office next week, and will return on June 27.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil
8-Sep-2011

Mr. Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

Mr. Koessel;

If possible, we would request a schedule update on the Ft. Knox Water Utility Privatization. As you know, our last communication from your office was 17-June requesting seven clarifications to our latest FPR. We would appreciate it if you could provide an update on any decision by the Government, or a schedule update.

Thank You,

Jim Bruce
General Manager
Hardin County Water District No. 1
C: 270-268-4069
W: 270-351-3222, ext 208

This email communication may contain CONFIDENTIAL INFORMATION WHICH ALSO MAY BE LEGALLY PRIVILEGED and is intended only for the use of the intended recipients identified above. If you are not the intended recipient of this communication, you are hereby notified that any unauthorized review, use, dissemination, distribution, downloading, or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by reply email, delete the communication and destroy all copies.
Mr. Bruce,

Congratulations! Hardin County Water District #1 (HCWD1) has been selected by the Source Selection Authority for privatization of the Fort Knox Potable Water Utility System. This is not an award notification, as contract award is contingent upon statutorily required advance Congressional notification and Contracting Officer execution of the Standard Form (SF) 26 Contract Award document.

Also, please note that HCWD1 is prohibited from releasing any indication of award to the public per FAR 5.303 and DFARS 205.303. The regulations state that information shall not be released on awards prior to the public release time of 5:00 pm on the day of award when the Contracting Officer signs the contract. Award is anticipated to be made on September 30, 2011.

I will soon be providing the draft contract for your signature. That will not be an opportunity to revise the terms of the RFP or your proposal. Rather, your review and any potential revisions are limited to: 1) correcting clerical mistakes/typos; and 2) ensuring that the document correctly reflects the terms previously negotiated by the parties. More information will follow next week.

If you have any questions, please feel free to contact our office.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

8-Sep-2011

Mr. Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)
Mr. Koessel;

If possible, we would request a schedule update on the Ft. Knox Water Utility Privatization. As you know, our last communication from your office was 17-June requesting seven clarifications to our latest FPR. We would appreciate it if you could provide an update on any decision by the Government, or a schedule update.

Thank You,

Jim Bruce
General Manager
Hardin County Water District No. 1
C: 270-268-4069
W: 270-351-3222, ext 208

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Mr. Bruce,

Attached is the draft contract (with all attachments and exhibits, except JE4, which will follow separately). It is still undergoing a final internal review, however any potential changes will be minimal and provided to you once made. HCWD1 is requested to review the draft contract to ensure that it correctly reflects the terms previously negotiated by the parties. Please also note any clerical errors or omissions that you identify. Please complete your review by COB September 26 to enable the Government to meet Army funding and award schedule constraints.

Once the draft is finalized, you will be requested to sign the contract. We will require two copies of the SF 26, both with original signatures. Please forward an electronic version to brian.koessler@dlamil, taina.rivera@dlamil, and martha.gray@dlamil, with the two original hard copies to follow via overnight courier to our office at:

ATTN: Brian J. Koessler, DLA Energy-EF
Defense Logistics Agency Energy
8725 John J. Kingman Rd, Suite 3937
Fort Belvoir, VA 22060-6222

After I sign the two original copies provided by you, I will courier one original signed SF 26 and a CD to you. If your physical address for receipt of courier deliveries differs from the one identified in Block 7, then please provide it when you submit the signed SF 26 via e-mail.

I will be out of the office until September 28, but can be reached by cell phone on the 22nd and 27th. My number is 616.204.2678. If I am unavailable or otherwise cannot be reached, then please contact Martha (703.767.9415) and/or Taina (703.767.8130) with any questions you may have.

Regards,

Brian J. Koessler
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessler@dlamil
Mr. Bruce,

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I will soon be providing the draft contract for your signature. That will not be an opportunity to revise the terms of the RFP or your proposal. Rather, your review and any potential revisions are limited to: 1) correcting clerical mistakes/typos; and 2) ensuring that the document correctly reflects the terms previously negotiated by the parties. More information will follow next week.

If you have any questions, please feel free to contact our office.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@sla.mil

8-Sep-2011

Mr. Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

Mr. Koessel;

If possible, we would request a schedule update on the Ft. Knox Water Utility Privatization. As you know, our last communication from your office was 17-June requesting seven clarifications to our latest FPR. We would appreciate it if you could provide an update on any decision by the Government, or a schedule update.
Thank You,

Jim Bruce
General Manager
Hardin County Water District No. 1
C: 270-268-4069
W: 270-351-3222, ext 208

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Jim Bruce

From: Rivera, Taina DLA CIV ENERGY [Taina.Rivera@dlamil]
Sent: Friday, September 23, 2011 1:30 PM
To: Jim Bruce
Cc: Gray, Martha A DLA CIV ENERGY; Brett Pyles; Preston Pendley; Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Attachments: Fort Knox Draft Contract_20110923_Version 2.docx

Importance: High
Sensitivity: Confidential

Good Afternoon Mr. Bruce,

Attached is the revised draft contract for your review. The changes made, as a result of DLA Energy's final internal review, were minimal and are presented in track changes. As previously requested, please complete your review by COB Monday, September 26, 2011.

Please confirm receipt of this message and address any questions you may have to my attention at 703-767-8130 or to Mrs. Martha Gray at 703-767-9415.

Regards,
Taina

Taina M. Rivera
Senior Contract Specialist
UP Contracting Division IV
DLA Energy-EF
Comm: (703) 767-8130, DSN: 427
Fax: (703) 767-2382
E-mail: taina.rivera@dlamil

-----Original Message-----
From: Koessel, Brian DLA CIV ENERGY
Sent: Wednesday, September 21, 2011 7:35 PM
To: Jim Bruce
Cc: Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY; Brett Pyles; Preston Pendley
Subject: Draft Contract / Fort Knox, KY / Utility Privatization /
SP0600-08-R-0803
Importance: High
Sensitivity: Confidential

Mr. Bruce,

Attached is the draft contract (with all attachments and exhibits, except JE4, which will follow separately). It is still undergoing a final internal review, however any potential changes will be minimal and provided to you once made. HCDWI is requested to review the draft contract to ensure that it correctly reflects the terms previously negotiated by the parties. Please also note any clerical errors or omissions that you identify. Please
complete your review by COB September 26 to enable the Government to meet Army funding and award schedule constraints.

Once the draft is finalized, you will be requested to sign the contract. We will require two copies of the SF 26, both with original signatures. Please forward an electronic version to brian.koessel@dlamil, taina.rivera@dlamil, and martha.gray@dlamil, with the two original hard copies to follow via overnight courier to our office at:

ATTN: Brian J. Koessel, DLA Energy-EF
Defense Logistics Agency Energy
8725 John J. Kingman Rd, Suite 3937
Fort Belvoir, VA 22060-6222

After I sign the two original copies provided by you, I will courier one original signed SF 26 and a CD to you. If your physical address for receipt of courier deliveries differs from the one identified in Block 7, then please provide it when you submit the signed SF 26 via e-mail.

I will be out of the office until September 28, but can be reached by cell phone on the 22nd and 27th. My number is 616.204.2678. If I am unavailable or otherwise cannot be reached, then please contact Martha (703.767.9415) and/or Taina (703.767.8130) with any questions you may have.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlamil <mailto:Brian.Koessel@dlamil>
From: Koessel, Brian DLA CIV ENERGY
Sent: Thursday, September 15, 2011 3:41 PM
To: 'Jim Bruce'
Cc: Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Subject: Update / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential

Mr. Bruce,

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If you have any questions, please feel free to contact our office.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, September 08, 2011 1:44 PM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: JSmith@lwcky.com; David.Hackworth@CH2M.com; Brett Pyles; Preston Pendley
Subject: Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / DLA update request
Sensitivity: Confidential

8-Sep-2011

Mr. Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

Mr. Koessel;

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Thank You,
Jim Bruce
General Manager
Hardin County Water District No. 1
C: 270-268-4069
W: 270-351-3222, ext 208

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Ms. Rivera;

We have received both versions of the draft contract. Our attorney and I are both in process of reviewing. We will be able to have any revisions or corrections early on the 26th. So far, we have only found what may be 1 clerical error.

Again, we appreciate all your work and effort reviewing our proposal and we look forward to the final contract execution and proceeding with this effort and providing good value and service to the Government.

Jim Bruce
General Manager
HCW1

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Cc: Gray, Martha A DLA CIV ENERGY; Brett Pyles; Preston Pendley; Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

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Please confirm receipt of this message and address any questions you may have to my attention at 703-767-8130 or to Mrs. Martha Gray at 703-767-9415.

Regards,
Taina

Taina M. Rivera
Senior Contract Specialist
UP Contracting Division IV
DLA Energy-EF
Comm: (703) 767-8130, DSN: 427
Fax: (703) 767-2382
E-mail: taina.rivera@dlami

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Subject: Draft Contract / Fort Knox, KY / Utility Privatization /
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Importance: High
Sensitivity: Confidential

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Regards,

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Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA

P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlamil

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Cc: JSmith@lwcky.com; David.Hackworth@CH2M.com; Brett Pyles; Preston Pendley
Subject: Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / DLA update request
Sensitivity: Confidential

8-Sep-2011

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Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA

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Mr. Koessel;
If possible, we would request a schedule update on the Ft. Knox Water Utility Privatization. As you know, our last communication from your office was 17-June requesting seven clarifications to our latest FPR. We would appreciate it if you could provide an update on any decision by the Government, or a schedule update.

Thank You,

Jim Bruce

General Manager

Hardin County Water District No. 1

C: 270-268-4069

W: 270-351-3222, ext 208

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From: Jim Bruce
Sent: Friday, September 23, 2011 4:06 PM
To: Rivera, Taina DLA CIV ENERGY
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0003
Sensitivity: Confidential

Ms. Rivera;

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Jim Bruce
General Manager
HC WD1

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Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0003

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Please confirm receipt of this message and address any questions you may have to my attention at 703-767-8130 or to Mrs. Martha Gray at 703-767-9415.

Regards,
Taina
Taina M. Rivera
Senior Contract Specialist
UP Contracting Division IV
DLA Energy-EF
Comm: (703) 767-8130, DSN: 427
Fax: (703) 767-2382
E-mail: taina.rivera@dlamil

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Importance: High
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Energy Enterprise BU
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Brian.Koessel@dla.mil <mailto:Brian.Koessel@dla.mil>

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Subject: Update / Fort Knox, KY / Utility Privatization / SP0600-08-R-0003
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Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

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Sent: Thursday, September 08, 2011 1:44 PM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: JSmith@lwcky.com; David.Hackworth@CH2M.com; Brett Pyles; Preston Pendley
Subject: Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / DLA update request
Sensitivity: Confidential

8-Sep-2011

Mr. Brian J. Koessel
Branch Chief/Contracting Officer

Energy Enterprise BU

DLA Energy-EFA

(703) 767-1595 (DSN 427)

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General Manager

Hardin County Water District No. 1

C: 270-268-4069

W: 270-351-3222, ext 208

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Jim Bruce

From: Gray, Martha A DLA CIV ENERGY [Martha.Gray@dia.mil]
Sent: Monday, September 26, 2011 10:05 AM
To: Jim Bruce; Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803

Jim,

Received a blank email from you this morning, were you trying to attach something?

Thank you,
Martha

Martha A. Gray
Division Chief/Contracting Officer
UP Contracting Division IV
DLA Energy-EF - Energy Enterprise BU
Phone: (703) 767-9415 DSN 427
Fax: (703) 767-2382
Email: martha.gray@dia.mil

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Sent: Monday, September 26, 2011 9:44 AM
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Subject: FW: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential

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Regards,
Taina

Taina M. Rivera
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8-Sep-2011
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Ms Gray;

I was intending to make sure you saw my response to Ms Rivera last Friday acknowledging receipt of the DRAFT contract versions, and letting her (and Mr Koessel) know that we would have our comments back by 26-Sept as required.

Thanks

Jim Bruce
General Manager
HCWD1

-----Original Message-----
From: Gray, Martha A DLA CIV ENERGY [mailto:Martha.Gray@dla.mil]
Sent: Monday, September 26, 2011 10:05 AM
To: Jim Bruce; Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential

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Thank you,
Martha

Martha A. Gray
Division Chief/Contracting Officer
UP Contracting Division IV
DLA Energy-EF - Energy Enterprise BU
Phone: (703) 767-9415 DSN 427
Fax: (703) 767-2382
Email: martha.gray@dla.mil

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Taina M. Rivera
Senior Contract Specialist
UP Contracting Division IV
DLA Energy-EF
Comm: (703) 767-8130, DSN: 427
Fax: (703) 767-2382
E-mail: taina.rivera@dlamil
-----Original Message-----
From: Koessel, Brian DLA CIV ENERGY
Sent: Wednesday, September 21, 2011 7:35 PM
To: Jim Bruce
Cc: Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY; Brett Pyles; Preston Pendley
Subject: Draft Contract / Fort Knox, KY / Utility Privatization / SP0600-08-R-0003
Importance: High
Sensitivity: Confidential

Mr. Bruce,

Attached is the draft contract (with all attachments and exhibits, except JE4, which will follow separately). It is still undergoing a final internal review, however any potential changes will be minimal and provided to you once made. HCWD1 is requested to review the draft contract to ensure that it correctly reflects the terms previously negotiated by the parties. Please also note any clerical errors or omissions that you identify. Please complete your review by COB September 26 to enable the Government to meet Army funding and award schedule constraints.

Once the draft is finalized, you will be requested to sign the contract. We will require two copies of the SF 26, both with original signatures. Please forward an electronic version to brian.koessel@dlamil, taina.rivera@dlamil, and martha.gray@dlamil, with the two original hard copies to follow via overnight courier to our office at:

ATTN: Brian J. Koessel, DLA Energy-EF
Defense Logistics Agency Energy
8725 John J. Kingman Rd, Suite 3937
Fort Belvoir, VA 22060-6222

After I sign the two original copies provided by you, I will courier one original signed SF 26 and a CD to you. If your physical address for
receipt of courier deliveries differs from the one identified in Block 7, then please provide it when you submit the signed SF 26 via e-mail.

I will be out of the office until September 28, but can be reached by cell phone on the 22nd and 27th. My number is 616.204.2678. If I am unavailable or otherwise cannot be reached, then please contact Martha (703.767.9415) and/or Taina (703.767.8130) with any questions you may have.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA

P: (703) 767-1595 (DSN 427)
F: (703) 767-2382

Brian.Koessel@DLA.MIL <mailto:Brian.Koessel@DLA.MIL>

From: Koessel, Brian DLA CIV ENERGY
Sent: Thursday, September 15, 2011 3:41 PM
To: 'Jim Bruce'
Cc: Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Subject: Update / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 Sensitivity: Confidential

Mr. Bruce,

Congratulations! Hardin County Water District #1 (HCWD1) has been
selected
by the Source Selection Authority for privatization of the Fort Knox
Potable
Water Utility System. This is not an award notification, as contract
award
is contingent upon statutorily required advance Congressional
notification
and Contracting Officer execution of the Standard Form (SF) 26 Contract
Award document.

Also, please note that HCWD1 is prohibited from releasing any indication
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contract. Award is anticipated to be made on September 30, 2011.

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P: (703) 767-1595 (DSN 427)
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Brian.Koessel@dea.mil
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Sent: Thursday, September 08, 2011 1:44 PM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: JSmith@lwcky.com; David.Hackworth@CH2M.com; Brett Pyles; Preston Pendley
Subject: Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / DLA update request
Sensitivity: Confidential

8-Sep-2011

Mr. Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

Mr. Koessel;

If possible, we would request a schedule update on the Ft. Knox Water Utility Privatization. As you know, our last communication from your office was 17-June requesting seven clarifications to our latest FPR. We would appreciate it if you could provide an update on any decision by the Government, or a schedule update.

Thank You,

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General Manager
Hardin County Water District No. 1
C: 270-268-4069
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Mr Koessel;

Our legal counsel and myself have reviewed your draft contract, sent via email on 21-SEP, as well as the revised draft sent by Ms. Rivera on 23-SEP. The only verbiage change we have is marked up on the last paragraph of the Preamble, which is attached.

All other preamble statements, and other parts of the contract, are acceptable to us, and we are prepared to execute the final version when you are able to deliver to us.

We understand that we must sign the SF26 and send an electronic copy immediately, with hard copy originals overnight. We also understand no public announcement of the award is to be made until 5PM on the day the Contracting Officer executes the contract.

Please let us know if you have any questions on our proposed change. We look forward to receiving the final version and moving forward with the contract award, and beginning all phases of the contract award.

Sincerely,

Jim Bruce
General Manager
Hardin County Water District No. 1

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Sent: Friday, September 23, 2011 1:30 PM
To: Jim Bruce
Cc: Gray, Martha A DLA CIV ENERGY; Brett Pyles; Preston Pendley; Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Importance: High
Sensitivity: Confidential

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Please confirm receipt of this message and address any questions you may have to my attention at 703-767-8130 or to Mrs. Martha Gray at 703-767-9415.

Regards,
Taina

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F: (703) 767-2382
Brian.Koessel@dlamil

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To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: JSmith@lwcky.com; David.Hackworth@CH2M.com; Brett Pyles; Preston Pendley
Subject: Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / DLA update request
Sensitivity: Confidential
8-Sep-2011

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Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

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Thank You,

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W: 270-351-3222, ext 208

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You may address any questions you may have to my attention at 703-767-8130 or to Mrs. Martha Gray at 703-767-9415.

Respectfully,
Taina

Taina M. Rivera
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UP Contracting Division IV
DLA Energy-EF
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E-mail: taina.rivera@dla.mil

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From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Monday, September 26, 2011 4:19 PM
To: Rivera, Taina DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: David Wilson, SBW
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential

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Hardin County Water District No. 1

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Sent: Friday, September 23, 2011 1:30 PM
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Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Importance: High
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Regards,

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From: Koessel, Brian DLA CIV ENERGY
Sent: Thursday, September 15, 2011 3:41 PM
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Cc: Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Subject: Update / Fort Knox, KY / Utility Privatization /
SP0600-08-R-0803
Sensitivity: Confidential

Mr. Bruce,

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Subject: Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / DLA update request
Sensitivity: Confidential

8-Sep-2011

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Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

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Thank You,

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Mr. Bruce,

The attached contract contains the agreed upon revision to the preamble language. If you are in agreement with this version, please sign two (2) copies of the SF26 and send an electronic copy immediately, with hard copy originals to be sent overnight. I will sign the contract on Friday, September 30, 2011 and send the final executed version to you at that time. Please let me know if you have any questions.

Regards,

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Brian.Koessel@dla.mil

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From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, September 27, 2011 2:21 PM
To: Rivera, Taina DLA CIV ENERGY; Koessel, Brian DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: David Wilson
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential

Ms. Rivera;

We are in agreement with your proposed language change to the preamble section of the draft contract.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1

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From: Rivera, Taina DLA CIV ENERGY [mailto:Taina.Rivera@dla.mil]
Sent: Tuesday, September 27, 2011 1:05 PM
To: Jim Bruce
Cc: David Wilson, SBW; Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY; Preston Pendley; Brett Pyles
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0003
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Respectfully,
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F: (703) 767-2382
Brian.Koessel@dlamiil

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, September 08, 2011 1:44 PM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: JSmith@1wucky.com; David.Hackworth@CH2M.com; Brett Pyles; Preston Pendley
Subject: Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / DLA update request
Sensitivity: Confidential

8-Sep-2011

Mr. Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
Mr. Koessel;

If possible, we would request a schedule update on the Ft. Knox Water Utility Privatization. As you know, our last communication from your office was 17-June requesting seven clarifications to our latest FPR. We would appreciate it if you could provide an update on any decision by the Government, or a schedule update.

Thank You,

Jim Bruce
General Manager
Hardin County Water District No. 1
C: 270-268-4069
W: 270-351-3222, ext 208

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Mr Koessel;

Attached please find copy of the signed SF26. We will be sending via overnight the two signed originals, today. We understand you will sign on 30-SEP and then send us a full copy of the final contract document.

Also, we are working with LWC developing a press release for next week. Do you want to review that before we release? Please let me know.

Thank You

Jim Bruce
General Manager
HCWD1

-----Original Message-----
From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Wednesday, September 28, 2011 5:59 PM
To: Jim Bruce
Cc: David Wilson; Brett Pyles; Preston Pendley; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Subject: Draft Contract Revision 3 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Importance: High
Sensitivity: Confidential

Mr. Bruce,

The attached contract contains the agreed upon revision to the preamble language. If you are in agreement with this version, please sign two (2) copies of the SF26 and send an electronic copy immediately, with hard copy originals to be sent overnight. I will sign the contract on Friday, September 30, 2011 and send the final executed version to you at that time. Please let me know if you have any questions.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlamail
-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, September 27, 2011 2:21 PM
To: Rivera, Taina DLA CIV ENERGY; Koessel, Brian DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: David Wilson
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential

Ms. Rivera;

We are in agreement with your proposed language change to the preamble section of the draft contract.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1

-----Original Message-----
From: Rivera, Taina DLA CIV ENERGY [mailto:Taina.Rivera@dla.mil]
Sent: Tuesday, September 27, 2011 1:05 PM
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Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential

Good Afternoon Mr. Bruce,

DLA Energy has reviewed the verbiage change you made on the last paragraph of the Preamble. Upon review of the language in your proposal and the Preamble, we have a suggested change that includes the exact language proposed by HCWD1 in Volume IV of your FPR, specifically the 5th paragraph of page IV-36. Please review the attached revision to the Preamble, and let us know if you agree before COB September 28, 2011.

You may address any questions you may have to my attention at 703-767-8130 or to Mrs. Martha Gray at 703-767-9415.

Respectfully,
Taina

Taina M. Rivera
Senior Contract Specialist
UP Contracting Division IV
DLA Energy-EF
Comm: (703) 767-8130, DSN: 427
Fax: (703) 767-2382
E-mail: taina.rivera@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Mr. Koessel;

Our legal counsel and myself have reviewed your draft contract, sent via email on 21-SEP, as well as the revised draft sent by Ms. Rivera on 23-SEP. The only verbiage change we have is marked up on the last paragraph of the Preamble, which is attached.

All other preamble statements, and other parts of the contract, are acceptable to us, and we are prepared to execute the final version when you are able to deliver to us.

We understand that we must sign the SF26 and send an electronic copy immediately, with hard copy originals overnight. We also understand no public announcement of the award is to be made until 5PM on the day the Contracting Officer executes the contract.

Please let us know if you have any questions on our proposed change. We look forward to receiving the final version and moving forward with the contract award, and beginning all phases of the contract award.

Sincerely,

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General Manager
Hardin County Water District No. 1

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Cc: Gray, Martha A DLA CIV ENERGY; Brett Pyles; Preston Pendley; Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Importance: High
Sensitivity: Confidential

Good Afternoon Mr. Bruce,

Attached is the revised draft contract for your review. The changes made, as a result of DLA Energy's final internal review, were minimal and are presented in track changes. As previously requested, please complete your review by COB Monday, September 26, 2011.

Please confirm receipt of this message and address any questions you may have to my attention at 703-767-8130 or to Mrs. Martha Gray at 703-767-9415.
Regards,
Taina

Taina M. Rivera
Senior Contract Specialist
UP Contracting Division IV
DLA Energy-EF
Comm: (703) 767-8130, DSN: 427
Fax: (703) 767-2382
E-mail: taina.rivera@dlamil

-----Original Message-----
From: Koessel, Brian DLA CIV ENERGY
Sent: Wednesday, September 21, 2011 7:35 PM
To: Jim Bruce
Cc: Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY; Brett Pyles; Preston Pendley
Subject: Draft Contract / Fort Knox, KY / Utility Privatization /
SP0600-08-R-0003
Importance: High
Sensitivity: Confidential

Mr. Bruce,

Attached is the draft contract (with all attachments and exhibits, except JF4, which will follow separately). It is still undergoing a final internal review, however any potential changes will be minimal and provided to you once made. HCWD1 is requested to review the draft contract to ensure that it correctly reflects the terms previously negotiated by the parties.
Please also note any clerical errors or omissions that you identify.
Please complete your review by COB September 26 to enable the Government to meet Army funding and award schedule constraints.

Once the draft is finalized, you will be requested to sign the contract.
We will require two copies of the SF 26, both with original signatures.
Please forward an electronic version to brian.koessel@dlamil, taina.rivera@dlamil, and martha.gray@dlamil, with the two original hard copies to follow via overnight courier to our office at:

ATTN: Brian J. Koessel, DLA Energy-EF

Defense Logistics Agency Energy
8725 John J. Kingman Rd, Suite 3937
Fort Belvoir, VA 22060-6222

After I sign the two original copies provided by you, I will courier one original signed SF 26 and a CD to you. If your physical address for receipt of courier deliveries differs from
the one identified in Block 7, then please provide it when you submit the signed SF 26 via e-mail.

I will be out of the office until September 28, but can be reached by cell phone on the 22nd and 27th. My number is 616.204.2678. If I am unavailable or otherwise cannot be reached, then please contact Martha (703.767.9415) and/or Taina (703.767.8130) with any questions you may have.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@ dla.mil <mailto:Brian.Koessel@ dla.mil>

From: Koessel, Brian DLA CIV ENERGY
Sent: Thursday, September 15, 2011 3:41 PM
To: 'Jim Bruce'
Cc: Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Subject: Update / Fort Knox, KY / Utility Privatization /
SP0600-08-R-0803
Sensitivity: Confidential

Mr. Bruce,

Congratulations! Hardin County Water District #1 (HCWD1) has been selected by the Source Selection Authority for privatization of the Fort Knox Potable Water Utility System. This is not an award notification, as contract award is contingent upon statutorily required advance Congressional notification and Contracting Officer execution of the Standard Form (SF) 26 Contract Award document.
Also, please note that HCWD1 is prohibited from releasing any indication of award to the public per FAR 5.303 and DFARS 205.303. The regulations state that information shall not be released on awards prior to the public release time of 5:00 pm on the day of award when the Contracting Officer signs the contract. Award is anticipated to be made on September 30, 2011.

I will soon be providing the draft contract for your signature. That will not be an opportunity to revise the terms of the RFP or your proposal. Rather, your review and any potential revisions are limited to: 1) correcting clerical mistakes/typos; and 2) ensuring that the document correctly reflects the terms previously negotiated by the parties. More information will follow next week.

If you have any questions, please feel free to contact our office.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, September 08, 2011 1:44 PM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: JSmith@lwcky.com; David.Hackworth@CH2M.com; Brett Pyles; Preston Pendley
Subject: Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / DLA update request
Sensitivity: Confidential
Mr. Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

Mr. Koessel;

If possible, we would request a schedule update on the Ft. Knox Water Utility Privatization. As you know, our last communication from your office was 17-June requesting seven clarifications to our latest FPR. We would appreciate it if you could provide an update on any decision by the Government, or a schedule update.

Thank You,

Jim Bruce
General Manager
Hardin County Water District No. 1
C: 270-268-4069
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Mr. Bruce,

Thank you for returning the signed SF26. I would be happy to look at the price release. I do not anticipate making any edits to the release. However, if there is some sort of factual inaccuracy, I will let you know.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, September 29, 2011 9:13 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: David Wilson
Subject: RE: Draft Contract Revision 3 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential

Mr Koessel;

Attached please find copy of the signed SF26. We will be sending via overnight the two signed originals, today. We understand you will sign on 30-SEP and then send us a full copy of the final contract document.

Also, we are working with LWC developing a press release for next week. Do you want to review that before we release? Please let me know.

Thank You

Jim Bruce
General Manager
HCWD1

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From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Wednesday, September 28, 2011 5:59 PM
To: Jim Bruce
Cc: David Wilson; Brett Pyles; Preston Pendley; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Mr. Bruce,

The attached contract contains the agreed upon revision to the preamble language. If you are in agreement with this version, please sign two (2) copies of the SF26 and send an electronic copy immediately, with hard copy originals to be sent overnight. I will sign the contract on Friday, September 30, 2011 and send the final executed version to you at that time. Please let me know if you have any questions.

Regards,

Brian J. Koessler
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessler@dla.mil

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From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, September 27, 2011 2:21 PM
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Cc: David Wilson
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential

Ms. Rivera;

We are in agreement with your proposed language change to the preamble section of the draft contract.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1

-----Original Message-----
From: Rivera, Taina DLA CIV ENERGY [mailto:Taina.Rivera@dla.mil]
Sent: Tuesday, September 27, 2011 1:05 PM
To: Jim Bruce
Cc: David Wilson, SBW; Koessler, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY; Preston Pendley; Brett Pyles
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential
Good Afternoon Mr. Bruce,

DLA Energy has reviewed the verbiage change you made on the last paragraph of the Preamble. Upon review of the language in your proposal and the Preamble, we have a suggested change that includes the exact language proposed by HCWD1 in Volume IV of your FPR, specifically the 5th paragraph of page IV-36. Please review the attached revision to the Preamble, and let us know if you agree before COB September 28, 2011.

You may address any questions you may have to my attention at 703-767-8130 or to Mrs. Martha Gray at 703-767-9415.

Respectfully,
Taina

Taina M. Rivera
Senior Contract Specialist
UP Contracting Division IV
DLA Energy-EF
Comm: (703) 767-8130, DSN: 427
Fax: (703) 767-2382
E-mail: taina.rivera@dlamil

----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Monday, September 26, 2011 4:19 PM
To: Rivera, Taina DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha
A DLA CIV ENERGY
Cc: David Wilson, SBW
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility
Privatization / SP0600-08-R-0803
Sensitivity: Confidential

Mr Koessel;

Our legal counsel and myself have reviewed your draft contract, sent via email on 21-SEP, as well as the revised draft sent by Ms. Rivera on 23-SEP. The only verbiage change we have is marked up on the last paragraph of the Preamble, which is attached.

All other preamble statements, and other parts of the contract, are acceptable to us, and we are prepared to execute the final version when you are able to deliver to us.

We understand that we must sign the SF26 and send an electronic copy immediately, with hard copy originals overnight. We also understand no public announcement of the award is to be made until 5PM on the day the Contracting Officer executes the contract.

Please let us know if you have any questions on our proposed change. We look forward to receiving the final version and moving forward with the
contract award, and beginning all phases of the contract award.

Sincerely,

Jim Bruce
General Manager
Hardin County Water District No. 1

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From: Rivera, Taina DLA CIV ENERGY [mailto:Taina.Rivera@dlamil]
Sent: Friday, September 23, 2011 1:30 PM
To: Jim Bruce
Cc: Gray, Martha A DLA CIV ENERGY; Brett Pyles; Preston Pendley; Koessel,
Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Subject: RE: Draft Contract Revision 2 / Fort Knox, KY / Utility
Privatization / SP0600-08-R-0803
Importance: High
Sensitivity: Confidential

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Attached is the revised draft contract for your review. The changes made,
as a result of DLA Energy’s final internal review, were minimal and are
presented in track changes. As previously requested, please complete your
review by COB Monday, September 26, 2011.

Please confirm receipt of this message and address any questions you may
have to my attention at 703-767-8130 or to Mrs. Martha Gray at 703-767-9415.

Regards,
Taina

Taina M. Rivera
Senior Contract Specialist
UP Contracting Division IV
DLA Energy-EF
Comm: (703) 767-8130, DSN: 427
Fax: (703) 767-2382
E-mail: taina.rivera@dlamil

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Pyles; Preston Pendley
Subject: Draft Contract / Fort Knox, KY / Utility Privatization /
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Importance: High
Sensitivity: Confidential

Mr. Bruce,
Attached is the draft contract (with all attachments and exhibits, except JE4, which will follow separately). It is still undergoing a final internal review, however any potential changes will be minimal and provided to you once made. HCD01 is requested to review the draft contract to ensure that it correctly reflects the terms previously negotiated by the parties. Please also note any clerical errors or omissions that you identify. Please complete your review by COB September 26 to enable the Government to meet Army funding and award schedule constraints.

Once the draft is finalized, you will be requested to sign the contract. We will require two copies of the SF 26, both with original signatures. Please forward an electronic version to brian.koessel@dla.mil, taina.rivera@dla.mil, and martha.gray@dla.mil, with the two original hard copies to follow via overnight courier to our office at:

ATTN: Brian J. Koessel, DLA Energy-EF
Defense Logistics Agency Energy
8725 John J. Kingman Rd, Suite 3937
Fort Belvoir, VA 22060-6222

After I sign the two original copies provided by you, I will courier one original signed SF 26 and a CD to you. If your physical address for receipt of courier deliveries differs from the one identified in Block 7, then please provide it when you submit the signed SF 26 via e-mail.

I will be out of the office until September 28, but can be reached by cell phone on the 22nd and 27th. My number is 616.204.2678. If I am unavailable or otherwise cannot be reached, then please contact Martha (703.767.9415) and/or Taina (703.767.8130) with any questions you may have.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
Mr. Bruce,

Congratulations! Hardin County Water District #1 (HCWD1) has been selected by the Source Selection Authority for privatization of the Fort Knox Potable Water Utility System. This is not an award notification, as contract award is contingent upon statutorily required advance Congressional notification and Contracting Officer execution of the Standard Form (SF) 26 Contract Award document.

Also, please note that HCWD1 is prohibited from releasing any indication of award to the public per FAR 5.303 and DFARS 205.303. The regulations state that information shall not be released on awards prior to the public release time of 5:00 pm on the day of award when the Contracting Officer signs the contract. Award is anticipated to be made on September 30, 2011.

I will soon be providing the draft contract for your signature. That will not be an opportunity to revise the terms of the RFP or your proposal. Rather, your review and any potential revisions are limited to: 1) correcting clerical mistakes/typos; and 2) ensuring that the document correctly reflects the terms previously negotiated by the parties. More information will follow next week.

If you have any questions, please feel free to contact our office.
Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
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Subject: Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / DLA
update request
Sensitivity: Confidential

8-Sep-2011

Mr. Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

Mr. Koessel;

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Hardin County Water District No. 1
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Mr. Bruce,

Our office received some last minute funds from the Army today. I will be adding those funds to the contract by modification immediately after signing the contract tomorrow. I wanted you to be aware of it, so that you weren't surprised to receive an administrative modification along with the contract.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

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You may address any questions you may have to my attention at 703-767-8130 or to Mrs. Martha Gray at 703-767-9415.

Respectfully,

Taina

Taina M. Rivera
Senior Contract Specialist
UP Contracting Division IV
DLA Energy-EF
Comm: (703) 767-8130, DSN: 427
Fax: (703) 767-2382
E-mail: taina.rivera@dla.mil

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General Manager
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Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
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Sensitivity: Confidential

Good Afternoon Mr. Bruce,

Attached is the revised draft contract for your review. The changes made, as a result of DLA Energy's final internal review, were minimal and are presented in track changes. As previously requested, please complete your review by COB Monday, September 26, 2011.

Please confirm receipt of this message and address any questions you may have to my attention at 703-767-8130 or to Mrs. Martha Gray at 703-767-9415.

Regards,
Taina

Taina M. Rivera
Senior Contract Specialist
UP Contracting Division IV
DLA Energy-EF
Comm: (703) 767-8130, DSN: 427
Fax: (703) 767-2382
E-mail: taina.rivera@dlamil

-----Original Message-----
From: Koessel, Brian DLA CIV ENERGY
Sent: Wednesday, September 21, 2011 7:35 PM
To: Jim Bruce
Cc: Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY; Brett Pyles; Preston Pendley
Subject: Draft Contract / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Importance: High
Sensitivity: Confidential

Mr. Bruce,
Attached is the draft contract (with all attachments and exhibits, except JE4, which will follow separately). It is still undergoing a final internal review, however any potential changes will be minimal and provided to you once made. HCDW1 is requested to review the draft contract to ensure that it correctly reflects the terms previously negotiated by the parties. Please also note any clerical errors or omissions that you identify. Please complete your review by COB September 26 to enable the Government to meet Army funding and award schedule constraints.

Once the draft is finalized, you will be requested to sign the contract. We will require two copies of the SF 26, both with original signatures. Please forward an electronic version to brian.koessel@dlad.mil, taina.rivera@dlad.mil, and martha.gray@dlad.mil, with the two original hard copies to follow via overnight courier to our office at:

ATTN: Brian J. Koessel, DLA Energy-EF
Defense Logistics Agency Energy
8725 John J. Kingman Rd, Suite 3937
Fort Belvoir, VA 22060-6222

After I sign the two original copies provided by you, I will courier one original signed SF 26 and a CD to you. If your physical address for receipt of courier deliveries differs from the one identified in Block 7, then please provide it when you submit the signed SF 26 via e-mail.

I will be out of the office until September 28, but can be reached by cell phone on the 22nd and 27th. My number is 616.204.2678. If I am unavailable or otherwise cannot be reached, then please contact Martha (703.767.9415) and/or Taina (703.767.8130) with any questions you may have.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
From: Koessel, Brian DLA CIV ENERGY
Sent: Thursday, September 15, 2011 3:41 PM
To: 'Jim Bruce'
Cc: Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Subject: Update / Fort Knox, KY / Utility Privatization / SP0000-08-R-0003
Sensitivity: Confidential

Mr. Bruce,

Congratulations! Hardin County Water District #1 (HCWD1) has been selected by the Source Selection Authority for privatization of the Fort Knox Potable Water Utility System. This is not an award notification, as contract award is contingent upon statutorily required advance Congressional notification and Contracting Officer execution of the Standard Form (SF) 26 Contract Award document.

Also, please note that HCWD1 is prohibited from releasing any indication of award to the public per FAR 5.303 and DFARS 205.303. The regulations state that information shall not be released on awards prior to the public release time of 5:00 pm on the day of award when the Contracting Officer signs the contract. Award is anticipated to be made on September 30, 2011.

I will soon be providing the draft contract for your signature. That will not be an opportunity to revise the terms of the RFP or your proposal. Rather, your review and any potential revisions are limited to: 1) correcting clerical mistakes/typos; and 2) ensuring that the document correctly reflects the terms previously negotiated by the parties. More information will follow next week.

If you have any questions, please feel free to contact our office.
Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, September 08, 2011 1:44 PM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: JSmith lwcky.com; David.Hackworth@CH2M.com; Brett Pyles; Preston Pendley
Subject: Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / DLA
update request
Sensitivity: Confidential

8-Sep-2011

Mr. Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

Mr. Koessel;

If possible, we would request a schedule update on the Ft. Knox Water
Utility Privatization. As you know, our last communication from your office
was 17-June requesting seven clarifications to our latest FPR.
We would appreciate it if you could provide an update on any decision by the
Government, or a schedule update.

Thank You,

Jim Bruce
General Manager
Hardin County Water District No. 1
C: 270-268-4069
W: 270-351-3222, ext 208

This email communication may contain CONFIDENTIAL INFORMATION WHICH ALSO MAY
BE LEGALLY PRIVILEGED and is intended only for the use of the intended
recipients identified above. If you are not the intended recipient of this
communication, you are hereby notified that any unauthorized review, use,
dissemination, distribution, downloading, or copying of this communication
is strictly prohibited. If you have received this communication in error,
please immediately notify us by reply email, delete the communication and
destroy all copies.
Mr Koessel;

We received notice from FedEx that the forms were delivered at 0937 this morning and signed for by "C. Larson"

Thanks

Jim Bruce
HCWD1

-----Original Message-----
From: Koessel, Brian DLA CIV ENERGY [mailto:Briakoessel@dlamil]
Sent: Thursday, September 29, 2011 11:27 AM
To: Jim Bruce
Cc: David Wilson; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Subject: RE: Draft Contract Revision 3 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential

Mr. Bruce,

Thank you for returning the signed SF26. I would be happy to look at the price release. I do not anticipate making any edits to the release. However, if there is some sort of factual inaccuracy, I will let you know.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, September 29, 2011 9:13 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: David Wilson
Subject: RE: Draft Contract Revision 3 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential

Mr Koessel;
Attached please find copy of the signed SF26. We will be sending via overnight the two signed originals, today. We understand you will sign on 30-SEP and then send us a full copy of the final contract document.

Also, we are working with LWC developing a press release for next week. Do you want to review that before we release? Please let me know.

Thank You

Jim Bruce
General Manager
HCWD1

-----Original Message-----
From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Wednesday, September 28, 2011 5:59 PM
To: Jim Bruce
Cc: David Wilson; Brett Pyles; Preston Pendley; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Subject: Draft Contract Revision 3 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0003
Importance: High
Sensitivity: Confidential

Mr. Bruce,

The attached contract contains the agreed upon revision to the preamble language. If you are in agreement with this version, please sign two (2) copies of the SF26 and send an electronic copy immediately, with hard copy originals to be sent overnight. I will sign the contract on Friday, September 30, 2011 and send the final executed version to you at that time.

Please let me know if you have any questions.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, September 27, 2011 2:21 PM
To: Rivera, Taina DLA CIV ENERGY; Koessel, Brian DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: David Wilson
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0003
Sensitivity: Confidential

Ms. Rivera;
We are in agreement with your proposed language change to the preamble section of the draft contract.

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1

-----Original Message-----
From: Rivera, Taina DLA CIV ENERGY [mailto:Taina.Rivera@dla.mil]
Sent: Tuesday, September 27, 2011 1:05 PM
To: Jim Bruce
Cc: David Wilson, SBW; Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY; Preston Pendley; Brett Pyles
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential

Good Afternoon Mr. Bruce,

DLA Energy has reviewed the verbiage change you made on the last paragraph of the Preamble. Upon review of the language in your proposal and the Preamble, we have a suggested change that includes the exact language proposed by HCWD1 in Volume IV of your FPR, specifically the 5th paragraph of page IV-36. Please review the attached revision to the Preamble, and let us know if you agree before COB September 28, 2011.

You may address any questions you may have to my attention at 703-767-8130 or to Mrs. Martha Gray at 703-767-9415.

Respectfully,
Taina

Taina M. Rivera
Senior Contract Specialist
UP Contracting Division IV
DLA Energy-EF
Comm: (703) 767-8130, DSN: 427
Fax: (703) 767-2382
E-mail: taina.rivera@dla.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Monday, September 26, 2011 4:19 PM
To: Rivera, Taina DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: David Wilson, SBW
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential

Mr Koessel;

Our legal counsel and myself have reviewed your draft contract, sent via email on 21-SEP, as well as the revised draft sent by Ms. Rivera on 23-SEP. The only verbiage change we have is marked up on the last paragraph of the Preamble, which is attached.
All other preamble statements, and other parts of the contract, are acceptable to us, and we are prepared to execute the final version when you are able to deliver to us.

We understand that we must sign the SF26 and send an electronic copy immediately, with hard copy originals overnight. We also understand no public announcement of the award is to be made until 5PM on the day the Contracting Officer executes the contract.

Please let us know if you have any questions on our proposed change. We look forward to receiving the final version and moving forward with the contract award, and beginning all phases of the contract award.

Sincerely,

Jim Bruce  
General Manager  
Hardin County Water District No. 1

-----Original Message-----
From: Rivera, Taina DLA CIV ENERGY [mailto:Taina.Rivera@dla.mil]
Sent: Friday, September 23, 2011 1:30 PM
To: Jim Bruce
Cc: Gray, Martha A DLA CIV ENERGY; Brett Pyles; Preston Pendley; Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Importance: High
Sensitivity: Confidential

Good Afternoon Mr. Bruce,

Attached is the revised draft contract for your review. The changes made, as a result of DLA Energy’s final internal review, were minimal and are presented in track changes. As previously requested, please complete your review by COB Monday, September 26, 2011.

Please confirm receipt of this message and address any questions you may have to my attention at 703-767-8130 or to Mrs. Martha Gray at 703-767-9415.

Regards,

Taina

Taina M. Rivera  
Senior Contract Specialist  
UP Contracting Division IV  
DLA Energy-EF  
Comm: (703) 767-8130, DSN: 427  
Fax: (703) 767-2382  
E-mail: taina.rivera@dla.mil
-----Original Message-----
From: Koessel, Brian DLA CIV ENERGY
Sent: Wednesday, September 21, 2011 7:35 PM
To: Jim Bruce
Cc: Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY; Brett Pyles; Preston Pendley
Subject: Draft Contract / Fort Knox, KY / Utility Privatization /
SP0600-08-R-0803
Importance: High
Sensitivity: Confidential

Mr. Bruce,

Attached is the draft contract (with all attachments and exhibits, except JE4, which will follow separately). It is still undergoing a final internal review, however any potential changes will be minimal and provided to you once made. HCWD1 is requested to review the draft contract to ensure that it correctly reflects the terms previously negotiated by the parties. Please also note any clerical errors or omissions that you identify. Please complete your review by COB September 26 to enable the Government to meet Army funding and award schedule constraints.

Once the draft is finalized, you will be requested to sign the contract. We will require two copies of the SF 26, both with original signatures. Please forward an electronic version to brian.koessel@dla.mil, taina.rivera@dla.mil, and martha.gray@dla.mil, with the two original hard copies to follow via overnight courier to our office at:

ATTN: Brian J. Koessel, DLA Energy-EF
Defense Logistics Agency Energy
8725 John J. Kingman Rd, Suite 3937
Fort Belvoir, VA 22060-6222

After I sign the two original copies provided by you, I will courier one original signed SF 26 and a CD to you. If your physical address for receipt of courier deliveries differs from the one identified in Block 7, then please provide it when you submit the signed SF 26 via e-mail.

I will be out of the office until September 28, but can be reached by cell phone on the 22nd and 27th. My number is 616.204.2678. If I am unavailable or otherwise cannot be reached, then please contact Martha (703.767.9415) and/or Taina (703.767.8130) with any questions you may have.
Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil <mailto:Brian.Koessel@dla.mil>

From: Koessel, Brian DLA CIV ENERGY
Sent: Thursday, September 15, 2011 3:41 PM
To: 'Jim Bruce'
Cc: Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Subject: Update / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential

Mr. Bruce,

Congratulations! Hardin County Water District #1 (HCWD1) has been selected by the Source Selection Authority for privatization of the Fort Knox Potable Water Utility System. This is not an award notification, as contract award is contingent upon statutorily required advance Congressional notification and Contracting Officer execution of the Standard Form (SF) 26 Contract Award document.

Also, please note that HCWD1 is prohibited from releasing any indication of award to the public per FAR 5.303 and DFARS 205.303. The regulations state that information shall not be released on awards prior to the public release time of 5:00 pm on the day of award when the Contracting Officer signs the contract. Award is anticipated to be made on September 30, 2011.
I will soon be providing the draft contract for your signature. That will not be an opportunity to revise the terms of the RFP or your proposal. Rather, your review and any potential revisions are limited to: 1) correcting clerical mistakes/typos; and 2) ensuring that the document correctly reflects the terms previously negotiated by the parties. More information will follow next week.

If you have any questions, please feel free to contact our office.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, September 08, 2011 1:44 PM
To: Koessler, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: JSmith@lwcky.com; David.Hackworth@CH2M.com; Brett Pyles; Preston Pendley
Subject: Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / DLA update request
Sensitivity: Confidential

8-Sep-2011

Mr. Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
Mr. Koessel;

If possible, we would request a schedule update on the Ft. Knox Water Utility Privatization. As you know, our last communication from your office was 17-June requesting seven clarifications to our latest FPR. We would appreciate it if you could provide an update on any decision by the Government, or a schedule update.

Thank You,

Jim Bruce
General Manager
Hardin County Water District No. 1
C: 270-268-4069
W: 270-351-3222, ext 208

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Mr. Bruce,

The letter and forms were delivered to me a few moments ago. I will be distributing the executed copies after 5pm ET today, once the Department of Defense releases notification of award on its website.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Friday, September 30, 2011 10:15 AM
To: Koessel, Brian DLA CIV ENERGY
Subject: RE: Draft Contract Revision 3 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential

Mr Koessel;

We received notice from FedEx that the forms were delivered at 0937 this morning and signed for by "C. Larson"

Thanks

Jim Bruce
HCWD1

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From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dlamil]
Sent: Thursday, September 29, 2011 11:27 AM
To: Jim Bruce
Cc: David Wilson; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Subject: RE: Draft Contract Revision 3 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential

Mr. Bruce,

Thank you for returning the signed SF26. I would be happy to look at the price release. I do not anticipate making any edits to the release.
However, if there is some sort of factual inaccuracy, I will let you know.

Regards,

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Branch Chief/Contracting Officer  
Energy Enterprise BU  
DLA Energy-EFA  
(703) 767-1595 (DSN 427)

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From: Jim Bruce [mailto:jbruce@hcwd.com]  
Sent: Thursday, September 29, 2011 9:13 AM  
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY  
Cc: David Wilson  
Subject: RE: Draft Contract Revision 3 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803  
Sensitivity: Confidential

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Also, we are working with LWC developing a press release for next week. Do you want to review that before we release? Please let me know.

Thank You  

Jim Bruce  
General Manager  
HCWD1

-----Original Message-----
From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]  
Sent: Wednesday, September 28, 2011 5:59 PM  
To: Jim Bruce  
Cc: David Wilson; Brett Pyles; Preston Pendley; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY  
Subject: Draft Contract Revision 3 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803  
Importance: High  
Sensitivity: Confidential

Mr. Bruce,

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From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, September 27, 2011 2:21 PM
To: Rivera, Taina DLA CIV ENERGY; Koessel, Brian DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: David Wilson
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential

Ms. Rivera;

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Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1

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From: Rivera, Taina DLA CIV ENERGY [mailto:Taina.Rivera@dla.mil]
Sent: Tuesday, September 27, 2011 1:05 PM
To: Jim Bruce
Cc: David Wilson, SBW; Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY; Preston Pendley; Brett Pyles
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential

Good Afternoon Mr. Bruce,

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You may address any questions you may have to my attention at 703-767-8130 or to Mrs. Martha Gray at 703-767-9415.

Respectfully,
Taina

Taina M. Rivera
Senior Contract Specialist
UP Contracting Division IV
DLA Energy-EF
Comm: (703) 767-8130, DSN: 427
Fax: (703) 767-2382
E-mail: taina.rivera@dlamil

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From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Monday, September 26, 2011 4:19 PM
To: Rivera, Taina DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: David Wilson, SBW
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Sensitivity: Confidential

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Jim Bruce
General Manager
Hardin County Water District No. 1

-----Original Message-----
From: Rivera, Taina DLA CIV ENERGY [mailto:Taina.Rivera@dlamil]
Sent: Friday, September 23, 2011 1:30 PM
To: Jim Bruce
Cc: Gray, Martha A DLA CIV ENERGY; Brett Pyles; Preston Pendley; Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Subject: RE: Draft Contract_Revision 2 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803
Good Afternoon Mr. Bruce,

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Regards,
Taina

Taina M. Rivera
Senior Contract Specialist
UP Contracting Division IV
DLA Energy-EF
Comm: (703) 767-8130, DSN: 427
Fax: (703) 767-2382
E-mail: taina.rivera@dlamil

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ATTN: Brian J. Koessel, DLA Energy-EF

Defense Logistics Agency Energy

8725 John J. Kingman Rd, Suite 3937

Fort Belvoir, VA 22060-6222

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Regards,

Brian J. Koessel

Branch Chief/Contracting Officer

Energy Enterprise BU

DLA Energy-EFA

P: (703) 767-1595 (DSN 427)

F: (703) 767-2382

Brian.Koessel@dlamil <mailto:Brian.Koessel@dlamil>
Mr. Bruce,

Congratulations! Hardin County Water District #1 (HCWD1) has been selected by the Source Selection Authority for privatization of the Fort Knox Potable Water Utility System. This is not an award notification, as contract award is contingent upon statutorily required advance Congressional notification and Contracting Officer execution of the Standard Form (SF) 26 Contract Award document.

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If you have any questions, please feel free to contact our office.

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Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlamil
8-Sep-2011

Mr. Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

Mr. Koessel;

If possible, we would request a schedule update on the Ft. Knox Water Utility Privatization. As you know, our last communication from your office was 17-June requesting seven clarifications to our latest FPR. We would appreciate it if you could provide an update on any decision by the Government, or a schedule update.

Thank You,

Jim Bruce
General Manager
Hardin County Water District No. 1
C: 270-268-4069
W: 270-351-3222, ext 208
This email communication may contain CONFIDENTIAL INFORMATION WHICH ALSO MAY BE LEGALLY PRIVILEGED and is intended only for the use of the intended recipients identified above. If you are not the intended recipient of this communication, you are hereby notified that any unauthorized review, use, dissemination, distribution, downloading, or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by reply email, delete the communication and destroy all copies.
Mr. Bruce,

Congratulations! I am pleased to inform you that the Utilities Privatization Contract for the Fort Knox Potable Water Utility System was signed today. A copy is attached and is hereby distributed to you. Please consider this e-mail notice to proceed. Attachments and Exhibits will follow by CD along with a hard copy of the signed SF26.

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I will be out of the office 3-5 October, but will be accessible by phone at 616.204.2678. Please do not hesitate to contact me with any questions.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@ dla.mil
ALCON,

The attached modification has been signed by the Contracting Officer and is hereby distributed to you. A copy has been uploaded to DFAS. This modification provides four (4) months of ISDC Surcharge – Year 1 funding (months 1-4 of 60). As this modification is for funding purposes only, the contractor’s signature is not required.

Regards,

Brian J. Koessel  
Branch Chief/Contracting Officer  
Energy Enterprise BU  
DLA Energy-EFA  
P: (703) 767-1595 (DSN 427)  
F: (703) 767-2382  
Brian.Koessel@dlra.mil
ALCON,

The attached modification has been signed by the Contracting Officer and is hereby distributed to you. A copy has been uploaded to DFAS. This modification rescinds modification P00001 and deobligates the funds obligated therein, as a result of an accounting system error at the Army funding office. As this modification is for funding purposes only, the contractor's signature is not required. I apologize for any confusion caused by this modification.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlai.mil
Mr Koessel;

Here is our press release. Please let me know as soon as possible if you see any corrections or changes.

Thank again

Jim Bruce
HCWD1
270-268-4069
Mr. Bruce,

Thank you for providing the attached for our review. I have two suggested revisions. The first is in the title of the press release; I suggest changing Bid to Contract. The second is to revise the first sentence to read, “The Department of Defense, through the Defense Logistics Agency Energy (DLA Energy), has....”

The reason for the first change is to clarify that a contract was awarded based on FAR 15 procedures (negotiations), as opposed to FAR 14 procedures (sealed bids). The reason for the second change is to clarify that DLA Energy was the entity responsible for the contracting action, and not our parent DLA. This will help in the event of any Congressional Inquiries or FOIA requests that may be generated as a result of the press release or other contract announcements.

Please call me at 616.204.2678 if you have any questions.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Monday, October 03, 2011 11:04 AM
To: Koessel, Brian DLA CIV ENERGY
Cc: ksmith@lwcky.com
Subject: Press Release

Mr Koessel;

Here is our press release. Please let me know as soon as possible if you see any corrections or changes

Thank again

Jim Bruce
HCWD1
270-268-4069
Mr Koessel;

Thanks for your quick review and helpful edits

Jim Bruce
HCWD1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Monday, October 03, 2011 12:11 PM
To: Jim Bruce
Cc: ksmith@lwcky.com; Bartz, Joshua S DLA CIV ENERGY
Subject: RE: Press Release

Mr. Bruce,

Thank you for providing the attached for our review. I have two suggested revisions. The first is in the title of the press release; I suggest changing Bid to Contract. The second is to revise the first sentence to read, “The Department of Defense, through the Defense Logistics Agency Energy (DLA Energy), has....”

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To: Koessel, Brian DLA CIV ENERGY
Cc: ksmith@lwcky.com
Subject: Press Release

Mr Koessel;

Here is our press release. Please let me know as soon as possible if you see any corrections or changes
Jim Bruce

From: Jim Bruce
Sent: Monday, October 03, 2011 3:59 PM
To: 'Koessel, Brian DLA CIV ENERGY'; 'Taina Rivera@dla.mil'; 'Martha.Gray@dla.mil'
Subject: RE: Fort Knox, KY / Utility Privatization / Potable Water Utility System / SP0600-11-C-8271 / Award

Mr. Koessel;

Assuming there is no problem having our partners and team in on the PAOC meeting, have asked them to confirm a date that works for them. Let me know if this is intended only for HCWD1.

We also look forward to working more with Ms. Rivera during the transition period. If you think we should plan on a face to face meeting at your office, please let us know and we can arrange that trip there.

Again, we appreciate your diligence in reviewing our proposals and look forward to a long and successful contract with the Government and serving Fort Knox in an expanded way.

Will get back to you soon with some dates for the meeting

Sincerely,

Jim Bruce
HCWD1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Friday, September 30, 2011 7:19 PM
To: Jim Bruce; Brett Pyles; Preston Pendley
Cc: Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY; Goins Berntsen, Lisa S DLA CIV ENERGY; Johnson, James DLA CIV ENERGY; Muse, Kenny Mr CIV USA IMCOM
Subject: Fort Knox, KY / Utility Privatization / Potable Water Utility System / SP0600-11-C-8271 / Award

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I will be out of the office 3-5 October, but will be accessible by phone at 616.204.2678. Please do not hesitate to contact me with any questions.

Respectfully,

Brian J. Koessel  
Branch Chief/Contracting Officer  
Energy Enterprise BU  
DLA Energy-EFA  
P: (703) 767-1595 (DSN 427)  
F: (703) 767-2382  
Brian.Koessel@dle.mil
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Thank You

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Mr. Bruce,

Thank you for confirming the date of October 14. The DLA Energy contracting team will be traveling to Fort Knox for the PAOC. Mr. Muse is locating a room and will confirm the time and location once it is arranged. To assist him with that task, would you please confirm the number of attendees that you plan to bring? I will be traveling with Mr. Jay Johnson (KO) and Mr. Kenny Richardson (KS).

Regards,

Brian J. Koessel
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Energy Enterprise BU
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P: (703) 767-1595 (DSN 427)
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Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlad.mil
Mr. Koessel;

We look forward to seeing you again. Will let you and Mr. Muse know next Monday how many we will be bringing.

Thanks

Jim Bruce
HCWD1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dlamil]
Sent: Friday, October 07, 2011 2:11 PM
To: Jim Bruce
Cc: Preston Pendley; JSmith@lwcky.com; Brett Pyles; Scott Schmuck; Johnson, James DLA CIV ENERGY; Richardson, Kenneth DLA CIV ENERGY; Muse, Kenny Mr CIV USA IMCOM
Subject: RE: Fort Knox, KY / Utility Privatization / Potable Water Utility System / SP0600-11-C-8271 / Award

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Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2362
Brian.Koessel@dlamil

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, October 05, 2011 9:02 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: Preston Pendley; JSmith@lwcky.com; Brett Pyles; Scott Schmuck
Subject: RE: Fort Knox, KY / Utility Privatization / Potable Water Utility System / SP0600-11-C-8271 / Award

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Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil
Mr. Bruce,

We look forward to meeting with your team as well. Typically, when conducting a PAOC, I like to invite installation personnel from the various directorates so that the new UP contractor can meet with them and begin to establish relationships to ensure a timely and successful transition. In the case of HCWD1, you already have established many of those relationships through your ownership and operation of the wastewater and storm water systems. Therefore, I would like to solicit your input into which folks you believe will add value to our discussions at the PAOC (e.g. Environmental, Master Planning, Personnel, Real Property).

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Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

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Energy Enterprise BU  
DLA Energy-EFA  
P: (703) 767-1595 (DSN 427)  
F: (703) 767-2382  
Brian.Koessel@dlenergy.mil

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To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY  
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Jim Bruce  
HCWD1

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Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessels@dlamil
Mr. Bruce,

The PAOC has been confirmed for 0900-1100 in Building 1110 in the Garrison Commander’s Conference Room on the Second Floor. We look forward to meeting with your team at that time.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

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(703) 767-1595 (DSN 427)
To: Koessel, Brian DLA CIV ENERGY
Cc: JSmith@lwcky.com; David.Hackworth@CH2M.com; Preston Pendley; Brett Pyles
Subject: RE: Fort Knox, KY / Utility Privatization / Potable Water Utility System / SP0600-11-C-8271 / Award

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Mr. Koessel;

For the PAOC meeting tomorrow, we will be bringing;

Jim Bruce – HCWD1
Brett Pyles – HCWD1
Preston Pendley, P.E. – HCWD1
Jim Smith – LWC
David Hackworth, P.E. – CH2M HILL

Regarding the names or directorates that we may need to meet with soon, or individuals, we provide the following;

Real Property – Ms Rita Soto (Will need to discuss as soon as possible site and parcel we can establish our operations and build the building)
DPW – Mr. Bob Ender or Mr. Kenny Muse (inventories, manuals & records transfers, existing operations contracts)
CPO office- ?? (numbers of individuals expected to transition, job titles and qualifications)
EMD – Mr. Donnie McGar or Ms. Gail Pollock (Environmental requirements, permit transfers, other)

We do not have any preference whether they attend the PAOC or not, as we do work with all of these directorates and individuals on a regular basis.

Our team met yesterday and came up with list of several questions which if time permits, would like to bring up at meeting. I do not think they will take long and believe your two hour time estimate should be more than adequate.

Look forward to seeing you Friday

Jim Bruce
General Manager
HCWD1
The PAOC has been confirmed for 0900-1100 in Building 1110 in the Garrison Commander’s Conference Room on the Second Floor. We look forward to meeting with your team at that time.

Regards,

Brian J. Koessel  
Branch Chief/Contracting Officer  
Energy Enterprise BU  
DLA Energy-EFA  
(703) 767-1595 (DSN 427)

From: Koessel, Brian DLA CIV ENERGY  
Sent: Friday, October 07, 2011 2:42 PM  
To: 'Jim Bruce'  
Cc: JSmith@lwcky.com; David.Hackworth@CH2M.com; Preston Pendley; Brett Pyles; Johnson, James DLA CIV ENERGY; Richardson, Kenneth DLA CIV ENERGY  
Subject: RE: Fort Knox, KY / Utility Privatization / Potable Water Utility System / SP0600-11-C-8271 / Award

Mr. Bruce,

We look forward to meeting with your team as well. Typically, when conducting a PAOC, I like to invite installation personnel from the various directorates so that the new UP contractor can meet with them and begin to establish relationships to ensure a timely and successful transition. In the case of HCWD1, you already have established many of those relationships through your ownership and operation of the wastewater and storm water systems. Therefore, I would like to solicit your input into which folks you believe will add value to our discussions at the PAOC (e.g. Environmental, Master Planning, Personnel, Real Property).

Regards,

Brian J. Koessel  
Branch Chief/Contracting Officer  
Energy Enterprise BU  
DLA Energy-EFA  
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]  
Sent: Friday, October 07, 2011 2:14 PM  
To: Koessel, Brian DLA CIV ENERGY  
Cc: JSmith@lwcky.com; David.Hackworth@CH2M.com; Preston Pendley; Brett Pyles  
Subject: RE: Fort Knox, KY / Utility Privatization / Potable Water Utility System / SP0600-11-C-8271 / Award

Mr. Koessel;

We look forward to seeing you again. Will let you and Mr. Muse know next Monday how many we will be bringing.

Thanks

Jim Bruce  
HCWD1
From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dlamil]
Sent: Friday, October 07, 2011 2:11 PM
To: Jim Bruce
Cc: Preston Pendley; JSmith@lwcky.com; Brett Pyles; Scott Schmuck; Johnson, James DLA CIV ENERGY; Richardson, Kenneth DLA CIV ENERGY; Muse, Kenny Mr CIV USA IMCOM
Subject: RE: Fort Knox, KY / Utility Privatization / Potable Water Utility System / SP0600-11-C-8271 / Award

Mr. Bruce,

Thank you for confirming the date of October 14. The DLA Energy contracting team will be traveling to Fort Knox for the PAOC. Mr. Muse is locating a room and will confirm the time and location once it is arranged. To assist him with that task, would you please confirm the number of attendees that you plan to bring? I will be traveling with Mr. Jay Johnson (KO) and Mr. Kenny Richardson (KS).

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlamil

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, October 05, 2011 9:02 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: Preston Pendley; JSmith@lwcky.com; Brett Pyles; Scott Schmuck
Subject: RE: Fort Knox, KY / Utility Privatization / Potable Water Utility System / SP0600-11-C-8271 / Award

Mr Koessel;

Oct 14 works for all of us for the PAOC. Please let us know if that will work, and what time you would like that. I assume it will be a call in conference call. Let us know if you want to use our conference call system, or you can provide. You mention travel arrangements, but were not sure if that meant your team coming to FK, or we need to go to Ft. Belvoir. Just let me know

Thank You

Jim Bruce
HCWD1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dlamil]
Sent: Friday, September 30, 2011 7:19 PM
To: Jim Bruce; Brett Pyles; Preston Pendley
Cc: Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY; Goins Berntsen, Lisa S DLA CIV ENERGY; Johnson, James DLA CIV ENERGY; Muse, Kenny Mr CIV USA IMCOM
Subject: Fort Knox, KY / Utility Privatization / Potable Water Utility System / SP0600-11-C-8271 / Award

Mr. Bruce,
Congratulations! I am pleased to inform you that the Utilities Privatization Contract for the Fort Knox Potable Water Utility System was signed today. A copy is attached and is hereby distributed to you. Please consider this e-mail notice to proceed. Attachments and Exhibits will follow by CD along with a hard copy of the signed SF26.

As stated in Section G, I will be the contracting officer for administrative manners, but that will eventually change to Mr. Jay Johnson (703.767.9554). The contracting officer’s representative (COR) will initially be Ms. Taina Rivera (703.767.8130), but will eventually become Mr. Kenny Muse (502.624.5830).

Due to the four month duration for transition, it is important to hold the postaward orientation conference (PAOC) early in the process. To that end, I would like to schedule the PAOC sometime during the week of 11-14 October.

The purpose of the PAOC is to go over the specifics of the contract, with particular attention paid to transition activities (e.g. employee transition, regulatory approval from the KPSC, joint inventory, and conveyance of infrastructure). These discussions usually last a few hours. Please let me know which dates will work for you, so that I may confirm a date with our team and make the necessary travel arrangements.

I will be out of the office 3-5 October, but will be accessible by phone at 616.204.2678. Please do not hesitate to contact me with any questions.

Respectfully,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dlamil
1.5 hours are reserved every Wednesday from 0900-1030 ET for this conference call. It is likely that not all of this time will be required.

Kenny and Bob: Please coordinate attendance of additional persons from Fort Knox as agenda items require.
ALCON,

Please see the attached agenda for today's meeting. The call in number for the meeting is 703.767.8507.

Respectfully,
Ken

Kenneth E. Richardson
Contract Specialist
Utility Privatization Division I
DLAEnergy Energy Enterprise
703-767-9559
kenneth.richardson@dlamil

From: Richardson, Kenneth  DLA CIV ENERGY [Kenneth.Richardson@dlamil]
Sent: Wednesday, October 19, 2011 7:59 AM
To: Jim Bruce; kenny.muse1@us.army.mil
Cc: Preston Pendley; robert.ender@us.army.mil; Koessel, Brian DLA CIV ENERGY; Johnson, James DLA CIV ENERGY; Sveum, Bryan DLA CIV ENERGY
Subject: Fort Knox 10/19/2011 Meeting
Jim Bruce

From: Jim Bruce
Sent: Wednesday, October 19, 2011 9:03 AM
To: 'Richardson, Kenneth DLA CIV ENERGY'
Subject: RE: Fort Knox 10/19/2011 Meeting

Ken – We called in on the number provided, but they said was not correct number

Thanks
Jim Bruce

From: Richardson, Kenneth DLA CIV ENERGY [mailto:Kenneth.Richardson@dlaim]
Sent: Wednesday, October 19, 2011 7:59 AM
To: Jim Bruce; kenny.muse1@us.army.mil
Cc: Preston Pendley; robert.ender@us.army.mil; Koessel, Brian DLA CIV ENERGY; Johnson, James DLA CIV ENERGY; Sveum, Bryan DLA CIV ENERGY
Subject: Fort Knox 10/19/2011 Meeting

ALCON,

Please see the attached agenda for today’s meeting. The call in number for the meeting is 703.767.8507.

Respectfully,
Ken

Kenneth E. Richardson
Contract Specialist
Utility Privatization Division I
DLA Energy Energy Enterprise
703-767-9559
kenneth.richardson@dlaim
I apologize the number is 703.767.8509

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, October 19, 2011 9:03 AM
To: Richardson, Kenneth DLA CIV ENERGY
Subject: RE: Fort Knox 10/19/2011 Meeting

Ken - We called in on the number provided, but they said was not correct number

Thanks

Jim Bruce

From: Richardson, Kenneth DLA CIV ENERGY [mailto:Kenneth.Richardson@dla.mil]
Sent: Wednesday, October 19, 2011 7:59 AM
To: Jim Bruce; kenny.muse1@us.army.mil
Cc: Preston Pendley; robert.ender@us.army.mil; Koessel, Brian DLA CIV ENERGY; Johnson, James DLA CIV ENERGY; Sveum, Bryan DLA CIV ENERGY
Subject: Fort Knox 10/19/2011 Meeting

ALCON,

Please see the attached agenda for today's meeting. The call in number for the meeting is 703.767.8507.

Respectfully,

Ken

Kenneth E. Richardson
Contract Specialist

Utility Privatization Division I
DLAEnergy Energy Enterprise
703-767-9559
kenneth.richardson@dla.mil
Ken;

Here is the section from previous sewer privatization (J32.4). HCWD1 took over the customer / billing relationship of the Town sewer service. We did not see the same requirement in the water RFP. Let me know if you need any more info on this.

Thanks

Jim Bruce
Ken;

Here is list of attendees from our team to the conference call today;

Jim Bruce – HCWD1
Preston Pendley – HCWD1
Brett Pyles – HCWD1
Richard Stranahan – HCWD1 (Distribution Supervisor)
Jim Smith – LWC
David Hackworth – CH2M HILL

Thanks

Jim Bruce
HCWD1

ALCON,

Please see the attached agenda for today’s meeting. The call in number for the meeting is 703.767.8507.

Respectfully,
Ken

Kenneth E. Richardson
Contract Specialist
Utility Privatization Division I
DLA Energy Enterprise
703-767-9559
kenneth.richardson@ dla.mil
Jim,

As requested; attached is the contemplated language for the Revision of C.6 of the contract to include the Contractor's access to the utility system. This is draft language and has not been formally modified into the contract.

Respectfully,
Ken

Kenneth E. Richardson
Contract Specialist
Utility Privatization Division I
DLA Energy Enterprise
703-767-9559
kenneth.richardson@ dla.mil
Ken

Thank you. I have forwarded to our attorney, David Wilson, and told him he may contact you or Josh with any questions

Jim Bruce
HCWD1

-----Original Message-----
From: Richardson, Kenneth DLA CIV ENERGY [mailto:Kenneth.Richardson@dlad.mil]
Sent: Wednesday, October 19, 2011 10:18 AM
To: Jim Bruce
Cc: Johnson, James DLA CIV ENERGY; Bartz, Joshua S DLA CIV ENERGY; Koessel, Brian DLA CIV ENERGY
Subject: FW: Utility Privatization Contractor's Access to the Utility System

Jim,

As requested; attached is the contemplated language for the Revision of C.6 of the contract to include the Contractor's access to the utility system. This is draft language and has not been formally modified into the contract.

Respectfully,
Ken

Kenneth E. Richardson
Contract Specialist
Utility Privatization Division I
DLAEnergy Energy Enterprise
703-767-9559
kenneth.richardson@dlad.mil
Thank you for the update.

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, October 19, 2011 10:41 AM
To: Richardson, Kenneth DLA CIV ENERGY; kenny.musel@us.army.mil
Cc: Preston Pendley; robert.ender@us.army.mil; Koessel, Brian DLA CIV ENERGY; Johnson, James DLA CIV ENERGY; Sveum, Bryan DLA CIV ENERGY
Subject: Muldraugh Water Billing

Ken;

I wanted to clarify on billing the Town of Muldraugh as our customer. We already have an established Wholesale Water rate and policies within our tariff. It is available to any other public water system.

This means we would not have to negotiate terms and design a new rate, as we had to for the Town with their sewer rate in 2007. We could just present the Town with our Wholesale User Agreement, which has already been approved by the PSC. The current rate is $1.92/kgal plus a monthly Customer Meter Charge, based on meter size.

If the Govt made this a requirement of our contract, any added costs would be negligible, depending on the requirements of the mod and number of meetings required with the Town.

Thank You

Jim Bruce

HCWD1
I believe since we are talking about the commodity (water) is why we didn't turn it over for you to work with Muldraugh. The water (commodity) is Fort Knox's and I'm guessing we will provide them a billing rate, which will change from the current amount since we will privatize our system.

Kenneth Muse
Chief of Operations & Maintenance
Directorate of Public Works
Bldg. 1110, Room 310
125 6th Ave. STE 320
Fort Knox, Ky. 40121-5719
Office 502.624.5830
Cell 270.272-7663
Fax 502.624.3679
email -- kenny.muse1@us.army.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, October 19, 2011 10:41 AM
To: Richardson, Kenneth DLA CIV ENERGY; Muse, Kenny Mr CIV USA IMCOM
Cc: Preston Pendley; Ender, Robert K Mr CIV USA IMCOM; Koessel, Brian DLA CIV ENERGY; Johnson, James DLA CIV ENERGY; Sveum, Bryan DLA CIV ENERGY
Subject: Muldraugh Water Billing

Ken;

I wanted to clarify on billing the Town of Muldraugh as our customer. We already have an established Wholesale Water rate and policies within our tariff. It is available to any other public water system.

This means we would not have to negotiate terms and design a new rate, as we had to for the Town with their sewer rate in 2007. We could just present the Town with our Wholesale User Agreement, which has already been approved by the PSC. The current rate is $1.92/kgal plus a monthly Customer Meter Charge, based on meter size.
If the Govt made this a requirement of our contract, any added costs would be negligible, depending on the requirements of the mod and number of meetings required with the Town.

Thank You

Jim Bruce

HCWD1

Classification: UNCLASSIFIED
Caveats: NONE
Are there any items that you would like to add to the agenda for tomorrow? We are currently finalizing the agenda for tomorrow to have it out today. Responses, if any, should be sent it prior to 1PM today.

Regards,

James "Jay" Johnson
Branch Chief / Contracting Officer
UP Contracting Division I
DLA Energy - Energy Enterprise BU
(703)767-9554 (Voice)
email: james.1.johnson@dla.mil
Jim Bruce

From: Johnson, James DLA CIV ENERGY [James.1.Johnson@dla.mil]
Sent: Tuesday, October 25, 2011 10:14 AM
To: Jim Bruce; kenny.muse1@us.army.mil
Cc: Richardson, Kenneth DLA CIV ENERGY; Sveum, Bryan DLA CIV ENERGY
Subject: Agenda Items

Jim / Kenny

Are there any items that you would like to add to the agenda for tomorrow? We are currently finalizing the agenda for tomorrow to have it out today. Responses, if any, should be sent it prior to 1PM today.

Regards,

James "Jay" Johnson
Branch Chief / Contracting Officer
UP Contracting Division I
DLA Energy - Energy Enterprise BU
(703)767-9554 (Voice)

email: james.1.johnson@dla.mil
Jim Bruce

From: Johnson, James DLA CIV ENERGY [James.1.Johnson@dla.mil]
Sent: Tuesday, October 25, 2011 10:15 AM
To: Jim Bruce
Subject: Apologies

Jim,

I apologize for using the name Bruce on my email.

Regards,

James "Jay" Johnson
Branch Chief / Contracting Officer
UP Contracting Division I
DLA Energy - Energy Enterprise BU
(703)767-9554 (Voice)

email: james.1.johnson@dla.mil
EMD would like to talk about their items next week, and Bob Ender wanted to discuss the library of information we plan to turn over on 2 Nov., 2011.

Kenneth Muse
Chief of Operations & Maintenance
Directorate of Public Works
Bldg. 1110, Room 310
125 6th Ave. STE 320
Fort Knox, Ky. 40121-5719
Office 502.624.5830
Cell 270.272-7663
Fax 502.624.3679
email -- kenny.muse1@us.army.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, October 25, 2011 12:57 PM
To: Johnson, James DLA CIV ENERGY; Muse, Kenny Mr CIV USA IMCOM
Cc: Richardson, Kenneth DLA CIV ENERGY; Sveum, Bryan DLA CIV ENERGY;
    David.Hackworth@CH2M.com; Preston Pendley; Brett Pyles; JSmith@lwcky.com
Subject: RE: Agenda Items

Jay;

Here are our suggested items;

1) Building (real property) location: We would like to propose a suggested location, but will not have specifics (with exhibits) until next week's meeting

2) EMD: We shared a list of questions with EMD late last week and plan to meet with them soon at their convenience. Transfer of permits is one of items

3) C.4.2 - joint use of facilities. Need to discuss if coordination of cell antennae work on water towers, after transfer, is something HCWD1 will be able to require (adding, removing, requiring removal for painting projects)
Thank You

Jim Bruce

HCWD1

From: Johnson, James DLA CIV ENERGY [mailto:James.1.Johnson@dlamil]
Sent: Tuesday, October 25, 2011 10:14 AM
To: Jim Bruce; kenny.muse1@us.army.mil
Cc: Richardson, Kenneth DLA CIV ENERGY; Sveum, Bryan DLA CIV ENERGY
Subject: Agenda Items

Jim / Kenny

Are there any items that you would like to add to the agenda for tomorrow? We are currently finalizing the agenda for tomorrow to have it out today. Responses, if any, should be sent it prior to 1PM today.

Regards,

James "Jay" Johnson

Branch Chief / Contracting Officer

UP Contracting Division I

DLA Energy - Energy Enterprise BU

(703)767-9554 (Voice)

email: james.1.johnson@dlamil

Classification: UNCLASSIFIED
Caveats: NONE
No problem; we will keep this for next week's agenda.

Regards,

James "Jay" Johnson
Branch Chief / Contracting Officer
UP Contracting Division I
DLA Energy - Energy Enterprise BU
(703)767-9554 (Voice)

email: james.1.johnson@dla.mil

-----Original Message-----
From: Muse, Kenny Mr CIV USA IMCOM [mailto:kenny.muse1@us.army.mil]
Sent: Tuesday, October 25, 2011 1:08 PM
To: Jim Bruce; Johnson, James DLA CIV ENERGY
Cc: Richardson, Kenneth DLA CIV ENERGY; Sveum, Bryan DLA CIV ENERGY;
David.Hackworth@CH2M.com; Preston Pendley; Brett Pyles; JSmith@lwcky.com
Subject: RE: Agenda Items (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

EMD would like to talk about their items next week, and Bob Ender wanted to
discuss the library of information we plan to turn over on 2 Nov., 2011.

Kenneth Muse
Chief of Operations & Maintenance
Directorate of Public Works
Bldg. 1110, Room 310
125 6th Ave. STE 320
Fort Knox, Ky. 40121-5719
Office 502.624.5830
Cell 270.272-7663
Fax 502.624.3679
email -- kenny.muse1@us.army.mil

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, October 25, 2011 12:57 PM
To: Johnson, James DLA CIV ENERGY; Muse, Kenny Mr CIV USA IMCOM
Cc: Richardson, Kenneth DLA CIV ENERGY; Sveum, Bryan DLA CIV ENERGY;
David.Hackworth@CH2M.com; Preston Pendley; Brett Pyles; JSmith@lwcky.com
Subject: RE: Agenda Items
Jay;

Here are our suggested items;

1) Building (real property) location: We would like to propose a suggested location, but will not have specifics (with exhibits) until next week's meeting

2) EMD: We shared a list of questions with EMD late last week and plan to meet with them soon at their convenience. Transfer of permits is one of items

3) C.4.2 - joint use of facilities. Need to discuss if coordination of cell antennae work on water towers, after transfer, is something HCWD1 will be able to require (adding, removing, requiring removal for painting projects)

Thank You

Jim Bruce

HCWD1

From: Johnson, James DLA CIV ENERGY [mailto:James.1.Johnson@dlad.mil]
Sent: Tuesday, October 25, 2011 10:14 AM
To: Jim Bruce; kenny.musel@us.army.mil
Cc: Richardson, Kenneth DLA CIV ENERGY; Sveum, Bryan DLA CIV ENERGY
Subject: Agenda Items

Jim / Kenny

Are there any items that you would like to add to the agenda for tomorrow? We are currently finalizing the agenda for tomorrow to have it out today. Responses, if any, should be sent it prior to 1PM today.

Regards,

James "Jay" Johnson

Branch Chief / Contracting Officer
UP Contracting Division I

DLA Energy - Energy Enterprise BU

(703)767-9554 (Voice)

email: james.1.johnson@dlp.mil

Classification: UNCLASSIFIED
Caveats: NONE
ALCON,

Please see the attached agenda for today's meeting. The call in number for the meeting is 703.767.8509.

Regards,

James "Jay" Johnson  
Branch Chief / Contracting Officer  
UP Contracting Division I  
DLA Energy - Energy Enterprise BU  
(703)767-9554 (Voice)

email: james.1.johnson@dlamil
Jay;

Here is list of persons that participated in conference call yesterday;

Jim Bruce – HCWD1
Preston Pendley, P.E. – HCWD1
Brett Pyles – HCWD1
Scott Schmuck – HCWD1 (Finance & Accounting Manager)
Richard Stranahan – HCWD1
Jim Smith – LWC
David Hackworth, P.E. – CH2M HILL

Let me know if you need anything else

Thanks

Jim Bruce
Jim Bruce

From: Johnson, James DLA CIV ENERGY [James.1.Johnson@dla.mil]
Sent: Tuesday, November 01, 2011 7:52 AM
To: Jim Bruce; kenny.muse1@us.army.mil
Cc: Richardson, Kenneth DLA CIV ENERGY; Sveum, Bryan DLA CIV ENERGY
Subject: Agenda Items

Jim / Kenny

Are there any items that you would like to add to the agenda for tomorrow? We are currently finalizing the agenda for tomorrow to have it out today. Responses, if any, should be sent in prior to 1PM today.

Regards,

James "Jay" Johnson
Branch Chief/Contracting Officer
UP Contracting Division I
DLA Energy - Energy Enterprise BU
(703)767-9554 (Voice)

email: james.1.johnson@dla.mil
I'm sure we can work out the times. Just work with Bob Ender to set up specific times and dates.

-----Original Message-----
From: Preston Pendley [mailto:ppendley@HCWD.com]
Sent: Tuesday, November 01, 2011 1:35 PM
To: Muse, Kenny Mr CIV USA IMCOM
Cc: jstiles@curnealhigniteins.com; jbruce@hcwd.com
Subject: RE: Fort Knox Water - HCWD1 insurance

Kenny,

As we've discussed previously during phone conferences, our insurance carrier would like to make a site visit to observe and photograph some of the physical assets.

Jeff Stiles has suggested Tuesday through Friday the week of November 14. I am out of town at a conference Tue, Wed, and Thursday of that week. Can we schedule approximately 3-hour window to drive to some of the assets, such as WTP, tanks, pump stations? I'm confident that our stops will be cursory, and not like the tours for joint inventory that are ongoing.

Thanks, Preston

Preston S. Pendley, P.E.

Engineering Manager

Hardin County Water District No. 1

PPendley@hcwd.com
Preston,

Joe & my schedules are booked up until the week of the 14th.

Tuesday through Friday of that week is good for us.

Jeff Stiles
jstiles@curnealhigniteins.com
Curneal & Hignite Insurance, Inc
2905 Ring Road
P O Box 807
Elizabethtown, KY 42702-0807
Phone: (270) 737-2828 Ext 114
Fax: (270) 737-4950

NOTICE: This communication, together with any attachments and/or links, is for the sole use of the intended recipient(s) and may contain information that is confidential or legally protected. If you are not the intended recipient, you are hereby notified that any review, disclosure, copying, dissemination, distribution or use of this communication is STRICTLY PROHIBITED. If you have received this communication in error, please notify the sender immediately by return e-mail message and delete the original and all copies of the communication, along with any attachments and/or links, from your system.
To: jstiles@curnealthigniteins.com
Subject: Fort Knox Water

Jeff,

Were you going to send a few dates to visit Fort Knox?

Thanks, Preston

Preston S. Pendley, P.E.
Engineering Manager
Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160
Phone: 270-352-4280, ext. 224
Mobile: 270-766-9872
PPendley@hcwd.com
www.HCWD.com <blockedhttp://www.HCWD.com>

Description: Logo1 (2)

Classification: UNCLASSIFIED
Caveats: NONE
Jim Bruce

From: Ender, Robert K Mr CIV USA IMCOM [robert.ender@us.army.mil]
Sent: Wednesday, November 02, 2011 8:01 AM
To: Jim Bruce; Brett Pyles; Preston Pendley; Jim Smith
Subject: FW: FORT KNOX DRINKING WATER LIBRARY CONTENTS (UNCLASSIFIED)
Attachments: DRINKING WATER LIBRARY CONTENTS.docx

Classification: UNCLASSIFIED
Caveats: NONE

To All; I wanted to provide you with an advanced copy of the library contents. EMD may have additional info to add. Bob

-----Original Message-----
From: Ender, Robert K Mr CIV USA IMCOM
Sent: Tuesday, November 01, 2011 2:05 PM
To: Muse, Kenny Mr CIV USA IMCOM
Subject: FW: FORT KNOX DRINKING WATER LIBRARY CONTENTS (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

Kenny, In the attachment is the "Drinking Water Library of Contents." Donnie may have more to add he said he will have his list in the AM. Bob

-----Original Message-----
From: Steadman, Mary L CIV USA IMCOM
Sent: Tuesday, November 01, 2011 1:46 PM
To: Ender, Robert K Mr CIV USA IMCOM
Subject: FORT KNOX DRINKING WATER LIBRARY CONTENTS (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

Ender: In the attachment is the Fort Knox Drinking Water Library Contents.

Thanks

HAVE A NICE EVENING.

Classification: UNCLASSIFIED
Caveats: NONE

Classification: UNCLASSIFIED
Caveats: NONE
Good Morning,

Attached are today’s meeting agenda and last week’s meeting minutes. If you any suggestions for the meeting minutes please have them to me by Friday of this week and I will compile them and send out a finalized version.

Respectfully,
Ken

Kenneth E. Richardson  
Contract Specialist  
Utility Privatization Division I  
DLA Energy Enterprise  
703-767-9559  
kenneth.richardson@sla.mil
Jim Bruce

From: Ender, Robert K Mr CIV USA IMCOM [robert.ender@us.army.mil]
Sent: Wednesday, November 02, 2011 10:24 AM
To: Jim Bruce; Brett Pyles; Preston Pendley; Jim Smith
Cc: Muse, Kenny Mr CIV USA IMCOM
Subject: FW: FORT KNOX DRINKING WATER LIBRARY CONTENTS (UNCLASSIFIED)
Attachments: DRINKING WATER LIBRARY CONTENTS.docx

Classification: UNCLASSIFIED
Caveats: NONE

To All; Please disregard the first list this is the new updated list to include EMD's records and info. Bob

-----Original Message-----
From: McGar, James D Mr CIV USA IMCOM
Sent: Wednesday, November 02, 2011 8:39 AM
To: Ender, Robert K Mr CIV USA IMCOM
Cc: Muse, Kenny Mr CIV USA IMCOM; Pollock, Linda G Mrs CIV USA IMCOM; Anako, Dominic I CIV USA; Jenkins, Luther V CIV USA IMCOM
Subject: FW: FORT KNOX DRINKING WATER LIBRARY CONTENTS (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

Bob, I've added EMDs additions to the DW library to your original listing. I'll bring our box to CWTP for the meeting.

Donnie McGar
Chief, Compliance Branch
Environmental Management Division
(502) 624-8186
donnie.mcgar@us.army.mil

-----Original Message-----
From: Ender, Robert K Mr CIV USA IMCOM
Sent: Tuesday, November 01, 2011 1:51 PM
To: McGar, James D Mr CIV USA IMCOM
Subject: FW: FORT KNOX DRINKING WATER LIBRARY CONTENTS (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

FYI

-----Original Message-----
From: Steadman, Mary L CIV USA IMCOM
Sent: Tuesday, November 01, 2011 1:46 PM
To: Ender, Robert K Mr CIV USA IMCOM
Subject: FORT KNOX DRINKING WATER LIBRARY CONTENTS (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE
Mr. Pendley,

The joint inventory list was updated in Amendment 0003 (13 May 2011) to the RFP. I have attached Amendment 0003 as well as the JA1 that was incorporated into the contract along with this email for your reference.

DLA Energy confirms that our next scheduled conference call for Fort Knox is Nov 16th at 9am. As stated at the PAOC there are some formatting issues with a couple of the Js. DLA Energy is working on correcting the issues and will provide the remaining Js to HCWD1 as soon as they are available. Please let me know if you have any additional questions or concerns.

Respectfully,
Ken

Kenneth E. Richardson
Contract Specialist
Utilities Services
783-767-9559
kenneth.richardson@dlamil

-----Original Message-----
From: Preston Pendley [mailto:ppendley@HCWD.com]
Sent: Monday, November 07, 2011 11:16 AM
To: Richardson, Kenneth DLA CIV ENERGY
Cc: Jim Bruce; Brett Pyles; Johnson, James DLA CIV ENERGY
Subject: RE: Agenda for 11/2/2011 and Meeting Minutes for 10/26/2011

Mr. Richardson,

We also would like to note that the J Attachments are also expected from the DLA. Also please confirm our notes - no conference call this Wednesday the 9th. Next scheduled conference call is Nov 16th at 9am.

Has the joint inventory been updated since the RFP was first issued?

Thanks, Preston

Preston S. Pendley, P.E.
Engineering Manager
Hardin County Water District No. 1
PPendley@hcwd.com
-----Original Message-----
From: Brett Pyles
Sent: Thursday, November 03, 2011 4:08 PM
To: Richardson, Kenneth DLA CIV ENERGY
Cc: Preston Pendley; Jim Bruce; 'JSmith@lwcky.com'; 'David.Hackworth@CH2M.com'; Richard Stranahan
Subject: RE: Agenda for 11/2/2011 and Meeting Minutes for 10/26/2011

Mr. Richardson,

Please find attached the meeting notes with our minor comments.

Thanks

Brett Pyles
Operations Manager
Hardin County Water District No.1
1400 Rogersville Road
Radcliff, KY 40160
Cell:270/766-9477
www.HCWD.com

-----Original Message-----
From: Richardson, Kenneth DLA CIV ENERGY
[mailto:Kenneth.Richardson@dla.mil]
Sent: Wednesday, November 02, 2011 8:07 AM
To: Brett Pyles
Subject: FW: Agenda for 11/2/2011 and Meeting Minutes for 10/26/2011

Mr. Pyles,

FYI. Your contact information was on Mr. Bruce's out of office message.

Respectfully,
Ken

Kenneth E. Richardson
Contract Specialist
Utility Privatization Division I
DLA Energy Energy Enterprise
703-767-9559
kenneth.richardson@dla.mil

-----Original Message-----
From: Richardson, Kenneth DLA CIV ENERGY
Sent: Wednesday, November 02, 2011 8:05 AM
To: Jim Bruce; 'robert.ender@us.army.mil'; 'kenny.musel@us.army.mil'
Cc: Sveum, Bryan DLA CIV ENERGY; Johnson, James DLA CIV ENERGY
Subject: Agenda DLA CIV ENERGY; Johnson, James DLA CIV ENERGY

Good Morning,
Attached are today's meeting agenda and last week's meeting minutes. If you any suggestions for the meeting minutes please have them to me by Friday of this week and I will compile them and send out a finalized version.

Respectfully,

Ken

Kenneth E. Richardson
Contract Specialist

Utility Privatization Division I
DLAEnergy Energy Enterprise
703-767-9559
kenneth.richardson@sla.mil
Jim Bruce

From: Ender, Robert K Mr CIV USA IMCOM [robert.ender@us.army.mil]
Sent: Wednesday, November 09, 2011 11:26 AM
To: Preston Pendley; jstiles@curnealhigniteins.com; Daniel Clifford
Cc: Jim Bruce; Muse, Kenny Mr CIV USA IMCOM; kenneth.richardson@dla.mil; Trail, Robert W Mr CIV USA IMCOM
Subject: RE: Fort Knox Water - HCWD1 insurance (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

Preston,

We will be ready for the 16th 1000 hrs.

Rob, Please put this on your calendar. Thanks, Bob

----- Original Message -----  
From: Preston Pendley [mailto:ppendley@HCWD.com]
Sent: Tuesday, November 08, 2011 4:01 PM
To: Ender, Robert K Mr CIV USA IMCOM; jstiles@curnealhigniteins.com; dclifford@HCWD.com
Cc: Jim Bruce; Muse, Kenny Mr CIV USA IMCOM; kenneth.richardson@dla.mil
Subject: RE: Fort Knox Water - HCWD1 insurance (UNCLASSIFIED)

Bob, Jeff, and Daniel,

After discussion with the parties, it seems that Wednesday the 16th or Thursday the 17th would be best.

Let's go for November 16th. Jeff, if you and Joe can please plan to arrive at our Service Center at 9:30 am, we will be wrapping up a conference call with on this water privatization.

Thereafter, Daniel will drive you to base to meet up with Bob. Bob has indicated he will be able to accompany you to various sites as needed. There is some driving time involved, but I do not anticipate you will need long at each stop, so I would anticipate a time frame of 3-4 hours on base.

Please let me know if you all have any questions.

Thanks, Preston

Preston S. Pendley, P.E.
Engineering Manager
Hardin County Water District No. 1
PPendley@hcwd.com

----- Original Message -----  
From: Muse, Kenny Mr CIV USA IMCOM [mailto:kenny.muse1@us.army.mil]
Sent: Tuesday, November 01, 2011 1:41 PM
To: Preston Pendley; Ender, Robert K Mr CIV USA IMCOM
Cc: jstiles@curnealhigniteins.com; Jim Bruce
Subject: RE: Fort Knox Water - HCWD1 insurance (UNCLASSIFIED)
I'm sure we can work out the times. Just work with Bob Ender to set up specific times and dates.

-----Original Message-----
From: Preston Pendley [mailto:ppendley@HCWD.com]
Sent: Tuesday, November 01, 2011 1:35 PM
To: Muse, Kenny Mr CIV USA IMCOM
Cc: jstiles@curnealhigniteins.com; jbruce@hcwd.com
Subject: RE: Fort Knox Water - HCWD1 insurance

Kenny,

As we've discussed previously during phone conferences, our insurance carrier would like to make a site visit to observe and photograph some of the physical assets.

Jeff Stiles has suggested Tuesday through Friday the week of November 14. I am out of town at a conference Tue, Wed, and Thursday of that week. Can we schedule approximately 3-hour window to drive to some of the assets, such as WTP, tanks, pump stations? I'm confident that our stops will be cursory, and not like the tours for joint inventory that are ongoing.

Thanks, Preston

Preston S. Pendley, P.E.
Engineering Manager
Hardin County Water District No. 1
PPendley@hcwd.com

From: Jeff Stiles [mailto:jstiles@curnealhigniteins.com]
Sent: Tuesday, November 01, 2011 11:56 AM
To: Preston Pendley
Subject: RE: Fort Knox Water

Preston,

Joe & my schedules are booked up until the week of the 14th.

Tuesday through Friday of that week is good for us.

Jeff Stiles
jstiles@curnealhigniteins.com
Curneal & Hignite Insurance, Inc
2905 Ring Road
P O Box 807
Elizabethtown, KY 42702-0807
Phone: (270) 737-2828 Ext 114
Fax: (270) 737-4950

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From: Preston Pendley [mailto:ppendley@HCWD.com]
Sent: Tuesday, November 01, 2011 10:15 AM
To: jstiles@curnealhigniteins.com
Subject: Fort Knox Water

Jeff,

Were you going to send a few dates to visit Fort Knox?

Thanks, Preston

Preston S. Pendley, P.E.
Engineering Manager
Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160
Phone: 270-352-4280, ext. 224
Mobile: 270-766-9872
PPendley@hcwd.com
www.HCWD.com <blockedhttp://www.HCWD.com>

Description: Logo1 (2)

Classification: UNCLASSIFIED
Caveats: NONE

Classification: UNCLASSIFIED
Caveats: NONE
Are there any items that you would like to add to the agenda for Wednesday? We are currently finalizing the agenda for Wednesday. Responses, if any, should be sent in prior to 1PM Tuesday.

Regards,
Bryan Sveum
ALCON,

Please see the attached agenda for today's meeting. The call in number for the meeting is 703.767.8509.

Regards,
Bryan Sveum
To All; The current list of Fort Knox Safety Officers along with phone numbers and e-mail addresses are listed in the e-mail below. Wendy Steinhoff is currently the acting Safety Office Director. Bob

-----Original Message-----
From: Crutcher, Mary E Mrs CIV USA TRADOC
Sent: Wednesday, November 16, 2011 10:32 AM
To: Ender, Robert K Mr CIV USA IMCOM
Subject: Safety Office POCs (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

Bob as we discussed, Wendy is in the 120-day temp job until Feb.

Wendy Steinhoff, 624-4303, wendy.steinhoff@us.army.mil
Mary Crutcher, 624-4305, mary.crutcher@us.army.mil
Brian Wood, 624-4407, brian.ray.wood@us.army.mil
R. Keith Lane, 624-3381, ronald.keith.lane@us.army.mil

They can also reach us through the office email: Knox.Garrison.Safety@conus.army.mil

Mary E. Crutcher
Fort Knox Safety Office
1109-C 6th Ave, Room 222
Comm: (502)624-4305
DSN: 464-4305
FAX: (502)624-2297
email: Mary.Crutcher@us.army.mil

"If we ever forget that we are One Nation Under God, then we will be a nation gone under" Ronald Reagan

Classification: UNCLASSIFIED
Caveats: NONE
Jim;

Thanks for the list.

Regards,

Bryan Sveum

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, November 16, 2011 10:45 AM
To: Sveum, Bryan DLA CIV ENERGY; Johnson, James DLA CIV ENERGY;
kenny.muse1@us.army.mil
Cc: Preston Pendley; robert.ender@us.army.mil; Richardson, Kenneth DLA CIV ENERGY;
Lee.Blakeman@CH2M.com
Subject: Telecom Participants

Bryan;

Here is list of persons with our team who participated in today's conference call;

Jim Bruce (HCWD1)
Brett Pyles (HCWD1)
Richard Stranahan (HCWD1)
Jim Smith (LWC)
Lee Blakeman (CH2M)

Thanks

Jim Bruce

-----Original Message-----
From: Sveum, Bryan DLA CIV ENERGY [mailto:Bryan.Sveum@dlamil]
Sent: Wednesday, November 16, 2011 8:23 AM
To: Sveum, Bryan DLA CIV ENERGY; Johnson, James DLA CIV ENERGY; Jim Bruce; kenny.muse1@us.army.mil
Cc: Preston Pendley; robert.ender@us.army.mil; Richardson, Kenneth DLA CIV ENERGY
Subject: Agenda for Telecom- Nov 16th 2011

ALCON,
Please see the attached agenda for today's meeting. The call in number for the meeting is 703.767.8509.

Regards,
Bryan Sveum
All;

As promised, here is our presentation showing a preferred site for our Water Distribution Operations Center Building. We appreciate your consideration of our points. We look forward to answering any questions or discussing further during next call.

Thank You

Jim Bruce
HCWD1

(NOTE: We did not copy FK Real Property, as was not sure if Kenny/Bob wanted to meet with them and present)
Jay;

We received a data request from the Public Service Commission. They have asked several questions, referring to our contract, about the rights and ability for HCWD1 to continue to purchase water from Government, and take it off post for our benefit. I know at PAOC we discussed this. It was my understanding that DLA preferred to defer to the local, existing purchased water agreement, and allow HCWD1 to continue to use this source, reimbursing the Government at the existing agreement rate. I believe Brian said that DLA attorney's may need to review the agreement.

Please let me know if we might be able to get a written answer on this question. Lacking that, I am not sure we can provide a clear answers to the numerous PSC questions on this topic and concern.

Thank You

Jim Bruce
HCWD1
Jim Bruce

From: Johnson, James DLA CIV ENERGY [James.1.Johnson@dlamil]
Sent: Tuesday, November 22, 2011 1:44 PM
To: Jim Bruce; Sveum, Bryan DLA CIV ENERGY; kenny.muse1@us.army.mil
Cc: Preston Pendley; Richardson, Kenneth DLA CIV ENERGY; Brett Pyles; Koessel, Brian DLA CIV ENERGY; David Wilson; Dustin Humphrey
Subject: RE: Off Post Water - SP0600-11-C-8271

Jim,

I will check with Brian to see if this item was addressed by our legal staff. I will try to have a response out by at least Monday of next week.

Jay

-----Original Message-----
From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, November 22, 2011 1:26 PM
To: Sveum, Bryan DLA CIV ENERGY; Johnson, James DLA CIV ENERGY; kenny.muse1@us.army.mil
Cc: Preston Pendley; Richardson, Kenneth DLA CIV ENERGY; Brett Pyles; Koessel, Brian DLA CIV ENERGY; David Wilson; Dustin Humphrey
Subject: Off Post Water - SP0600-11-C-8271

Jay;

We received a data request from the Public Service Commission. They have asked several questions, referring to our contract, about the rights and ability for HCWD1 to continue to purchase water from Government, and take it off post for our benefit. I know at PAOC we discussed this. It was my understanding that DLA preferred to defer to the local, existing purchased water agreement, and allow HCWD1 to continue to use this source, reimbursing the Government at the existing agreement rate. I believe Brian said that DLA attorney's may need to review the agreement.

Please let me know if we might be able to get a written answer on this question. Lacking that, I am not sure we can provide a clear answers to the numerous PSC questions on this topic and concern

Thank You

Jim Bruce
HCWD1
Mr. Bruce,

My name is Bryan Sveum. I am with the Utility Services Division, at DLA Energy. I am one of the Contract Specialist; on the Fort Knox water contract (SP0600-11-C-8271) If you could please provide a list; of the adversely affected Government employees; (FAR 52.207-3) (Right of First Refusal of Employment) pertaining to the award of the Fort Knox water contract, It would be appreciated. The list should include all those affected by the award of the Fort Knox water contract (SP0600-11-C-8271) If you could have this list ready by COB on Monday, November 28th 2011, it would be greatly appreciated.

Regards,

Bryan Sveum

bryan.sveum@dla.mil

(703) 767-9518 (Voice)
ALCON,

Please let myself, or Jay Johnson; know by Tuesday morning, if you have any items you would like added to the Agenda, for the teleconference on Nov. 30th 2011.

Regards,

Bryan Sveum

bryan.sveum@dlamil

(703) 767-9518 (Voice)
General Information

Document Type: P = Presolicitation Notice
Solicitation Number: SP0600-08-R-0803
Posted Date: April 07, 2008
Classification Code: S – Utilities and housekeeping services
NAICS Codes: 221310 – Water Supply and Irrigation Systems

Contracting Office Address

Defense Energy Support Center (DESC)
8725 John J. Kingman Road, Suite 3830
Fort Belvoir, Virginia 22060-6222

Description

The Defense Energy Support Center (DESC), in conjunction with the United States Army, plans to offer the privatization of the water treatment and distribution system at the United States Army Garrison – Fort Knox, Kentucky. Privatization is defined as the conveyance of a utility system to a municipal, private, regional, district, or cooperative utility company or other entity. The conveyance may consist of all right, title, and interest of the United States in the utility system.

In conjunction with the conveyance of the systems, the Contractor will be required to provide utility services, including improvements, upgrades, repairs, expansions, investments, and plant replacement, as well as continued operation and maintenance of the utility systems. Additionally, the Contractor shall furnish all necessary labor, management, supervision, permits, equipment, supplies, materials, transportation, and any other incidental services for the conveyed system. Utility Privatization (UP) will be accomplished in accordance with 10 U.S.C. § 2688 – Utility Systems: Conveyance Authority.

The Contractor shall be responsible for funding all capital investments required to acquire, maintain and operate the utility system in a safe, reliable condition and to ensure continuous, adequate, and dependable service for each Government or tenant connection within the service area, and satisfy the requirements of the contract.

Real property interests will be conveyed in the form of an Easement as an attachment to the resultant contract. The utility system will be conveyed via a Bill of Sale upon award of the contract. Past performance information from potential offerors shall be submitted as directed in the solicitation. All responsible sources are encouraged to submit an offer. All “other than small” businesses shall submit a subcontracting plan with their offer.
**Installation Description:** Fort Knox is a U.S. Army Training and Doctrine Command installation with the primary mission of training soldiers for the Armor Force. The Armor School is the rock on which the Armor Center mission is built. Its staff sections, directorates, and units provide the personnel, equipment, and guidance needed to train in the development of its doctrine.

It is also home to the U.S. Army Recruiting Command and the 2nd Region ROTC and Readiness Group Knox. The most well-known landmark at Fort Knox is the U.S. Bullion Depository, better known as the Gold Vault.

Fort Knox is a certified Kentucky city, covering 109,054 acres or about 170.4 square miles. It is the seventh largest urban community in the Commonwealth, with a day-time population of about 33,000. Fort Knox is adjacent to the city of Radcliff, 15 miles north of Elizabethtown, and approximately 45 miles south of Louisville.

Additional installation information can be located at: [http://www.knox.army.mil/](http://www.knox.army.mil/)

**Utility System to be privatized:** The following is provided only to give an approximation of the size, scope, and general description of the system. Any numbers should only be used for estimating purposes. The following system parameters are approximations:

**Water Treatment and Distribution System**

Fort Knox’s potable water utility system currently includes 13 groundwater wells, two surface impoundment structures, a low-lift pumping station, two water treatment plant (WTP) facilities, three clear wells, two high lift pump stations, one booster pump station (BPS), eight elevated storage tanks, and a potable water distribution system containing roughly 156 miles of potable water distribution pipe.

Please note: The current system inventory reflects roughly 156 miles of potable water distribution pipe. The Government is currently in the process of updating the system inventory and will provide this information as an amendment to the solicitation. The Government estimates that the updated inventory may include as much as 214 miles of potable water distribution line.

For purposes of this synopsis, Fort Knox’s potable water system has been divided into the following three components: (1) Raw Water Supply Sources, (2) Water Treatment Facilities, and (3) Potable Water Distribution and Storage:

1. **Raw Water Supply Sources**

The raw water is currently taken from four primary sources: Otter Creek, McCracken Spring, 13 Army-owned ground water wells and 3 leased ground water wells. The Otter Creek and McCracken Spring facilities, located southwest of the main cantonment area, are the primary sources of water to the Central WTP. Raw water from the West Point well field located north of the main cantonment area along the Ohio River can also be pumped to the Muldraugh WTP via a 24-inch cast iron line or a 14-inch ductile iron line leased by the Army from Hardin County.
Water District No. 1 (HCWD No. 1) to the Central WTP. The Army’s 13 ground water wells and the 3 leased wells are the primary sources of raw water to the Muldraugh WTP.

A small impoundment and concrete dam structure below McCracken Spring provides surface water to the Otter Creek pumping station (OCPS, Facility No. 9213) via a gravity feed 16-inch cast iron line. A small impoundment and concrete dam structure on Otter Creek also provides surface water to the OCPS. The small impoundment and dam structures were constructed in the late 1930’s and have been dredged periodically over the subsequent years. The OCPS, constructed in 1937, pumps the surface water withdrawn from McCracken Spring and Otter Creek to the Central WTP. The OCPS includes an intake structure with mechanical screens, pump controls and telemetry, one 1,200 gpm (1.728 MGD) 150 HP, pump and two 2,100 gpm (3.024 MGD) pumps (one pump is 230 HP pump whereas the second pump is 250 HP), and a 550 kilowatt (kW) diesel emergency / standby generator. The raw water lines from McCracken Spring to the OCPS and from the OCPS to the Central WTP are over 75 years old.

The Government’s 13 ground water wells and the 3 ground water wells leased by Fort Knox from HCWD No.1 are located in the West Point well field, north of the main cantonment area along the Ohio River, on land either owned by or leased by the Army. The well field is a naturally formed alluvial aquifer bounded by the Ohio River, the Salt River and the inland hills. The raw water wells utilized either vertical turbine pumps on top of the wells or submersible pumps located with the well. 12 wells have pumps rated at 750 gpm (1.080 MGD), 125 HP and one of wells is rated at 500 gpm (0.720 MGD), 75 HP. The 24-inch raw water line from the West Point well field to the Muldraugh WTP is over 75 years and may need to be considered for replacement in the next few years.

The Army has notified HCWD No. 1 that, in the event that the Installation’s potable water utility system is privatized, the Army may be terminating the lease of the three wells and the 14-inch raw line. Upon termination of the lease, the three wells and 14-inch line will revert back to HCWD No.1. As a result, these system components will not be included in the privatization action.

2. Water Treatment Facilities

Fort Knox has two water treatment facilities: the Central WTP facility and the Muldraugh WTP facility. As the name indicates, the Central WTP is located in the central area of the main cantonment area. The Muldraugh WTP is located on the northwestern side of the Installation, near the Town of Muldraugh, Kentucky.

The Central WTP facility (Facility No. 1205) was initially constructed in 1937, and has been partially upgraded numerous times over the years. The primary source of raw water to the 3.5 MGD Central WTP is the surface water from the Otter Creek and McCracken Spring facilities, located southwest of the main cantonment area. When surface water is not desirable for treatment, the ground water is pumped from the West Point well field to the main cantonment area on to the Central WTP via the leased 14-inch ductile iron line.

The Central WTP facility is a combination water softening and WTP facility. The facility continues to produce a good quality finished-water. Although the Central WTP is staffed over a period of 16 hours, the WTP facility is only operated roughly 6-12 hours per day. The Central
WTP is currently operated to produce finished water with chlorine residual reading in the range of 1.8 to 2.9 TAP, pH reading in the range of 8.4 to 8.8 TAP, hardness reading in the range of 100 to 110 parts per million (ppm) and fluoride in the range of 1.0 to 1.2 ppm. Should the potable water utility system be privatized, the UP Contractor will be required to operate the Central WTP in a manner that the finished water meets these levels.

The Muldraugh WTP facility (Facility No. 3009) was initially constructed in 1941, and has been partially upgraded numerous times over the years. The primary source of raw water to the 7.0 MGD Muldraugh WTP is the ground water pumped from the Army’s 13 wells and the three leased wells in the West Point well field, located north along the Ohio River. The ground water from the wells is pumped roughly 3 miles to the Muldraugh WTP via a 24-inch cast iron line.

The Muldraugh WTP facility is also a combination water softening and WTP. The facility continues to produce a good quality finished-water, in spite of the deteriorating equipment and facility. This is likely due to the fact that the Muldraugh WTP is generally operated at roughly 2.5 MGD, or 36 percent of the WTP’s design capacity of 7.0 MGD. Although the Muldraugh WTP operates around the clock, 24 hours per day / 365 days per year, the WTP facility is only staffed roughly 16 hours per day. The Muldraugh WTP is also currently operated to produce finished water with chlorine residual reading in the range of 1.8 to 2.9 TAP, pH reading in the range of 8.4 to 8.8 TAP, hardness reading in the range of 100 to 110 ppm and fluoride in the range of 1.0 to 1.2 ppm. Should the potable water utility system be privatized and the Muldraugh WTP still be in operation, the UP Contractor will be required to operate the WTP facility in a manner that the finished water meets these levels.

3. Potable Water Distribution and Storage

The water distribution system transports the finished water from the two WTP facilities to the various facilities located throughout the Installation. The system provides domestic, industrial and fire protection throughout the Installation. The distribution system consists of pipes, valves, meters, fire hydrants, water storage tanks and the BPS. The distribution system piping includes mains, service lines and fire lines with known sizes ranging from less than 6-inches to 24-inches in diameter. The distribution pipe includes polyvinyl chloride, cast iron, ductile iron, and asbestos concrete. The majority of the water distribution pipe was installed prior to 1950.

Fort Knox’s potable water utility system includes one BPS located in the Van Voorhis Housing area, which was constructed in 1995. The Van Voorhis BPS (Facility No. 5898) includes three 175 gpm, 10 HP pumps and one diesel driven 2,000 gpm, 125 HP fire protection pump.

Eight elevated storage tanks support Fort Knox’s potable water distribution system. The combined capacity of the storage tanks is approximately 3.550 million gallons.

Interested sources shall contact Brian Koessel at Brian.Koessel@dla.mil to be added to our mass bidders E-mail list. A copy of the solicitation will be available after issuance on FedBizOpps (www.fbo.gov) and the DESC webpage at: http://www.desc.dla.mil/DCM/DCMPage.asp?pageid=246.
The Contracting Officer for this procurement is Angela Mattox. She may be contacted by phone at 703-767-1348 or by E-mail at: Angela.Mattox@dla.mil

**Point of Contact**

Brian Koessel, Lead Contract Specialist, Phone 703-767-1595, Fax 703-767-2382  
E-mail: Brian.Koessel@dla.mil

Lottie Plater, Contract Specialist, Phone 703-767-9416, Fax 703-767-2382  
E-mail: Lottie.Plater@dla.mil

**Place of Contract Performance**

Address: United States Army Garrison – Fort Knox, Kentucky  
Postal Code: 40121  
Country: United States
STATEMENT OF INTEREST

for

PRIVATIZATION OF THE FORT KNOX WATER DISTRIBUTION SYSTEM

FORT KNOX, KENTUCKY

SOLICITATION NUMBER: SP0600-08-R-0803

Submitted To:
Defense Logistics Agency
Defense Energy Support Center
8725 John J. Kingman Road
Suite 3830
Fort Belvoir, VA 22060

Original Point of Contact:
Mr. Brian Koessel
Phone: 703-767-1595
e-mail: Brian.Koessel@dla.mil

Submitted By:
Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

Point of Contact:
Mr. Jim Bruce, General Manager
Phone: 270-351-3222
e-mail: jbruce@hcwd.com
website: www.HCWD.com

FEBRUARY 2008
February 27, 2008

Mr. Brian Koessel
Defense Logistics Agency
Defense Energy Support Center
8725 John J. Kingman Road, Suite 3830
Fort Belvoir, VA 22060

SUBJECT: Statement of Interest
Sources Sought Notice - Solicitation SP0600-08-R-0803
Ft. Knox, Kentucky, Water Distribution System Privatization

Dear Mr. Koessel,

We are pleased to provide this response and express our strong interest in the privatization of the Ft. Knox Water Distribution System. Our District has worked with Ft. Knox since the early 1950's, and is directly adjacent to the base.

We entered into an unique Water Purchase Agreement with Ft. Knox in 1995, to purchase water from the Department of the Army (DoA), and invested over $1.5 million to construct a pump station and storage tank on post to facilitate the flow of water. This facility was also designed to flow water from our system, into the Ft. Knox system as well. With that agreement, we also turned over operation of three of our wells to Ft. Knox, which continue to be used as additional raw water source for Ft. Knox.

In 2002, we partnered with Veolia Water, North America, to submit a bid in response to accept ownership and operations of the Ft. Knox Sanitary and Storm Sewer systems (Solicitation SP0600-01-R-0121, Contract No: W9124D-05-0017). In late, 2004, we were selected as the successful bidder, and began operations of these systems in July, 2005. We continue to provide excellent service at a high value to Ft. Knox and the DoA.

We have also been leaders in forming a regional water commission, at the urging of Ft. Knox, to provide an entity to which Ft. Knox could turn over its water system. That effort began and continued for almost 10 years until 2007, when the DoA informed Ft. Knox that it could not turn the system over to this local entity, but must competitively bid the privatization of the water system.

We are confident you will find our qualifications exemplary, and that our District should be strongly considered as the most logical, reasonable and most cost effective solution to taking over ownership and operations of the Ft. Knox Water Distribution System. We look forward to providing whatever future submittals and responses are requested, in order to proceed with acquiring this system, and providing additional high quality service and value to Ft. Knox and the Government.

Sincerely,

Jim Bruce
General Manager

Cf: Mr. William J. Rissel, Chairman, HCWD1

Phone 1-270-351-3222
FAX: 1-270-352-3055

www.HCWD.com
1. CAPABILITY & EXPERIENCE

Hardin County Water District No.1 ("District") is pleased to submit a response to the Request for Interest for the privatization of the Fort Knox Water Distribution System (FKWDS). The District is a special state government sub-district, organized under Kentucky Revised Statutes Chapter 74, and is regulated by the Kentucky Public Service Commission.

The District was established in 1952 and currently has over 240 miles of main water lines, a 3 mg/d (million gallons per day) water treatment plant and provides quality drinking water to over 30,000 people daily. As the Government selected the District to own and operate its sanitary and storm sewer systems, the District also now owns the 6 mg/d Ft. Knox Wastewater Treatment Plant on post. The District also has wholesale connections with four other surrounding water systems. The District also owns a 5.2 mg/d water pump station with a 1.25 million gallon water tank on base, from which it is able to purchase Ft. Knox water and pump into our system, and to several other consecutive systems in the region.

Recently, the District and the City of Radcliff entered into an agreement by which the City will turn over ownership and operations of their sanitary sewer system to the District. The final regulatory approvals are pending, and the District expects to begin operations of that utility within 90 days. This will provide another 4 mg/d wastewater treatment plant which is within four miles of the Ft. Knox WWTP, and may provide future combined treatment capabilities, saving both the Government and the City residents from large, expensive plant expansion expenditures.

The District is very familiar with the laws and regulations associated with US Government privatization contracts to include the Federal Acquisition Regulations (FAR), Small Business Set-asides as well as the base environmental requirements, security requirements and contractual obligations and protocol.

As a regulated utility system, the Government also receives a level of protection, and representation, in all pricing revisions and customer service levels. The District submitted a tariff rate with its 2002 bid submittal for the privatization of the Ft. Knox Sanitary and Storm Sewer systems, which the Government selected over non-regulated bids.

Our District is locally owned and operated, and our Board is made up of members of the community. Several of our Board members have strong ties to the Army and Ft. Knox, and serve and volunteer their time in many ways to improve relations between the community and the base.

2. FINANCIAL CAPABILITY

With the recent acquisition of the Radcliff sewer system, the District’s annual revenues will be about $12 million annually. Total assets under the responsibility of the District will be $65 million (before depreciation). Our net asset value (equity) will be $47 million.

Most recent bonds sold by the District have been rated by Moody’s as “Aaa” and “VMIG-1”. The District has over a $3 million available line of credit with local banks, which it is able to draw on at any time if ever needed.

The District is required to maintain separate accounting systems, funds and chart of accounts between its water utility, Ft. Knox sewer systems and the Radcliff sewer system. This is so there is no subsidization between the customer classes, and so that cost of service based
rates may be accurately developed for the various customer classes and types. The District is able to access private sector bond markets to raise capital, but as a local Kentucky government entity, is also able to receive numerous types of grants and low interest loans. In the last four years, the District has received over $5 million in grants to expand its system.

3. SIZE OF BUSINESS

The District is not a small business concern and therefore is familiar with meeting set asides. In accordance with the District’s wastewater and storm water contract mentioned above with the Army and in accordance with Federal Acquisition Regulation SUBPART 19.7, the District has developed a sub contracting plan and has in place a method of tracking and recruiting companies that fit within the sub contracting categories. Moreover, the District has contracted with a firm to provide management of the District’s plan and to ensure compliance.

4. PRIMARY POINT OF CONTACT INFORMATION

Questions, future contacts or solicitation documents should be addressed to:

Mr. Jim Bruce  
General Manager  
Hardin County Water District No. 1  
1400 Rogersville Road  
Radcliff, KY 40160  
Phone: 270-351-3222 (mobile: 270-268-4069)  
email: jbruce@hcwd.com
Defense Energy Support Center
Utilities Privatization

Request for Proposal (RFP)
SP0600-08-R-0803

Fort Knox, KY
Potable Water Utility System

Issued: July 1, 2008
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4. TYPE OF SOLICITATION [ ] SEALED BID (IFB) [ ] NEGOTIATED (RFP)

5. DATE ISSUED: July 1, 2008

6. REQUISITION/PURCHASE NO.

7. ISSUED BY

DEFENSE ENERGY SUPPORT CENTER
8725 JOHN J. KINGMAN ROAD, SUITE 3830
FT. BELVOIR, VA 22060-6222
OFFICER/SYMBOL: Lottie Plater/EA (703) 767-9416
FAX: (703) 767-2382

8. ADDRESS OFFER TO: (If other than item 7)

ATTN: ANGELA MATTHEY, DESK-EA, SUITE 3830
DEFENSE ENERGY SUPPORT CENTER
8725 JOHN J. KINGMAN ROAD, SUITE 3830
FT. BELVOIR, VA 22060-6222
Email: Angela.Mattey@dla.mil

NOTE: In sealed bid solicitation “offer” and “offeree” mean “bid” and “bidder.”

SOLICITATION

9. Sealed offers in original hard copy and 1 (1) copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if hand-carried, in the depository located in ROOM 3830 until 3:00 PM EST local time October 09, 2008.

Caution - Late Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL: (703) 767-1955

A. NAME: Lottie Plater

B. TELEPHONE NO. (Include Area Code) (NO COLLECT CALLS) (703) 767-9416

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PART I - THE SCHEDULE

PART II - CONTRACT CLAUSES

OFFER (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned offers, if this offer is accepted within 300 calendar days 60 calendar days unless a different period is inserted by the offeror from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT

(See section I, Clause No 52.232-8)

10 CALENDAR DAYS % 20 CALENDAR DAYS % 30 CALENDAR DAYS % CALENDAR DAYS %

14. ACKNOWLEDGMENT OF AMENDMENTS

(See section I, Clause No 52.232-8)

AMENDMENT NO. DATE AMENDMENT NO. DATE

15A. NAME AND ADDRESS OF OFFEROR

CODE FACILITY

15B. TELEPHONE NO. (Include area code)

15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE

16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print)

17. SIGNATURE

18. OFFER DATE

AWARD (To be completed by Government)

19. ACCEPTED AS TO ITEM NUMBERED

20. AMOUNT (EST)

21. ACCOUNTING AND APPROPRIATION

22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:

[ ] 10 U.S.C. 2304(c)( )

[ ] 41 U.S.C. 253(c)( )

23. SUBMIT INVOICES TO ADDRESS SHOWN IN ITEM (4 copies unless otherwise specified)

24. ADMINISTRATION BY (if other than Item 7)

CODE

25. PAYMENT WILL BE MADE BY

CODE

26. NAME OF CONTRACTING OFFICER (Type or print)

27. UNITED STATES OF AMERICA

(Signature of Contracting Officer)

28. AWARD DATE
SECTION B
Supplies or Services and Prices/Costs

B.1 Clauses and Provisions
Clauses and provisions from the Federal Acquisition Regulation (FAR) and its supplements are incorporated in this document by reference and in full text. Those incorporated by reference have the same force and effect as if they were given in full text.

B.2 Scope and Purpose

B.2.1 General

B.2.1.1 SCOPE: The Government seeks Offerors to assume ownership of the utility system and infrastructure specified in Section B.3, System to be Privatized (the “system” or “utility system”), and as the new owner, to operate and maintain the system and provide utility services to the Government. The Offeror shall furnish all necessary labor, management, supervision, permits, equipment, supplies, materials, transportation, and any other incidental items or services required for the complete ownership of and provision of utility services via this utility system, including operation, maintenance, repair, upgrade, and improvement of the system. Assumption of ownership and provision of utility services shall be performed in accordance with all terms, conditions, and special contract requirements, specifications, attachments, and drawings contained in this solicitation or incorporated by reference.

B.2.1.2 DURATION: The period of performance is anticipated to be 50 years from the contract start date, provided that the Government finds that a 50 year period is cost effective pursuant to 10 U.S.C. § 2688(d)(2).


(FAR 52.216-1)

B.2.2 Statutory Directive
The sale of the utility system is authorized by and conducted under 10 U.S.C. § 2688. The sale of the utility system is not an acquisition and therefore is not subject to the FAR and its supplements. A copy of 10 U.S.C. § 2688 is provided as Attachment J45 to this Request for Proposals (RFP). The acquisition of utility services will be governed by the FAR and its applicable supplements.

B.2.3 Program Goal
The desired goal of this transaction is to transfer all right, title, and interest of the United States in and to the utility systems. Consequently, the United States will retain no reversionary interests in the utility system sold, other than the terms regarding re-purchase option and rights of access. The sale will be documented by the Bill of Sale, see Attachment J42 to this RFP. The utility system being sold includes all equipment, fixtures, structures, and other improvements utilized in connection with the utility system, which will be more specifically described in the Bill of Sale. The divestiture will not include the real property upon, under, or around the utility system. The utility system being sold is as identified in the Bill of Sale and does not include any other property. In addition to the sale of the utility system identified in the Bill of Sale, the Government will also acquire utility services from the transferee.

Acquisition of utility services will be conducted in accordance with the FAR and its applicable supplements and as set forth in this RFP. Regardless of the length of the utility services contract, the sale of the utility system is in perpetuity.
B.2.4 Notices and Reservations

B.2.4.1 The Government will only acquire utility services if it sells the utility systems. It can only sell the utility systems if it determines that (1) the long-term economic benefit of the conveyance to the United States exceeds the long-term economic cost of the conveyance to the United States, and (2) the conveyance will reduce the long-term costs of the United States for utility services provided by the utility system concerned. Award, if at all, will only be made by the duly authorized execution of the utility services contract and this contract will be contingent upon the actual conveyance of the system. If for any reason conveyance does not occur, the Government’s termination liability will be limited to transition costs.

B.2.4.2 The sale of the utility systems is not governed by the FAR, the Federal Property and Administrative Services Act of 1949, or any of their implementing regulations. The Government may choose to adopt and adapt, for use in the sale, the processes and methods typically utilized in those laws and regulations, but by doing so is not thereby subjecting the sale to those laws and regulations. The acquisition of utility services will be governed by the FAR and its applicable supplements.

B.2.4.3 The Government reserves the right to make no award to any Offeror. If it does make award, the Government does not guarantee renewal of the utility services contract at the end of the contract period.

B.2.4.4 The property being sold in this action will be as described in the Section J utility specific attachments of the solicitation. Any proposal that offers an alternative description of the property being sold may be deemed technically unacceptable.

B.2.4.5 OFFERORS REQUESTING INFORMATION REGARDING THIS SOLICITATION SHALL CONTACT THE CONTRACTING OFFICER ONLY. CONTACTS TO OTHER GOVERNMENT PERSONNEL OR NON-GOVERNMENT ADVISORS ARE PROHIBITED. The Contracting Officer or his/her representatives are the only persons authorized to contact Offerors, and the Contracting Officer is the only person authorized to release information regarding an ongoing Source Selection. Refer questions or communications concerning this solicitation directly to the Contracting Officer noted in Block 8 of SF 33. (E-mail is the preferred method.)

B.2.4.6 Facsimile offers will not be accepted. The Government encourages alternative proposals that add value when compared with the requirements in the RFP. Please refer to Section L.6.2, *Alternate Proposals and Exceptions to Terms and Conditions*, for more information.


B.2.4.8 Offerors are required to submit Technical Proposals, Price Proposals, Past Performance, and Contract Documentation as outlined in Section L of the solicitation. Offerors are also required to submit a fully completed SF 33. Offerors must acknowledge receipt and acceptance of all amendments to the solicitation. In accordance with Section L.6.2, *Alternate Proposals and Exceptions to Terms and Conditions*, any exceptions must be stated with specificity. This may be done by both signing and returning the amendment immediately after issuance, or by written acknowledgment of receipt and acceptance as part of the proposal submission package.
B.2.4.9 PRE-PROPOSAL CONFERENCE: A pre-proposal conference will be held on or about **July 22, 2008**. Specific information regarding this conference will be provided at the following DESC web site: http://www.desc.dla.mil/DCM/DCMPage.asp?pageid=246 or by contacting Brian Koessel at (703) 767-1595 or Lottie Plater at (703) 767-9416.

In order to make the conference as productive as possible, Offerors are requested to submit any questions in writing (E-mail is preferred) at least two working days in advance of the conference to:

Defense Energy Support Center  
ATTN: Angela E. Mattox, DESC-EA  
8725 John J. Kingman Road, Suite 3830  
Fort Belvoir, VA 22060-6222

E-mail: Angela.Mattox@dlia.mil  
Phone: (703) 767-1348  
Fax: (703) 767-2382

B.2.4.10 SMALL BUSINESS OFFICE: For questions regarding small business matters, contact Ms. Lula Manley at (703) 767-9400 or 1-800-523-2601.

B.2.4.11 SMALL BUSINESS SUBCONTRACTING: Information on potential small business subcontractors can be found at the following website maintained by the Small Business Administration: http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm

**B.2.5 Selection of a Contractor**

Selection of a Contractor will be based on a best value determination consistent with the evaluation factors described in Section M, *Evaluation Factors for Award.* Pursuant to the provisions of Section L.2, *Information to Offerors,* and FAR 52.215-1, the Government may evaluate and award without discussions. However, the Government reserves the right to conduct discussions if determined necessary. Therefore, Offerors are encouraged to submit their best offer as their initial offer.

**B.3 System to be Privatized**

Schedule A identifies the utility system included in this solicitation for privatization:

**SCHEDULE A**

**Utility Systems to be Privatized**

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<td>Water</td>
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## B.4 Price Proposal

Offerors must complete Price Schedules and accompanying Price Schedule Data Sheets that are consistent within the pricing methodology they propose:

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<td>B.4.2</td>
<td>B2</td>
<td>Schedules 1, 2, 3, 4, 5</td>
</tr>
<tr>
<td>Fixed-Price with Economic Price Adjustment</td>
<td>B.4.3</td>
<td>B3</td>
<td>Schedules 1, 2, 3, 4, 5</td>
</tr>
<tr>
<td>Fixed-Price with Prospective Price Redetermination</td>
<td>B.4.4</td>
<td>B4</td>
<td>Schedules 1, 2, 3, 4, 5</td>
</tr>
</tbody>
</table>
B.4.1 Regulated Tariff Rate Proposal

Available to Offerors proposing regulated rates. Offerors are encouraged to provide service in accordance with their standard methods of service and standard service practices. It is acceptable for regulated utilities to submit an offer contingent upon regulatory approval, provided a proposed timeframe for approval is provided.

**SCHEDULE B-1 REGULATED TARIFF**

*Payment by the Government for Utility Service*

<table>
<thead>
<tr>
<th>Fort Knox, Kentucky</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Utility System</strong>^a: ____________________</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CLINs</th>
<th>Supplies/Services</th>
<th>Tariff/Schedule/Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Applicable Tariff(s)^a (See B.5.1)</td>
<td>$_________</td>
</tr>
<tr>
<td></td>
<td>Monthly Credit as Payment for Purchase Price (see B.5.2).</td>
<td>$_________</td>
</tr>
<tr>
<td></td>
<td>$_________ Monthly Credit</td>
<td>$_________</td>
</tr>
<tr>
<td></td>
<td>___________ # months</td>
<td></td>
</tr>
<tr>
<td></td>
<td>___________ Interest Rate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL FOR CLIN 0001</td>
<td>$_________</td>
</tr>
<tr>
<td>0002</td>
<td>Initial System Deficiency Corrections / Connection Charges^b (see B.5.3 and B.7.4 (Schedule 3). This amount should not be included in the price offered for CLIN 0001).</td>
<td>$ Varies—</td>
</tr>
<tr>
<td></td>
<td>See Schedule 3</td>
<td></td>
</tr>
<tr>
<td>0003</td>
<td>Recoverable Portion of Purchase Price^b (see B.5.4 and B.7.5 (Schedule 4). This amount should not be included in the price offered for CLIN 0001.)</td>
<td>$ Varies—</td>
</tr>
<tr>
<td></td>
<td>See Schedule 4</td>
<td></td>
</tr>
<tr>
<td>0004</td>
<td>Transition Period</td>
<td>$_________</td>
</tr>
<tr>
<td></td>
<td>See Schedule 3</td>
<td></td>
</tr>
</tbody>
</table>

^a Utility system to be filled in by the Offeror. A B-1 must be completed for each utility system offered. Utility systems are shown in Schedule A paragraph B.3, *System to be Privatized*. Offerors shall provide a comprehensive description of proposed tariffs in their Price Proposals. See B.5.1.

^b CLINs 0002 and 0003 are required only if the tariff provides for separate identification of initial system deficiency corrections, connection charges and the recoverable portion of the purchase price. If separate identification is not provided, it will be assumed that the tariff rate includes these costs.

**NOTE:**
The Purchase Price, Recoverable Portion of the Purchase Price, interest rate and amortization period are proposed by the Offeror.
## B.4.2 Firm Fixed Price Proposal

**SCHEDULE B-2**

**Payment by the Government for Utility Service**

---

<table>
<thead>
<tr>
<th>CLINS</th>
<th>SUPPLIES/SERVICES</th>
<th>MONTHLY SERVICE CREDIT/CHARGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Utility Service Charge (see B.6.1 and B.7.2) The Contractor shall provide utility service in accordance with Section C, Description/Specifications/Work Statement. The Fixed Term (Months): ____________ Monthly Credit as Payment for Purchase Price. (see B.6.2) $__________ Monthly Credit $__________ # of months $__________ Interest Rate</td>
<td>$_____________</td>
</tr>
<tr>
<td></td>
<td>TOTAL FOR CLIN 0001</td>
<td></td>
</tr>
<tr>
<td>0002</td>
<td>Initial System Deficiency Corrections / Connection Charges – (see B.6.3 and B.7.4 (Schedule 3). This amount should not be included in the price offered for CLIN 0001.)</td>
<td>$Varies – See Schedule 3</td>
</tr>
<tr>
<td>0003</td>
<td>Recoverable Portion of Purchase Price (see B.6.4 and B.7.5 (Schedule 4). This amount should not be included in the price offered for CLIN 0001.)</td>
<td>$Varies – See Schedule 4</td>
</tr>
<tr>
<td>0004</td>
<td>Transition Period (See B.6.5 and B.7.4 (Schedule 3). This amount should not be included in the price offered for CLIN 0001).</td>
<td>$__________ See Schedule 3</td>
</tr>
</tbody>
</table>

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*Utility system to be filled in by the Offeror. A B-2 must be completed for each utility system offered. Utility systems are shown in Schedule A paragraph B.3, Systems to be Privatized.*

*The Offeror should enter the Utility Service Charge, as computed in Schedule 1 (see B.7.2).*

**NOTE:** The Purchase Price, Recoverable Portion of the Purchase Price, interest rate and amortization period are proposed by the Offeror.
B.4.3 Fixed-Price with Economic Price Adjustment Proposal

SCHEDULE B-3
Payment by the Government for Utility Service

<table>
<thead>
<tr>
<th>CLINS</th>
<th>SUPPLIES/SERVICES</th>
<th>MONTHLY SERVICE CREDIT/CHARGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Utility Service Charge (see B.6.1 and B.7.2)</td>
<td>$ __________</td>
</tr>
<tr>
<td></td>
<td>The Contractor shall provide utility service in accordance with Section C, Description/Specifications/Work Statement.¹</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>INDEX FOR ESCALATION (Year 1 THROUGH Year N)</strong></td>
<td></td>
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<tr>
<td></td>
<td>Internet Location of Index:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Adjustment Methodology (e.g. Annual or Monthly):</td>
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<tr>
<td></td>
<td>Monthly Credit as Payment for Purchase Price. (see B.6.2)</td>
<td>$ __________</td>
</tr>
<tr>
<td></td>
<td>$ __________ Monthly Credit</td>
<td></td>
</tr>
<tr>
<td></td>
<td>__________________________________________ ___ # of months</td>
<td></td>
</tr>
<tr>
<td></td>
<td>_____________________________________________ Interest Rate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL FOR CLIN 0001:</td>
<td>$ __________</td>
</tr>
<tr>
<td>0002</td>
<td>Initial System Deficiency Corrections / Connection Charges –</td>
<td>$ Varies –</td>
</tr>
<tr>
<td></td>
<td>(see B.6.3 and B.7.4 (Schedule 3). This amount should not be included in the price offered for CLIN 0001).</td>
<td>See Schedule 3</td>
</tr>
<tr>
<td>0003</td>
<td>Recoverable Portion of Purchase Price (see B.6.4 and B.7.5 (Schedule 4).</td>
<td>$ Varies –</td>
</tr>
<tr>
<td></td>
<td>This amount should not be included in the price offered for CLIN 0001.)</td>
<td>See Schedule 4</td>
</tr>
<tr>
<td>0004</td>
<td>Transition Period (See B.6.5 and B.7.4 (Schedule 3). This amount should not be included in the price offered for CLIN 0001).</td>
<td>$ __________</td>
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</tbody>
</table>

¹ Utility system to be filled in by the Offeror. A B-3 must be completed for each utility system offered. Utility systems are shown in Schedule A paragraph B.3, Systems to be Privatized.

² The Offeror should enter the Utility Service Charge, as computed in Schedule 1 (see B.7.2). In their Price Proposals, Offerors shall provide a thorough explanation of the price index they propose and describe their proposed methodology for adjusting prices. (see B.6.5, Index Methodology).

**NOTE:**
The Purchase Price, Recoverable Portion of the Purchase Price, interest rate and amortization period are proposed by the Offeror.
# B.4.4 Fixed-Price with Prospective Price Redetermination Proposal

## SCHEDULE B-4

Payment by the Government for Utility Service

<table>
<thead>
<tr>
<th>CLINS</th>
<th>SUPPLIES/SERVICES</th>
<th>MONTHLY SERVICE CREDIT/CHARGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Utility Service Charge (see B.6.1 and B.7.2) The Contractor shall provide utility service in accordance with Section C, Description/Specifications/Work Statement.</td>
<td>$ __________</td>
</tr>
<tr>
<td></td>
<td>Monthly Credit as Payment for Purchase Price, (see B.6.2)</td>
<td>$ __________</td>
</tr>
<tr>
<td></td>
<td>$ __________ Monthly Credit</td>
<td># of months</td>
</tr>
<tr>
<td></td>
<td>__________ Interest Rate</td>
<td>$ __________</td>
</tr>
<tr>
<td></td>
<td>TOTAL FOR CLIN 0001:</td>
<td>$ __________</td>
</tr>
<tr>
<td>0002</td>
<td>Initial System Deficiency Corrections / Connection Charges – (see B.6.3 and B.7.4 (Schedule 3). This amount should not be included in the price offered for CLIN 0001).</td>
<td>Varies – See Schedule 3</td>
</tr>
<tr>
<td>0003</td>
<td>Recoverable Portion of Purchase Price (see B.6.4 and B.7.5 (Schedule 4). This amount should not be included in the price offered for CLIN 0001).</td>
<td>Varies – See Schedule 4</td>
</tr>
<tr>
<td>0004</td>
<td>Transition Period (See B.6.5 and B.7.4 (Schedule 3). This amount should not be included in the price offered for CLIN 0001).</td>
<td>$ __________ See Schedule 3</td>
</tr>
</tbody>
</table>

---

* Utility system to be filled in by the Offeror. A B-4 must be completed for each utility system offered. Utility systems are shown in Schedule A paragraph B.3, Systems to be Privatized.
* The Offeror should enter the Utility Service Charge, as computed in Schedule 1 (see B.7.2).

**NOTE:**
The Purchase Price, Recoverable Portion of the Purchase Price, interest rate and amortization period are proposed by the Offeror.
B.5 Service Charges for Schedule B-1

B.5.1 CLIN 0001: Applicable Tariff(s)

Offerors proposing tariff rate offers shall include a comprehensive description of the tariff in their price proposal. The Offeror shall propose a tariff rate or rates no less favorable than that offered to similarly situated utility customers. The Offeror shall provide an explanation of the tariff, identify the buildings to which it applies, and identify any assumptions regarding service quantity and quality. The Offeror shall also describe the regulatory process, if any, which will govern future rate changes. The total monthly price will be the Applicable Tariff(s) less the Monthly Credit as Payment for Purchase Price, as defined in the following paragraph.

B.5.2 CLIN 0001: Monthly Credit as Payment for Purchase Price

The monthly credit is the monthly portion of the purchase price that will be credited to the Government over the number of months proposed by the offeror. The purchase price is the product of the monthly credit (without interest) multiplied by the number of months the Government will receive the credit (CLIN 0001). The credit will be applied to the applicable tariff, as defined in CLIN 0001.

B.5.3 CLIN 0002: Initial System Deficiency Corrections/Connection Charges

Initial System Deficiency Corrections (ISDC)/Connection Charges are all nonrecurring costs to be paid by the Government to the Contractor. These nonrecurring costs include costs required to bring the system up to industry/regulatory standards, and costs for new connections/disconnections to be accomplished during the transition period. See footnote (b) on Schedule B-1.

The following applies if ISDCs/Connection charges are priced separately from the tariff rate. The requirement to perform an ISDC/Connection may originate from either a Government identified requirement, in which case the project will be listed in the relevant Utility Specific Attachment in Section J of this solicitation, or as a result of the Offeror’s determination that the ISDC is necessary to meet legally applicable regulatory requirements, or to achieve the standards typically maintained by the Offeror on its utility systems. The Offeror must provide rationale to support any projects the Offeror proposes.

The Offeror shall provide price information for ISDCs/Connections. Information to support the price proposed for Initial System Deficiency Corrections shall include project name, identified corresponding section of the technical proposal, the interest rate, total ISDC project cost, the first full month project will be put into service, the amortization period, and the monthly charge associated with each ISDC/Connection. This information shall be provided in Schedule 3 (See B.7.4).

If not encompassed in a tariff rate, the price of each ISDC proposed by the Offeror in Schedule 3 of the Price Proposal will be added to the Utility Service Charge, for the number of months indicated, when the ISDC is put in useful service.

The price for each ISDC/Connection is fixed. The price for each ISDC/Connection will be amortized over the term proposed by the Offeror in the Price Proposal. With every monthly invoice that includes a request for payment for an ISDC/Connection identified in Schedule 3, the Contractor shall submit an amortization schedule. The amortization schedule shall specify for each ISDC/Connection the principal and interest components of each monthly payment the number of the payment (of the total payments required), and the remaining principal balance.

Future System Deficiency Corrections (SDC)/Upgrades/Connection charges for which the Government agrees to pay in accordance with Section C.11, SDCs/Upgrades/Connections and Renewals and Replacements, will be paid in accordance with the method proposed by the Offeror and accepted by the Government.
B.5.4 CLIN 0003: Recoverable Portion of the Purchase Price

See footnote (b) on Schedule B-1. The recoverable portion of the utility system purchase price will be listed in Schedule 4 (See B.7.5) for the relevant utility system. The recoverable portion of the utility system purchase price will be added to the Utility Service Charge for the relevant utility system. The recoverable portion of the purchase price will be recovered in accordance with the amount and number of months agreed to by the parties.

B.5.5 CLIN 0004: Transition Period

The Offeror shall provide price information for the Transition Period in accordance with Section C.13, Transition Plan. The information to support the price proposed for the Transition Period shall include all costs associated with the Transition Plan. The Government agrees to pay for the Transition Period with the method proposed by the Offeror and accepted by the Government. This information shall be provided in Schedule 3 (See B.7.4).

B.6 Service Charges for Schedules B-2, B-3, and B-4

B.6.1 CLIN 0001: Utility Service Charge

The Utility Service Charge is the fully built up monthly charge to the Government for provision of utility services, including operations and maintenance and renewals and replacements (Schedules 1-2)(See B.7.2 and B.7.3).  

Note for Schedule B-4 Offer: Prices proposed for CLIN 0001 identified in Schedules 1-2 shall be based on expected price levels during the first two years of operation. The effect of price inflation on costs incurred in years subsequent to the first 2 years of operation will be considered as part of the price redetermination process defined in Section 1.

B.6.2 CLIN 0001: Monthly Credit as Payment for Purchase Price

The monthly credit is the monthly portion of the purchase price that will be credited to the Government over the number of months proposed by the Offeror. The purchase price is the product of the monthly credit (without interest) multiplied by the number of months the Government will receive the credit (CLIN 0001). The credit will be applied to the Utility Service Charge, as defined in CLIN 0001.

B.6.3 CLIN 0002: Initial System Deficiency Corrections/Connection Charges

Initial System Deficiency Corrections (ISDC)/Connection Charges are all nonrecurring costs to be paid by the Government to the Contractor. These nonrecurring costs include costs required to bring the system up to industry/regulatory standards, and costs for new connections/disconnections to be accomplished during the transition period.

The requirement to perform an ISDC/Connection may originate from either a Government identified requirement, in which case the project will be listed in the relevant Utility Specific Attachment in Section J of this solicitation, or as a result of the Offeror’s determination that the ISDC/Connection is necessary to meet legally applicable regulatory requirements, or to achieve the standards typically maintained by the Offeror on its utility systems. The Offeror must provide rationale to support any projects the Offeror proposes.

The price for each ISDC/Connection is fixed. The price for each ISDC/Connection will be amortized over the term proposed by the Offeror in the Price Proposal. With every monthly invoice that includes a request for payment for an ISDC identified in Schedule 3, the Contractor shall submit and amortization schedule. The amortization schedule shall specify for each ISDC the principal and interest components of each monthly payment, the number of the payment (of the total payments required), and the remaining principal balance.

The Government may make a lump sum payment for any or all capital investment costs that would normally be recovered through CLIN 0002. Lump sum payments, minus prepayment expenses permitted under the FAR, will reduce the remaining unpaid principal in the amortization schedule established for CLIN 0002. The amortization schedule will be recalculated based on the new, reduced principal amount amortized over the number of months...
remaining in the original amortization schedule. The interest rate used in the recalculated amortization will be the same as that used in the original amortization schedule.

**B.6.3.1 Accounting for System Deficiency Corrections/Upgrades/Connection Charges**

**B.6.3.1.1 Initial System Deficiency Corrections (ISDC)**
The price for each Initial System Deficiency Correction is fixed and is not subject to renegotiation under the clause referenced in Section 1. The price for each ISDC/Connection will be amortized as proposed by the Offeror in Schedule 3 of the Price Proposal, will start when the ISDC/Connection is put in useful service, and may reflect principal and interest. With every monthly invoice that includes a request for payment for an ISDC/Connection identified in Schedule 3, the Contractor shall submit an amortization schedule. The amortization schedule shall specify for each ISDC/Connection the additional monthly payment to be included in addition to the Utility Service Charge and the number of the payment (of the total payments required).

**B.6.3.1.2 Future System Deficiency Corrections/Upgrades**
Future System Deficiency Corrections (SDCs)/Upgrades for which the government agrees to pay in accordance with Section C.11, SDCs/Upgrades/Connections and Renewals and Replacements, will be in addition to the Utility Service Charge for the number of months agreed upon when the SDC/Upgrade is put in useful service. With every monthly invoice that includes a request for payment for such an SDC/Upgrade, the Contractor will include an amortization schedule. The amortization schedule shall specify for each SDC/Upgrade the additional monthly payment included in addition to the Utility Service Charge and the number of the payment (of the total payments required). For regulated utilities submitting pricing using Schedule B-1, additional payments will be reflected in changes to the tariff or special contract rate in CLIN 0002, Schedule B-1.

If new SDC/Upgrades are required as a result of a change in service requirements, the monthly service charge may be renegotiated, at any time, in accordance with FAR 52.243-1 Alt 1. Changes - Fixed Price or FAR 52.241-7 Changes in Rates or Terms and Conditions of Service for Regulated Services as applicable.

**B.6.4 CLIN 0003: Recoverable Portion of the Purchase Price**
The recoverable portion of the utility system purchase price will be listed in Schedule 4 (See B.7.5) for the relevant utility system. The recoverable portion of the utility system purchase price will be in addition to the Utility Service Charge or the Monthly Service Charge for the relevant utility system. The recoverable portion of the purchase price will be recovered in accordance with the amount and number of months agreed to by the parties.

**B.6.5 CLIN 0004: Transition Period**
The Offeror shall provide price information for the Transition Period in accordance with Section C.13, Transition Plan. The information to support the price proposed for the Transition Period shall include all costs associated with the Transition Plan. The Government agrees to pay for the Transition Period with the method proposed by the Offeror and accepted by the Government. This information shall be provided in Schedule 3 (See B.7.4).

**B.6.6 Total Monthly Charges**
The total monthly charge will be the sum of the Utility Service Charge, the Initial System Deficiency Corrections, the Connections, the recoverable portion of the purchase price and the transition period costs minus the credit for payment of the purchase price. The Utility Service Charge will be a monthly charge for the duration of the contract. All other charges/credits will be monthly charges/credits only for the duration of the amortization period proposed by the Offeror.

**B.6.7 Economic Price Adjustment Index Methodology**
In any offer proposing a fixed price with economic price adjustment, Offerors shall specify the index or indices they propose as a price adjustment mechanism. Offerors shall explain why the index proposed was selected, comprehensively describe the working of the price adjustment mechanism including the timing of adjustments and the composition of the base, and provide a sample calculation.

**B.6.7.1 Review of Indices**
An index proposed pursuant to Section B.6.7, Economic Price Adjustment Index Methodology, above may be replaced in the event:
A. It is discontinued or its method of derivation is altered substantially.

B. The index is published by the Federal Government and the Federal Government ceases to publish said index or changes its method of quoting prices; or

C. The index consistently and substantially fails to reflect market conditions.

**B.7 Price Schedule Data Sheets**

**B.7.1 General**

Please note that Schedules 1 and 2 (see B.7.2 and B.7.3) are not necessary for Offerors proposing a B.4.1 Tariff Proposal. All other Offerors must provide the following:

For purposes of comparison to the Government Should Cost Estimate (GSCE) and to facilitate price/cost realism analysis of the operations and maintenance component of the monthly service charge, the Offeror shall clearly establish a direct correlation between the price listed in Schedule 1 (See B.7.2) and the operations and maintenance plan provided in accordance with Section L.4.2, Operations and Maintenance/Quality Management Plan. The Offeror shall provide detailed pricing data for all labor (direct and indirect), materials and procurement costs, insurance, equipment, general and administrative, overhead costs, and any other cost identified by the Offeror.

Renewals and Replacements are defined in Section C.11, SDCs/Upgrades/Connections and Renewals and Replacements. Renewals and Replacement are investments in the utility system to renew or replace system components that fail or reach the end of their useful life. For the Renewals and Replacements component of the monthly service charge, the Offeror shall establish a 50-year schedule for renewals and replacements of major system components given the information available in this solicitation, technical library, through site visits, and other pertinent information. The 50-year schedule for renewals and replacements shall be established as shown in Schedule 2 (See B.7.3) in current dollars (See note at B.6.1). For purposes of comparison to the GSCE and to facilitate price/cost realism analysis, the Offeror shall clearly establish a direct correlation between the applicable J-section inventory, the 50-year schedule for renewals and replacements and the renewals and replacements component of the Utility Service Charge presented in Schedule 1. If the correlation includes a residual value at the end of the 50-year schedule, the Offeror shall clearly demonstrate the basis for the residual value.

**B.7.2 Schedule 1 – Utility Service Charge**

<table>
<thead>
<tr>
<th>Component</th>
<th>Monthly Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Operations and Maintenance (O&amp;M)</td>
<td></td>
</tr>
<tr>
<td>2. Renewals and Replacements (R&amp;R)</td>
<td></td>
</tr>
</tbody>
</table>

**Total Utility Service Charge**

(to be entered into CLIN 0001 for Schedules B-2, B-3, B-4)
### B.7.3 Schedule 2 – Renewals and Replacements – 50 YEAR SCHEDULE

**Notes:** For each inventory component/item listed in the applicable J-section inventory, clearly show the $ value of the planned R&R (if any) for each year 1-50

<table>
<thead>
<tr>
<th>Item</th>
<th>Size</th>
<th>Quant</th>
<th>Unit</th>
<th>Approx Year Installed</th>
<th>Existing Unit RCN</th>
<th>Existing Item Service Life</th>
<th>First Expected Replacement Date</th>
<th>New Item</th>
<th>New Item Service Life</th>
<th>New Unit Cost RCN</th>
<th>New Item RCN</th>
<th>Planned R&amp;R Year 1 (Const $)</th>
<th>Planned R&amp;R Year XX (Const $)</th>
<th>Planned R&amp;R Year 50 (Const $)</th>
<th>Residual Value in Year 50 (Const $)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
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### B.7.4 Schedule 3 – Initial System Deficiency Corrections/Connection Charges/Transition Period

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<thead>
<tr>
<th>Project Name</th>
<th>Volume I Reference Number</th>
<th>Interest Rate</th>
<th>Project Cost (Constant $)</th>
<th>First Full Month Project will Be In Service</th>
<th>Amortization Period (Months)</th>
<th>Monthly Charge</th>
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### B.7.5 Schedule 4 – Recoverable Portion of Purchase Price

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<tr>
<th>Item</th>
<th>Interest Rate</th>
<th>Amount</th>
<th>First Full Month Project will Be In Service</th>
<th>Amortization Period (Months)</th>
<th>Monthly Charge</th>
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<td>Recoverable Portion of Purchase Price</td>
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B.7.5 Schedule 5 – Proposal 50 Year Charges to the Government, Constant 2009$

Notes:
1. Offerors shall provide for Schedules B-1, B-2, B-3, and B-4
2. Contract year—Fill in for each year (1-50)

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Section C

Description/Specifications/Work Statement

C.1 Precedence

In accordance with FAR 52.215-8, any inconsistency in this solicitation or contract shall be resolved by giving precedence in the following order: (a) The Schedule (excluding the specifications); (b) Representations and other instructions; (c) Contract clauses appearing in the solicitation or contract; (d) Contract clauses incorporated by reference; (e) Other documents, exhibits, and attachments; and (f) The specifications.

C.2 Scope and Purpose

C.2.1 General

The Government is conveying the utility systems identified in this solicitation. Subsequent to the conveyance of the utility systems, the Government will acquire the corresponding utility services from the Contractor as the new owner of the system. The Government is requesting proposals for the purchase of the utility systems listed in Section B.3, *Systems to be Privatized*, the conveyance of the infrastructure, and the acquisition of the identified utility services. The conveyance of the utility system and the acquisition of utility services are both subject to the terms and conditions of this solicitation. The Government will consider the purchase of commodities with the privatization offer(s) on a case-by-case basis. Offerors shall discuss and quantify to the extent practicable other possible long-term costs and benefits to the United States, especially if the conveyance affects separate contract relationships, particularly for commodities.

C.2.2 Program Goal

The desired goal of the conveyance is to transfer all rights, title, and interest of the United States in and to the utility systems listed in Section B.3, *Systems to be Privatized*. The transfer of title will be accomplished at some point after contract award, provided that full transfer is the intended consequence. Utilities Privatization includes two documents: (1) the terms and condition of the contract, which includes the rights of access; and, (2) the Bill of Sale. The Bill of Sale will be incorporated by reference into the contract. The utility system being sold includes equipment, fixtures, structures, and other improvements utilized in connection with the utility system, which will be more specifically described in the Bill of Sale. The divestiture will not include the real property upon, under, or around the utility system. The utility system being sold is as identified in the Bill of Sale and does not include any other property.

C.2.3 Utility Service Providers

The Government is seeking best value utility service providers to assume ownership of Government utility system(s) identified herein and provide related utility service(s). This includes, but is not limited to, the obligation to ensure adequate and dependable utility service(s) to all facilities and equipment served.

Services provided shall comply with all applicable Federal, state, and local laws and regulations, as they may be amended from time to time, including those requirements relating to health, safety, and the environment. The Contractor shall modify its service practice as necessary to accomplish such compliance.

If a change in the service requirement necessitated by compliance with later imposed/modified laws and regulations constitutes reasonable cause for an adjustment to the service charge, the charge will be adjusted in accordance with FAR 52.243-1 Alt I, *Changes - Fixed Price* or FAR 52.241-7 *Changes in Rates or Terms and Conditions of Service for Regulated Services* as applicable.

C.2.4 Utility Systems

Attachments are included in Section J for the utility systems listed in Section B.3, *Systems to be Privatized*, and are herein referred to as "utility-specific attachments." Each utility-specific attachment provides details specific to each
Installation utility system and requirement. Upon contract award(s), the appropriate attachments will be included in the contract and the others will be removed.

C.2.5 Current Service Arrangement

The Installation currently uses government-owned facilities to provide utility services. The utility-specific attachment (Section J1) describes the current service arrangement for each utility service and defines specific requirements.

C.3 Requirement

C.3.1 Utility Service Requirement

Subject to the terms and conditions in this RFP, the Contractor shall furnish all facilities, labor, materials, tools, and equipment necessary to provide utility service.

The Contractor shall manage, control, and perform operations, maintenance, repairs, replacements, expansions, and incidentals on its utility system so as to provide reliable and dependable utility service to each Government or tenant connection within the service area (see Section C.4, Service Area) 24 hours each and every day. The Contractor shall be responsible for providing capital investments and all other resources required to own, maintain, and operate its utility system(s) in a safe and reliable condition, and to meet all the requirements listed herein.

The Contractor shall obtain and maintain current any and all licenses, permits, or certifications necessary to own, maintain, and operate its utility system(s). Access to the utility system will be as specified in Section C.6, Access to the Utility System.

C.3.2 Performance Standards

Unless otherwise provided for in this contract, the Contractor shall provide utility service(s) in accordance with industry-standard construction, operations, maintenance, management, environmental, safety, and other relevant standards, that apply to similarly situated utility service providers serving customers whose service characteristics are comparable to the service characteristics of the Installation.

The Contractor shall comply with all applicable Federal, State, and local laws/regulations and Installation specific requirements as defined in the utility-specific attachment (Section J1), in performing its duties under the contract(s). The Contractor shall identify and incorporate standards and specifications in its Operations and Maintenance/Quality Management Plan, Section C.12, Operations and Maintenance/Quality Management.

C.3.3 Sub-Metering

The Contractor shall be responsible for reading, maintaining, and calibrating all sub-meters on the privatized utility system(s), including those additional meters identified in the utility-specific attachment (Section J1) to be installed by the Contractor. Those additional sub-meters shall be installed within the transition period defined in the utility-specific attachment (Section J1). The Government will use sub-meters for internal installation billing purposes and for commodity management and energy conservation purposes.

Meter reading reports shall be submitted to the recipient identified in the utility-specific attachment (Section J1).

All costs for providing, installing, reading, reporting, and maintaining the meters shall be the responsibility of the Contractor. Contractors are encouraged to incorporate remote meter reading technology.

C.3.3.1 Future Sub-Meters

The Contractor shall provide, install, read, maintain, and calibrate sub-meters requested by the Government for any purpose throughout the contract period. Installation of and responsibility for future sub-meters (not on the system at the time of sale or identified for installation as part of the service contract) may constitute reasonable cause for a service charge adjustment in accordance with FAR 52.243-1 Alt I, Changes - Fixed Price or FAR 52.241-7 Changes in Rates or Terms and Conditions of Service for Regulated Services as applicable.
C.3.3.2 Sub-Meter Calibration
The frequency and accuracy of sub-meter calibration shall be in accordance with the manufacturer’s recommendations and applicable regulations that govern meter calibration.

C.3.4 Energy and Water Efficiencies and Conservation
The Contractor shall strive to provide energy- and water-efficient systems. The Government has an established program for conducting and implementing energy- and water-saving and conservation projects to reduce utility usage and costs. Some of these have resulted in the Government entering into long-term financing arrangements with non-government entities. The utility-specific attachment (Section J1) identifies any such energy- and water-savings projects that are currently in place for the specific utility system.

The Contractor agrees to take no action that will negatively impact these projects without prior approval of the Contracting Officer. Additionally, the Government reserves the ability to enter into any future energy- and water-savings projects with the goal of reducing Government costs. The Contractor will facilitate the implementation of any such future energy and water savings projects. Projects implemented by the Government that will require changes in the privatized system shall be coordinated between the parties prior to implementation.

The Contractor is encouraged to propose SDCs/Upgrades to the Government that will increase the overall efficiency of the utility system. Efficiency SDCs/Upgrades shall be proposed to the Government in accordance with Section C.11, SDCs/Upgrades/Connections and Renewals and Replacements. The Government may consider cost-savings sharing and incentives either through service charge adjustments or lump-sum payments.

C.3.5 Energy/Water Commodity Supply
Electric, natural gas, and water commodity supply is not included in this contract, even if water and/or electricity production facilities are included as part of the system to be conveyed. The Government retains the right to procure or supply electricity, and/or natural gas, and/or water that will be transported on the system(s) covered by this contract from any source, including the Contractor, if the Contractor proposes to supply it via an alternate proposal.

Offerors may submit an alternative proposal that includes the supply of commodities (See Section L.6.2, Alternative Proposals and Exceptions to Terms and Conditions). Such offers will be considered on a case-by-case basis. The Government will remain the customer of record and retain ownership of all commodities transported and distributed through the Contractor-owned systems unless otherwise provided in the contract.

C.4 Service Area
The service area is defined as all areas within the Government installation boundaries and any other facilities and property boundaries under the control of the Installation as defined in the utility-specific attachment (Section J1). Within the service area and upon the Government’s request, the Contractor shall provide utility service to all existing and new customers. At any time, by written order, the Contracting Officer may designate any location within the service area where utility service under this contract shall commence or be discontinued. Any service charge adjustment as a result of these actions will be in accordance with FAR 52.243-1 Alt I, Changes - Fixed Price or FAR 52.241-7 Changes in Rates or Terms and Conditions of Service for Regulated Services whichever is applicable.

C.4.1 Use of Distribution Systems to Serve Areas Out-side the Installation Service Area
The Contractor may use the utility infrastructure on the Installation to serve or benefit areas or customers outside the service area(s) only with concurrence of the Government, which may be withheld for any reason. Compensation to the Government will be negotiated. In no way shall service to off-installation customers degrade or hinder reliable service, or create unhealthy, unsafe or unacceptable outages to the Government’s facilities.
C.4.2 Joint Use

C.4.2.1 Government Use

The Government may have property and equipment installed on or attached to poles, conduits, pipes, duct banks, towers, buildings, and other portions of the utility systems to be transferred. The Government reserves the right to continue to use the property to be transferred for this purpose, to enter on the transferred property to maintain, repair, operate, upgrade, and replace its property and equipment, and to install new government equipment. Any upgrade or replacement of such installed or attached property shall be made only after coordinating with the Contractor. Any upgrade or replacement of such installed or attached property shall comply with all applicable safety regulations.

The Government will not pay attachment fees. However, costs of any make-ready work related to safety requirements may be recovered under the contract. All attachments will be coordinated with the Contractor prior to the attachment.

C.4.2.2 Commercial Use

C.4.2.2.1 The Contractor shall enter into joint use agreements with the Installation's telephone company, cable television company and other service providers in accordance with applicable law and regulation.

C.4.2.2.2 Certain system components may have third party equipment attached pursuant to a lease or other contractual arrangement between the third party and the installation. The Contractor will take ownership of these components subject to such lease(s), with any revenue continuing to accrue to the installation until the lease(s) expire or are otherwise terminated at the discretion of the installation. Any new lease(s) or other arrangements between the Contractor and any third party to permit attachment of third party equipment to system components must be approved by the installation and may be subject to revenue sharing, all of which must be negotiated with the installation under separate agreement.

C.5 Utility System Ownership, Personnel, and Security

C.5.1 Utility System Ownership

C.5.1.1 Transfer of Title

A general description of the utility system assets to be transferred is included in the utility-specific attachment (Section J1). Prior to the transfer of title, such facilities shall continue to be owned by the Government. Transfer of title shall be accomplished by Bill of Sale, with access provided via the Easement granted in the Contract. The Bill of Sale shall provide the complete list of all assets to be sold.

An example of the Bill of Sale is provided in Section J (Attachment J42). The parties shall prepare and execute such additional documents as may be necessary to implement the ownership transfer.

C.5.1.2 Tools, Vehicles, and Equipment

Unless listed in the final Bill of Sale, government-owned tools, vehicles, and equipment used for system operations and maintenance that are not a physical part of the utility system will remain the property of the Government.

C.5.1.3 Placement of Utility System

The Contractor shall comply with requests from the Installation regarding the placement of new or renewal utility systems either overhead or underground, unless to do so would cause the Contractor to violate any applicable law or regulation or would be inconsistent with sound utility operational practices. Requests for placement, which differ from normal utility practice, may be reimbursable under FAR 52.243-1 Alt I, Changes - Fixed Price or FAR 52.241-7 Changes in Rates or Terms and Conditions of Service for Regulated Services whichever is applicable.

C.5.1.4 Contractor Facilities

The Contractor, at its expense, shall acquire, furnish, install, and operate and maintain all facilities required to provide the utility service(s) hereunder. The Contractor shall have title to all facilities it builds and equipment it installs under this contract, except as otherwise specifically provided. If available and at the Government’s sole discretion, the
Contractor may be permitted to either build or lease office space, maintenance shops, materials storage/staging areas or other facilities on the installation.

The Contractor will be responsible for acquiring all utilities, janitorial services, building maintenance, and ground maintenance for these facilities. The Government may, if its capabilities permit, consent to provide certain of these services to the Contractor on a reimbursable basis.

New construction or remodeling existing facilities shall comply with the Installation’s architectural standards and be fully coordinated with the Installation prior to beginning construction (See Section J1 for list of available facilities).

C.5.1.5 Record Drawings
The Contractor shall maintain record drawings for all existing and new facilities installed by the Contractor within the service area. Upon reasonable request and with reasonable notice, the Government may use and copy such drawings. The Contractor shall provide available drawings to the Government in the form of CAD-CAM disks using the latest release software compatible with Government systems at no cost to the Government. The Contractor will also provide information to allow for updates to the Installation Geographical Information System (GIS). The Contractor shall identify changes to and update utility system maps in both hard copy (full size) and electronic media formats to insure delineation of all Contractor facilities within one year of contract award and annually thereafter as necessary.

C.5.1.6 Disposition of Removed or Salvaged Materials
The removal and disposition of facilities and materials that are not used and useful for the purpose of providing utility service(s) shall be the responsibility of the Contractor. The Contractor shall notify the Contracting Officer when removing hazardous substances in accordance with Section H.9, Hazardous Substances and the Site Specifications outlined in Section J1. Abandoned plant items not identified on existing maps but found during operations shall be documented on the drawings. In order to prevent hazardous conditions, the Contractor shall be responsible for ensuring that no interconnections exist between abandoned and utilized facilities.

C.5.1.7 Liens and Mortgages
The Contractor shall not engage in any financing or other transaction creating any mortgage upon any government property, place or suffer to be placed upon government property any lien or other encumbrance, or suffer any levy or attachment to be made on the Contractor’s interest in any easement or right of access to government property. For the purposes of the clause, property shall include but not be limited to fee, lease, license, personal property or any authorized government use or interest in property.

C.5.2 Personnel
For purposes of this paragraph, the term “personnel” or “employee(s)” refer to any person performing work related to this contract, including but not limited to, the Contractor’s employees, agents, representatives, or subcontractors. The Contractor shall not permit any personnel to work under this contract if such person is identified to the Contractor as a potential threat to the health, safety, security, general well being, or operational mission of the Installation or population. All personnel will comply with installation security, health and safety conditions.

The Contractor will allow the Installation to review on a continuing basis a listing of all personnel engaged in providing utility service to the Installation. The listing will provide sufficient information on all personnel to allow precise Government identification of each individual.

C.5.2.1 Speaking, Reading, and Understanding English
Where reading, understanding, and discussing environmental, health, and safety warnings are an integral part of an employee’s duties, that employee shall be able to understand, read, write, and speak the English language fluently. All personnel that interface with customers shall be able to speak and understand the English language fluently.
C.5.2.2 Personnel Appearance and Identification

The Contractor’s personnel shall present a neat appearance and be readily recognized as Contractor personnel. If required by the Installation, the Contractor shall ensure each employee obtains from Security Forces an identification card that shall include at a minimum the employee’s name, photograph, and Contractor’s name. Each employee shall follow established Installation procedures for displaying their identification card while within the boundaries of the Installation.

C.5.2.3 Employee Certification

The Contractor shall ensure that employees meet all applicable federal, state, local, and installation certification, licensing, and medical requirements to perform all assigned tasks and functions as defined in this contract.

C.5.2.4 Installation’s Rules Apply to Contractor

Rules, regulations, direction, and requirements issued by the Installation, or other command authorities, under their responsibility for good order, administration, and security, including Site Specifications as outlined in Section J1, apply to all personnel who enter the Installation or who travel by Government transportation.

C.5.2.5 National Agency Check

The Contractor shall provide sufficient information to obtain complete and favorable National Agency Check (NAC) investigations for its personnel for unescorted entrance into restricted areas on the Installation. Normal access to the Installation shall be in accordance with Section C.6, Access to the Utility System. The Contractor shall justify to the Installation Security Forces requests for NAC on Contractor personnel requiring unescorted entry into restricted areas. Final approval for unescorted entry into restricted areas rests with the Installation Commander.

C.5.2.6 Controlled Access Areas

The Contractor shall apply for personnel security clearances required for performance after the contract is awarded. Personnel requiring access to secured areas or restricted areas under the control of the Installation shall comply with applicable regulations. The Government reserves the right to terminate the entry of any employee upon disclosure of information that indicates the individual’s continued entry to the Installation is not in the best interests of national security. Additionally, violation of, or deviation from, the established security procedures by the Contractor’s personnel may result in the confiscation of identification media and the denial of future entry to the Installation.

C.5.2.7 Conflict of Interest

The Contractor shall not knowingly employ any person who is a U.S. Government employee if employing that person would create a conflict of interest. Additionally, the Contractor shall not knowingly employ any person who is an employee of the Government, either military or civilian, unless such person seeks and receives written approval according to DOD 5500.7-R, Joint Ethics Regulations (JER).

C.5.2.8 Employment of Military Personnel

The Contractor is cautioned that off-duty active military personnel hired under this contract may be subject to permanent change of station, changing duty hours, or deployment. Military reservists and National Guard members may be subject to recall to active duty. The abrupt absence of these personnel could adversely affect the Contractor’s ability to perform. However, their absence at any time shall not constitute an excuse for nonperformance under this contract.

C.5.2.9 Employment of Quality Assurance Representative Personnel

The Contractor is prohibited from employing Quality Assurance Representatives (QAR) whom the Contractor knows or should know are responsible for monitoring any contracts/subcontracts awarded to the Contractor.
C.5.3 Contractor Vehicles

All Contractor vehicles shall be readily identifiable. Identification shall include displaying Contractor name in a clear and unobstructed location on the vehicle.

C.5.4 Contractor Radios

Prior to operating communications devices, including but not limited to two-way, portable, or landmobile devices, on the Installation, the Contractor shall obtain approval of the Installation Communication Group by requesting an available clear frequency. The Contractor shall follow all Installation procedures for operating radios on the Installation in accordance with DFARS 252.235-7003, Frequency Authorization.

C.5.5 Contractor Advertising

The Contractor shall not place or display (nor permit a third party to place or display) advertising of any kind on government property or on the Contractor’s property located on the installation. Reasonable markings on the Contractor’s property, including vehicles, for the purpose of identifying it as the Contractor’s property are permitted.

C.6 Access to the Utility System

C.6.1 General

The Contractor shall have reasonable access to the Installation (Premises) to accomplish its duties and responsibilities under the Contract. Such access is subject to the general supervision and control of the Installation’s commander and his duly authorized representatives. In accepting the rights, privileges, and obligations established hereunder, the Contractor recognizes that the Installation serves the national defense and that the Government will not permit the operation, construction, installation, repair, and maintenance of a utility system and the provision of utility services to interfere with the Installation’s military mission.

This Installation is an operating military installation that is closed to the public and is subject to the provisions of the Internal Security Act of 1950, 50 U.S.C. § 797, and of 18 U.S.C. § 1382. Access to the Installation is subject to the control of its Installation Commander and is governed by such regulations and orders as have been lawfully promulgated or approved by the Secretary of Defense or by any designated military commander. Any access granted to the Contractor, its officers, employees, Contractors of any tier, agents, and invitees is subject to such regulations and orders. Access is subject to all regulations and orders currently promulgated or which may be promulgated by lawful authority as well as all other conditions contained herein. Such regulations and orders may, by way of example and not by way of limitation, include restrictions on who may enter, how many may enter at any one time, when they may enter, and what areas of the Installation they may visit, as well as requirements for background investigations, including those for security clearances, of those entering. The Contractor is responsible for the actions of its officers, employees, Contractors of any tier, agents, and invitees while on the Installation and acting under this contract.

C.6.2 Easement

Access to the Installation and the utility system(s) shall be in accordance with the Easement. An example of the Easement to be used for each system is included as Attachment J43. If a utility is denied access to the system, due to circumstances beyond its control or negligence, its obligations and liabilities under this Agreement will be suspended if such a deficient condition would not have occurred but for its inability to gain access to the Installation and was not the result of previous deficiencies in performance.

C.7 Response to Service Interruptions/Contingencies and Catastrophes

The Contractor shall employ sound utility practices to ensure continuous, dependable, and reliable utility service and to minimize the scope and length of any service disruption. If an installation has a specific response time requirement then it will be identified in the technical Section J for each utility system.
In accordance with Section L.A, *Proposal Preparation Instructions – Volume I: Technical Proposal*, the Contractor shall develop and maintain a Service Interruption/Contingency and Catastrophic Loss Plan. The Plan shall define procedures and provisions for reacting to all service interruptions. The Plan shall address possible causes for interruption including, but not limited to, acts of God/ natural disasters, human error, equipment failure, employee strikes, cease and desist orders, and Notice of Violations (NOVs) issued by any regulatory agency. The Contractor may propose standard operating procedures broadly applicable across its customer base as its Service Interruption/Contingency and Catastrophic Loss Plan.

The Contractor shall maintain and update the Service Interruption/Contingency and Catastrophic Loss Plan as necessary and adhere to its requirements throughout the contract term. It shall not be materially altered without the Government’s prior consent. However, the Contractor need not seek the Government’s consent prior to immaterial alterations in such procedures.

In the event the Installation has an Emergency Restoration Plan that prioritizes service restoration, the Contractor shall adhere to the priority list established by the plan.

**C.8 Repair Response Procedures**

The Contractor shall identify to the Government and implement clearly defined procedures by which Installation personnel can submit service requests to the Contractor. The Contractor also shall clearly identify any difference in service request procedures that apply to routine, urgent, and emergency matters. The Government will be responsible for disseminating such procedures within the Installation. The Contractor shall provide a local or toll-free telephone number by which it can be contacted 24 hours a day, 7 days a week, for service requests. This number will connect the Government to a local dispatcher or equivalent supervisor capable of estimating Contractor repair crew arrival time. All calls shall be centrally placed by designated Government representatives. The Government will assign “emergency”, “urgent”, or “routine” designations when contacting the Contractor with a service call in accordance with the defined procedures.

The Contractor shall maintain records of all service request calls, documenting the time of the call, time of service response, cause of request, and action taken (including time and date completed). Such records shall be retained for 2 years, and may be reviewed by the Contracting Officer upon reasonable notice.

If the request affects building operations, the Contractor shall coordinate all work with the person responsible for the building or facility. The Government will provide the Contractor with a list of Government representatives and the buildings or facilities for which they are responsible. Emergency service requests submitted to the Contractor, or emergencies identified by the Contractor, shall be reported immediately to the designated Government representative.

**C.8.1 Notification Procedures**

The Contractor shall have in place mechanisms, means, or procedures by which installation personnel can submit service requests to the Contractor. If there is an order of precedence of phone numbers for Government personnel to call, the Contractor shall determine and clearly define that precedence. The Contractor also shall clearly identify any difference in service request procedures that apply to routine, urgent, and emergency matters.

The Government will be responsible for disseminating such procedures within the Installation. In addition, the Contractor shall provide to the Contracting Officer the name of the local Project Manager or other responsible person and an alternate with after-hours contacts’ telephone numbers.

**C.8.2 Emergency Service Requests**

An emergency condition is one that is detrimental to the mission of the base, significantly impacts operational effectiveness, or compromises the safety, health, and life of personnel. Such requests shall include, but are not
necessarily limited to, electrical outages, downed power lines, water outages, broken water mains, natural gas outages, natural gas leaks, or wastewater main overflows. Specific service requirements are identified in Section J1.3.24.

C.8.3 Urgent Service Requests
An urgent condition is not an emergency but significantly hinders performance of Installation activities and requires elimination of potential fire, health, and safety hazards (for example, environmental controls, non-emergency utility leaks, special requests and events, plumbing problems, downgraded emergency responses, etc.). Specific service requirements are identified in Section J1.3.24.

C.8.4 Routine Service Requests
A routine service request is one that does not pose an immediate threat to public health, safety, or property, or to a mission or operation conducted at the Installation. Such requests may include, but are not necessarily limited to requests for new or relocated service connections. Specific service requirements are identified in Section J1.3.24.

C.9 Coordination of Work

C.9.1 Routine Work
Routine work, such as the scheduled repair, replacement, or removal of system components that require service interruption, shall be coordinated with the Contracting Officer’s Representative at least 2 weeks prior to commencing work to ensure minimal impact to the mission and operations. The Contractor and Government shall each provide a single point of contact for coordination.

Notification shall include date, time of outage, a list of buildings that will be affected and the estimated time until the service will be restored. The Contractor shall also notify building occupants in advance of outages and post street signboards.

The Installation reserves the right to require the Contractor to postpone work requiring service interruption if such interruption might adversely affect the Installation’s missions and operations. If an interruption is postponed, the parties shall coordinate a mutually acceptable alternate time for the scheduled service interruption. Scheduled utility outages may be required after normal working hours to lessen the inconvenience to Installation mission critical functions.

C.9.2 Routine, Urgent, and Emergency Service Requests
Any routine, urgent, or emergency service request by Government personnel shall be reported to the Contractor’s service request line or point of contact. Emergency service requests to the Contractor or emergencies identified by the Contractor shall be identified immediately to the Contracting Officer’s Representative.

C.9.2.1 Scheduled Utility Service Interruptions
The Installation reserves the right to reschedule Contractor work requiring service interruption at any time if such interruption might materially adversely affect the Installation’s missions and operations. If an interruption is rescheduled, the parties shall coordinate a mutually acceptable alternative time for the scheduled service interruption. Only designated Government service representatives may request utility service interruption. The Contractor will refer any other service interruption requests to designated Government representatives.

C.9.3 Construction and Restoration of Site
The Contractor will ensure that proper temporary facilities and controls are in place during any construction and other work it performs that could affect installation activities. All work must include temporary facilities and control measures to facilitate the flow of vehicular, emergency, and pedestrian traffic to include the following: high-intensity reflectorized signs, barricades, temporary sidewalks, fencing, and traffic cones. Once work is complete, the Contractor
will restore the area to an equal or better condition. Site restoration requires proper waste cleanup, removal, and disposal; replacement of cracked pavement and sidewalks; proper repair and sealing of utility cuts both on improved and unimproved land and roadways; replacement of loan or topsoil; top dressing by hand; lawn bed preparation; hydro air seeding, mulch, fertilizer and shrub replacement.

C.9.3.1 Excavation Permits

The Contractor shall obtain a written excavation permit from the Contracting Officer or Contracting Officer designated representative before commencing any digging or excavation on the installation. The excavation permit will contain requirements normally applied to similar excavation work on the installation. The Contracting Officer or designated representative will notify the Contractor as to reasonable time periods for applying for an excavation permit.

C.9.3.2 Underground Utility Location

At the request of the Installation, the Contractor shall be responsible for locating underground utility system components in support of the installation's excavation permit process. Requests for line location shall be responded to within three (3) working days of the request at no additional cost to the Government.

Underground utility locations and Points of Demarcation are identified as exhibits to the applicable Section J Attachments.

C.9.4 Working Hours

Normal working hours shall be Monday-Friday (0730-1600). All routine work shall be accomplished during normal working hours. The Government must approve deviations from these working hours.

C.9.5 Coordination Meetings

The Contractor shall be available for meetings as reasonably required by the Contracting Officer.

C.9.6 Exercises and Crisis Situations Requiring Utility Support

The Contractor shall respond to Installation emergency and crisis situations and exercises that require utility support. The Contractor shall respond to these events with qualified personnel and equipment as soon as possible after notification. Participation may be in a simulated capacity equal to other participants. In no case will response be longer than those requirements listed in Section C.8.2, Emergency Service Requests. The Contractor shall advise and assist the on-scene commander until the event is terminated. Extra work effort under these circumstances may entitle the Contractor to equitable adjustment in accordance with FAR 52.243-1 Alt 1, Changes - Fixed Price or FAR 52.241-7 Changes in Rates or Terms and Conditions of Service for Regulated Services as applicable.

C.9.7 Emergency Operation

The Government reserves the right to perform or supplement performance of contract functions with Government designated personnel during periods of disaster and emergency that affects the installation and prevents the Contractor from fulfilling its obligations under the contract. The Government shall coordinate with the Contractor and obtain authorization before supplementing the Contractor's performance in these circumstances. Such authorization shall not be unreasonably withheld.

C.9.8 Non Performance and Abandonment

The Government reserves the right to perform or supplement performance of contract functions with Government designated personnel if the Contractor consistently fails to perform its obligations under the contract, has been notified in writing of failure to perform its obligations, and has not cured the performance failures within a reasonable time. The Contractor shall make its facilities available for this purpose at no cost to the Government for as long as the circumstance requiring Government operation persists.
C.9.9 Plant Control
After obtaining the prior permission of the Contracting Officer’s Representative, the Contractor may trim or remove plants and trees that pose a potential hazard to its utility system. In those areas where the plants or trees contribute to historic or aesthetic values and trimming or removing them would be destructive of those values, the Contractor may be prohibited from trimming or removing them. In all instances, plants or trees listed as threatened or endangered under applicable federal, state, interstate, or local law will not be harmed by the activities of the Contractor.

C.10 Environmental Compliance
The Contractor shall comply with all applicable environmental laws and regulations including installation specific requirements.

C.10.1 Permit Compliance
Once ownership of the utility system is transferred, the Contractor shall be the party of record for all environmental permits related to operating the system. Thereafter, the Contractor shall be responsible for obtaining any new or revised permits needed to operate and maintain the utility system. The Government shall remain the party of record and retain responsibility for any applicable permits prior to the transfer of ownership, as defined by Section C.13, Transition Plan, and for those permits that are not transferable.

C.10.2 Spill Contingencies
The Contractor shall adopt the procedures of the Installation Spill Contingency Plan or shall submit to the Contracting Officer for review and acceptance a Contractor developed Spill Contingency Plan. A Contractor-developed plan shall be prepared in accordance with the National Response Team’s Integrated Contingency Plan Guidance (http://www.epa.gov/emergencies/guidance.html#oneplan).

C.10.3 Work in Environmentally Sensitive Areas
The Contractor shall comply with installation procedures and standards for work in and around environmentally sensitive or contaminated property. Prior to accessing any environmentally sensitive areas, the Contractor shall coordinate with the designated Government Representative.

C.10.4 Environmental Impact Assessments
Modification of the utility system(s) on Government installations may require an environmental impact assessment in accordance with environmental impact analysis process applicable to the Installation. The Contractor shall be responsible for preparing all documents necessary for conducting this assessment in coordination with the Government.

C.10.5 Hazardous Material and Waste Minimization
Hazardous materials used in utility system operation and maintenance shall be handled in accordance with applicable laws and regulations. Appropriate Material Safety Data Sheets (MSDS) shall accompany all hazardous materials used on the Installation. The Contractor shall submit copies of MSDS to the COR, and retain a copy of each MSDS on-site. The Contractor shall maintain a viable hazardous waste minimization program that includes making every effort to identify non-hazardous or less hazardous materials than those currently in use and recycling versus disposing of consumable wastes.

C.10.6 Environmental Response
The Contractor shall be responsible for accomplishing at no cost to the Government any environmental response required as a result of the Contractor’s activities. The Contractor may be required to perform, but shall not be responsible for the cost of, remediation for preexisting environmental conditions. Unexploded ordnance shall be considered a preexisting environmental condition.
C.10.7 Asbestos and Lead-based Paint

The Contractor will not make any improvements or engage in any construction on government property which contain asbestos-containing material (ACM), without prior approval of the contracting officer; any such improvements or construction shall be done in compliance with all applicable Federal, state, interstate, and local laws and regulations governing ACM. The Contractor is responsible for monitoring the condition of its property containing ACM on any portion of government property for deterioration or damage. The Contractor is responsible, at its expense, for remediation of any ACM contained on or in its property which is disturbed or damaged by the Contractor or is deteriorated and of any ACM on government property which is disturbed or damaged by the Contractor during the term of the contract.

The Contractor will test any painted surface to be affected by any of its operation, construction, installation, repair, or maintenance activities to determine if the paint is lead-based and will handle that surface in compliance with all applicable laws and regulations and at the Contractor’s expense.

C.10.8 Environmental Restoration Program

If the Installation has not been listed on the National Priorities List (NPL) under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, at the time of contract award, but is listed subsequent to the award of this contract, the Government will provide the Contractor with a copy of any Federal Facility Agreement (FFA) that is entered into between the Government and the U.S. Environmental Protection Agency (USEPA), along with any amendments to the FFA when they become effective.

If the Installation has been listed on the NPL at the time of the award of this Contract but no FFA has been entered into, the Government will provide the Contractor with a copy of any FFA subsequently entered into along with any amendments to the FFA when they become effective.

If the Installation has been listed on the NPL at the time of award of this Contract and an FFA has been entered into, the Contractor acknowledges that the Government has provided it with a copy of the FFA, with current amendments. The Government will provide the Contractor with a copy of any subsequent amendments thereto.

The Contractor agrees that should any conflict arise between the terms of such agreement as it presently exists, or may be amended or entered into, and the provisions of this Contract, the provisions of the FFA will take precedence.

C.11 SDCs/Upgrades/Connections and Renewals and Replacements

C.11.1 Due Diligence Adjustment

The Contractor shall be responsible for all required SDC/Upgrades and renewals and replacements to maintain and operate the utility system(s) in a safe, reliable condition, and to meet the requirements of this contract.

The Contractor shall base its proposal on the inventory listed in the utility-specific attachment (Section J1). If during the Joint Inventory that takes place during the Transition Period between contract award and contract start, the Contractor identifies additional inventory not listed in Section J1, the Contractor may submit a request for an equitable adjustment to the Contracting Officer. If the Contractor determines that the inventory listed in Section J1 is overstated, the Contractor shall report the extent of the overstatement to the Contracting Officer, who will determine an equitable adjustment as appropriate.
C.11.2 SDCs/Upgrades/Connections and Renewals and Replacements

C.11.2.1 Initial System Deficiency Corrections/Connection Charges

Initial System Deficiency Corrections (ISDC)/Connection charges are those necessary to reach the standards typically maintained by the Contractor on its utility systems, so that subsequent renewals and replacements will permit the long-term safe and reliable operation of the utility system. All ISDCs/Connections shall be listed in the first submittal of the Initial System Deficiency Corrections and Renewals and Replacements Plan, as part of the offer. Any ISDCs/Connections proposed to remedy Government recognized deficiencies listed in Section J1, shall be complete within 5 years of the contract award date. The Government reserves the right to buy down a previously amortized ISDC/Connection at no penalty to the Government.

C.11.2.2 Future System Deficiency Corrections/Upgrades

Future System Deficiency Corrections (SDC)/Upgrades/Connection charges are investments in the utility system resulting from changes in service requirements, laws, or regulations. Future SDC/Upgrades may also include the implementation of new technologies.

C.11.2.3 Renewals and Replacements

Renewals and replacements are investments in the utility system to renew or replace system components that fail or reach the end of their useful life.

C.11.2.4 Annual System Deficiency Corrections/Upgrades/Connections and Renewals and Replacements Plan

The Contractor shall prepare and submit an Annual System Deficiency Corrections (SDC)/Upgrades and Renewals and Replacements Plan that identifies SDC/Upgrades and major renewals and replacements the Contractor intends to accomplish. The Annual SDC/Upgrades and Renewals and Replacement Plan shall contain a proposed SDC/Upgrade list for each of the next 5 years. The plan shall be structured as follows:

- Year 1 shall include detailed SDC/Upgrade information including site plans, cost estimates, SDC/Upgrade schedules, and an analysis of the impact of construction on installation operations and the environment, and shall address safety requirements.
- Years 2-5 shall include SDC/Upgrade lists with SDC/Upgrade descriptions, order-of-magnitude estimates, and proposed site plans.
- The Initial System Deficiency Correction and Renewals and Replacements Plan included in the proposal shall describe Initial System Deficiency Corrections and initial renewals and replacements in the same detail as required for Year 1.

Unless the Contracting Officer provides written notification of an alternate date, the first Annual SDC/Upgrades and Renewals and Replacements Plan shall be submitted no later than January 31 of the first full fiscal year following contract award. Thereafter, the plan shall be submitted no later than January 31 of each year. The Plan shall be submitted to the Government representative designated in Section G.

C.11.2.5 SDCs/Upgrades

The Contractor may propose SDC/Upgrades in the Annual SDC/Upgrade and Renewal and Replacement Plan (Future SDC/Upgrades). The Government reserves the right to determine at its discretion whether it will pay for any portion of proposed SDC/Upgrades. Future SDC/Upgrades required to comply with requirements and standards imposed by law that have changed during the contract term will be paid subject to the availability of funds. Approved SDC/Upgrades and improvements identified in the SDC/Upgrades and Renewals and Replacements Plan will be paid, in accordance with Section B.5, Service Charges for Schedule B-1, or Section B.6, Service Charges for Schedules B-2, B-3, and B-4,
when accomplished. The Government reserves the right to pay for any SDC/Upgrade as a lump-sum payment rather than by amortizing the SDC/Upgrade costs.

C.11.2.6 Renewals and Replacements
Renewals and replacements identified in the SDC/Upgrades and Renewal and Replacement Plan will be paid in accordance with Schedules 2 and 3 and Section B.5, Service Charges for Schedule B-1, or Section B.6, Service Charges for Schedules B-2, B-3, and B-4.

C.11.2.7 Requirements and Standards
The SDC/Upgrades/Connections and Renewals and Replacements Plan shall include an assessment of any new or revised standards and clearly address planned system improvements or operational changes needed to comply with such standards.

C.11.2.8 Anticipated Connections and Disconnections
The SDC/Upgrades/Connections and Renewals and Replacements Plan shall include a list of anticipated new service connections, including a preliminary design and estimated installation costs. The Government will provide a list of new service requirements and anticipated disconnections.

C.11.3 Connections and Disconnections
The Contractor shall be responsible for adding any additional service points and/or deleting any service points that are no longer required. The Contractor shall coordinate this work with the Contracting Officer’s Representative.

If a connection or disconnection constitutes reasonable cause for a change in service charge, the rate will be renegotiated in accordance with FAR 52.243-1 Alt I, Changes - Fixed Price or FAR 52.241-7 Changes in Rates or Terms and Conditions of Service for Regulated Services whichever is applicable.

C.11.3.1 Temporary Connections
The Contractor shall extend temporary service to the Government or Contractors performing work on the Installation when requested by the Government.

The Government will identify the party responsible for reimbursing the Contractor for temporary connections or utility usage. The Contractor shall provide the following information regarding any temporary service connections:

1. Name of the temporary customer
2. Cost
3. Date of Installation
4. Expected duration of the connection
5. Description of the connection, including route and type of material
6. POC, Title and Phone Number

C.11.3.2 Permanent Connections
(a) Charge. In consideration of the Contractor furnishing and installing at its expense any new connecting facilities requested by the Government, the Government may pay the Contractor a mutually agreed upon connection charge. Any payment will be in a form agreed to by the parties and as permitted by applicable law. When the Government requests new connecting facilities, including work necessary to increase the capacity of existing facilities, the Contractor shall submit a detailed proposal identifying the work necessary to provide the required utility services, any proposed connection charge, and the proposed change in the monthly utility service fee that will go into effect upon completion and placement into service of the new connecting facilities.
Payment for connection charges may be made as a line item under this contract or directly by the requesting party, however, regardless of payment method, the terms and conditions of this contract shall control. As a condition precedent to final payment, the Contractor shall execute a release of any claims against the Government arising under or by the virtue of such installation. Proposed changes to the monthly utility service fee(s) must be approved in advance by the Contracting Officer, regardless of the payment vehicle utilized for the connection charge.

(b) **Ownership, operation, maintenance and repair of new facilities to be provided.** The facilities to be supplied by the Contractor under this clause, notwithstanding the payment by the Government of a connection charge, shall be and remain the property of the Contractor and shall, at all times during the life of this contract or any renewals thereof, be operated, maintained, and repaired by the Contractor at its expense. All taxes and other charges in connection therewith, together with all liability arising out of the construction, operations, maintenance, or repair of such facilities, shall be the obligation of the Contractor.

(c) **Credits for Refundable Connection Charges.**

1. Where the Government is part of the Contractor’s general rate base and the Contractor subsequently includes the cost of the connecting facilities in its general rate base, the Contractor agrees to allow the Government, on each monthly bill for service furnished under this contract to the service location, a credit in the form of a percentage of the amount of each such bill as rendered until the accumulation of credits shall equal the amount of such connection charge. The amount of the credit percentage shall be negotiated, but shall not be less than that provided for under the terms of any tariff filed by the Contractor or otherwise provided by the Contractor to any commercial customer, provided that the Contractor may at any time allow a credit up to 100 percent of the amount of each such bill.

2. In the event the Contractor serves any customer other than the Government (regardless of whether the Government is being served simultaneously, intermittently, or not at all) by means of these facilities, the Contractor shall promptly notify the Government in writing. Unless otherwise agreed by the parties in writing at that time, the Contractor shall promptly credit the Government, up to 100 percent of each monthly bill, until there is refunded the amount that reflects the Government's connection costs for that portion of the facilities used in serving others.

(d) **Terminations.** Payment for and disposition of wholly or partially completed facilities upon termination of the contract shall be in accordance with the Government Repurchase Option clause of the Contract.

(FAR 52.241-9)

C.11.3.3 Third Party Construction

(a) Where the Government contracts with a third party to construct new infrastructure that is intended to connect to the Contractor’s system, the following terms and conditions shall apply:

1. The Contractor will provide the Government and the third party contractor with specifications (the “Specifications”) applicable under the terms of this Contract for its system components and for interconnections.

2. The Government will require the third party contractor to renovate or construct any infrastructure that will connect to the Contractor’s existing systems in accordance with the Specifications.

3. The Government will coordinate with the Contractor to ensure the existing system can accommodate any additional load requirements necessitated by the renovation/construction. Should the contractor determine that the existing systems require upgrades to support the additional load requirements, a price for the upgrade will be negotiated in accordance with FAR 52.243-1, Changes – Fixed-Price, Alt I.

(b) At the Government’s option, the Contractor will take ownership of system components renovated or constructed by the third party contractor to the Specifications. Any adjustment to service requirements and the contract price as a result of these actions will be in accordance with FAR 52.243-1, Changes – Fixed-Price, Alt I.
(c) The Contractor shall have the right to reasonably inspect the third party contractor’s construction of system components for which the Contractor will take ownership. The fixed-price hourly rate to be paid by the Government for such inspections shall be specified below and shall be subject to redetermination in accordance with the Price Redetermination – Prospective Clause. If no rate is specified, then inspections shall be deemed to be among the utility services included in the monthly utility service charge. Any inspection charge rates identified below will not considered in evaluation of offers for awards although rates may be addressed during negotiations.

Hourly Inspection Charge Rate: $________ per hour.

(d) If third party constructed system components are not built to the Specifications, the Contractor shall identify such components and the basis for the discrepancy to the Government with specificity. The Government may direct the Contractor to perform any work required to bring the system into compliance with the Specifications, in which case the Contractor will be compensated in accordance with FAR 52.243-1, Changes – Fixed-Price, Alt I.

(e) In the event the parties are unable to agree on an equitable price adjustment for any of the above paragraphs, the matter shall be resolved under the provisions of this contract.

(FAR 52.241-9)

**C.12 Operations and Maintenance/Quality Management**

In accordance with Section L.4, Proposal Preparation Instructions – Volume I: Technical Proposal, the Contractor shall establish and submit an Operation and Maintenance/Quality Management Plan. The Plan shall ensure the provision of reliable, cost-effective, and compliant service over the term of the contract. The Contractor shall maintain and update the Plan as necessary and adhere to its requirements throughout the contract term. It shall not be materially altered without the Government’s consent.

**C.13 Transition Plan**

The Contractor shall prepare and submit an Operational Transition Plan for execution during the transition period. The Plan shall not be materially altered without the Government’s consent. The transition period will begin on contract award and end no later than the contract start date. The Contractor shall propose the length of the transition period.

This transition period is intended to provide the Contractor time to perform additional due diligence functions and stand up operations in support of the contract. The Contractor will be paid for transition costs in accordance with the pricing proposal. Transition costs are defined as all costs expended during the transition period that are necessary and reasonable to assume ownership and responsibility for the system.

The Operational Transition Plan is subject to final acceptance by the Contracting Officer. Installation and utility-specific transition items are also found in the utility-specific attachment (Section J1).

**C.14 Historical, Architectural, and Landscaping Requirements**

Cultural resources on Federal property are protected and managed by the Archaeological Resources Protection Act of 1979 and other applicable laws. The Contractor shall exercise care so as not to disturb or damage artifacts or fossils (should any be uncovered) during the excavation operations. Should the Contractor discover evidence of possible scientific, prehistoric, historic or archaeological finds within the work limit lines or adjacent to the work area, the Contractor shall immediately cease work at that location and notify the Contracting Officer. The Contractor shall provide the Contracting Officer with complete information as to the specific location and nature of the findings. Where appropriate by reason of discovery, the Contracting Officer may order delays in time of performance or changes in the
work or both. If such delays or changes are ordered, an equitable adjustment will be made in accordance with the applicable clauses of the contract.
SECTION D

Packaging and Marking

None
Section E

Inspection and Acceptance

The following FAR Clause is Incorporated by Reference:

FAR 52.246-4: Inspection of Services -- Fixed-Price (Aug 1996)
   In Accordance With FAR 46.304

NOTE: This clause does not apply to Regulated Offerors
Section F
Deliveries or Performance

F.1 Contract Term

The Contractor(s) agrees to furnish, and the Government agrees to purchase, utility distribution and/or collection services, in accordance with the terms and conditions of this solicitation, for a maximum period of 50 years commencing with the contract start date, provided that the Government is able to make the determination required by 10 U.S.C. § 2688(d)(2). If the Government terminates the contract, whether for convenience or default, the appropriate FAR termination clauses will apply.

F.2 Commencement of Service

The Contractor shall complete all transitions and be prepared to provide utility services on the contract start date. The contract start date is defined as the expiration of the transition period (proposed by the Offeror) and the initiation of monthly utility service. The period of performance begins at the contract start date.

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<tr>
<th>Phase I</th>
<th>Phase II</th>
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<tr>
<td>Contract Award Date</td>
<td>Transition Period (Pre-performance)</td>
<td>Contract Start Date</td>
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<tr>
<td>Fixed date in time Government and Offeror agree to terms and conditions of utility service contract.</td>
<td>Offeror proposes duration of transition period; Transition period begins upon execution of contract award.</td>
<td>Transition Period Ends and Performance of Utility Services begins.</td>
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</table>

F.3 Clauses Incorporated by Reference

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text.

The following FAR Clauses are Incorporated by Reference:

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Section G

Contract Administration Data

G.1 DFARS 252.201-7000: Contracting Officer's Representative

*Contracting Officer's Representative* means an individual designated in accordance with subsection 201.602-2 of the Department of Defense FAR Supplement and authorized in writing by the Contracting Officer to perform specific technical or administrative functions.

If the Contracting Officer designates a Contracting Officer's Representative (COR), the Contractor will receive a copy of the written designation. It will specify the extent of the COR's authority to act on behalf of the Contracting Officer. The COR is not authorized to make any commitments or changes that will affect price, quality, quantity, delivery, or any other term or condition of the contract.

G.2 Submission and Payment of Invoices

The Government will pay the Contractor for utility service through a monthly service charge. Subject to the provisions set forth in Section B, utility services will be billed according to the CLIN items in Schedule B-1 through B-4 on a monthly basis.

The Contractor shall prepare and send one original electronic invoice to the Installation for payment by the 25th of each month for the previous month's billing period. Invoices shall be sent to the recipient and address identified in Section G of any resultant contract.

G.3 Utility Service Charge Adjustment

At the request of either party to this contract, and with reasonable cause, the Utility Service Charge may be renegotiated in accordance with Section I. This paragraph applies to the Utility Service Charge portion of CLIN 0001 only, and does not apply to any other CLIN. However, neither party shall request a change to the Utility Service Charge portion of CLIN 0001 to become effective sooner than two years from the date of award in accordance with Section I. This paragraph also does not apply if a regulated utility chooses to submit a proposal using Schedule B-1.

For future SDCs/Upgrades/Connections resulting from changed service requirements, at the request of either party to this contract, and with reasonable cause, the Utility Service Charge may be renegotiated, at any time, in accordance with FAR 52.243-1 Alt I, Changes - Fixed Price or FAR 52.241-7 Changes in Rates or Terms and Conditions of Service for Regulated Services whichever is applicable.

Any changes to charges, terms, or conditions as a result of negotiations shall be made part of this contract by the issuance of a bilateral contract modification. The failure of the parties to agree upon any change after a reasonable period of time shall be a dispute under the Disputes clause of this contract.

G.4 Accounting Procedures

The Contractor shall maintain records of all costs and payments associated with the provision of utility service(s) to the Installation using the National Association of Regulatory Utility Commissioner's (NARUC) Uniform System of Accounts (USOA), Federal Energy Regulatory (FERC) USOA, the Rural Utility Service (RUS) USOA, or the American Water Works Association (AWWA) USOA, or an alternative USOA acceptable to the Government. The USOA may be supplemented by the Contractor's standard accounting procedures and generally recognized accounting practices and principles, as long as such supplemental procedures and practices are consistent with the NARUC (or an accepted alternative) USOA. The standard
utilized must be consistent with the written and established practices for measuring, assigning, and allocating costs.

G.4.1 Price Adjustment for Noncompliance with Accounting Procedures

The Government shall be entitled to a price adjustment if it finds that the contract price was increased during any price redetermination actions as a result of the use of noncompliant or inconsistent accounting practices established and accepted by the Government on the part of the contractor. The amount of the adjustment shall be the difference between the contract price that was negotiated and the price that would have been negotiated had the business unit used compliant and established accounting practices that were in accordance with FERC, NARUC, RUS, or AWWA and were consistent with the contractor’s written and established practices. In such cases, the Government shall be entitled to a credit or cash recovery (at the Government’s option) for the amount of the increased price plus interest. The interest rate shall be computed from the date the payment by the Government until the date of repayment by the contractor. The interest rate shall be the rate specified at 26 U.S.C. 6621(a)(2).
Section H

Special Contract Provisions

H.1 Mobilization and Other Contingencies

In the event of troop mobilization or other contingencies, the Contractor will be expected to promptly take whatever measures are needed to meet any new demands placed upon it, to include extended work hours and expansion of the contract work force.

Extra work effort under these circumstances may entitle the Contractor to equitable adjustment under the Changes Clause FAR 52.243-1 Alt 1, Changes - Fixed Price.

H.2 Insurance Requirements

H.2.1 Insurance Certificate

Contractor shall deliver or cause to be delivered upon execution of this contract (and thereafter not less than thirty (30) days prior to the expiration date of each policy furnished pursuant to this contract) to the Government a certificate of insurance evidencing the insurance required by this contract.

H.2.2 Types of Insurance

During the entire period this contract shall be in effect, the Contractor and its subcontractors at any tier shall carry and maintain the following:

H.2.2.1 General Liability

Commercial general liability insurance with a minimum combined single limit of $1,000,000 per occurrence and $2,000,000 in the aggregate for all premises and operations, including products/completed operations. The policy shall include coverage for bodily injury, including death, and property damage arising out of the acts or omissions by or on behalf of the Contractor by any invitee or any other person or organization, or involving any owned, non-owned, or hired automotive equipment in connection with the Contractor's activities. The policy shall also include broad form property damage and shall cover independent contractors. The policy shall include coverage for hazards referred to as XCU (explosion, collapse, and underground).

H.2.2.2 Automobile Liability

Comprehensive automobile liability insurance with a combined single limit of $1,000,000 per occurrence for bodily injury and property damage. Coverage is to include owned, hired, and non-owned vehicles.

H.2.2.3 Workers' Compensation and Employer's liability

If and to the extent required by law, workers' compensation and employer's liability insurance. Workers compensation coverage is to be provided in compliance with applicable laws and employers liability limits shall be at least $500,000.

H.2.2.4 Umbrella/Excess Liability Coverage

Umbrella or Excess Liability coverage in an amount of $1,000,000 per occurrence and $1,000,000 in the aggregate. Coverage is to be in excess of commercial general liability, automobile liability, and employer liability.
H.2.3 General
All policies of insurance which this contract requires the Contractor to carry and maintain or cause to be
carried or maintained pursuant to this contract shall be with insurance companies who have an A- Best VIII or
higher rating. All such policies of insurance shall list the government as additional insured, except for workers
compensation. Each such policy shall provide that any losses shall be payable notwithstanding any act or
failure to act or negligence of Contractor or Government or any other person; provide that no cancellation,
reduction in amount, or material change in coverage thereof shall be effective until at least sixty (60) days after
receipt by Government of written notice thereof; provide that the insurer shall have no right of subrogation
against the Government; and be reasonably satisfactory to the Government in all other respects. In no
circumstances will the Contractor be entitled to assign to any third party rights of action which the Contractor
may have against the Government. The foregoing notwithstanding, any cancellation of insurance coverage
based on nonpayment of the premium shall be effective upon ten (10) days' written notice to the Government.
The Contractor understands and agrees that cancellation of any insurance coverage required to be carried and
maintained by the Contractor under this contract will constitute a failure to comply with the terms of this
contract.

H.2.4 Self-insurance
The requirements to maintain insurance under Section H.2, Insurance Requirements, may be met by the use
of self-insurance only under the following conditions and with the express prior written approval of the
contracting officer:

H.2.4.1 Submittals
If the contractor desires to self-insure, the contractor shall submit to the contracting officer, in writing, a
request to self-insure. The contractor shall, when submitting any documents under this provision, apprise the
contracting officer of any such documents that constitute confidential or proprietary business records, and
mark those records accordingly. To support the determination of the contracting officer regarding the request,
said officer may request some or all of the following information, to the extent the contractor maintains such
information, on the contractors proposed self-insurance program—

1. A complete description of the program, including any resolution of the board of directors
   authorizing and adopting coverage, including types of risks, limits of coverage, assignments of safety
   and loss control, and legal service responsibilities;
2. If available, the corporate insurance manual;
3. The terms regarding insurance coverage for any Government property;
4. The contractor's latest financial statements;
5. Loss history and premiums history;
6. The means by which the self-insurance will be funded;
7. Claims administration policy, practices, and procedures;
8. The method of projecting losses; and
9. A disclosure of all captive insurance company and reinsurance agreements, including methods of
   computing cost.

H.2.4.2 Programs of Self Insurance
Programs of self-insurance covering contractor's insurable risks, including the deductible portion of purchased
insurance, may be approved by the contracting officer when examination of a program indicates that its
application is in the Government's interest; such determination is within the sole discretion of the Government.
The Government will not approve a program of self-insurance for workers' compensation in a jurisdiction
where workers' compensation does not completely cover the employer's liability to employees, unless the
contractor—

1. Maintains an approved program of self-insurance for any employer's liability not so covered; or
(2) Shows that the combined cost to the Government of self-insurance for workers' compensation and commercial insurance for employer's liability will not exceed the cost of covering both kinds of risk by commercial insurance.

**H.2.4.3 Approval**

Once the contracting officer has approved a program, the contractor must submit to that official for approval any major proposed changes to the program. Any program approval may be withdrawn if the contracting officer finds that either—

1. Any part of a program does not comply with the requirements of this part and/or the criteria at FAR 31.205-19; or
2. Conditions or situations existing at the time of approval that were a basis for original approval of the program have changed to the extent that a program change is necessary.

**H.2.4.4 Qualifications**

To qualify for self-insurance, the contractor must demonstrate to the Government an ability to sustain the potential losses involved. In making the determination, the contracting officer shall consider the following factors:

1. The soundness of contractor's financial condition, including available lines of credit.
2. The geographic dispersion of assets, so that the potential of a single loss depleting all the assets is unlikely.
3. The history of previous losses, including frequency of occurrence and the financial impact of each loss.
4. The type and magnitude of risk, such as minor coverage for the deductible portion of purchased insurance or major coverage for hazardous risks.
5. The contractor's compliance with Federal and State laws and regulations.

**H.3 Availability of Funds**

Nothing in this contract shall be construed to obligate funds in advance of appropriations.

**H.4 Liability**

The Contractor shall indemnify and hold the Government harmless against any and all judgments, expenses, liabilities, claims, and charges of whatever kind or nature that may arise as a result of the activities of the Contractor, whether tortious, contractual, or other, except to the extent such claim or charge is cognizable under the Federal Tort Claims Act, or, in regard to indemnification, to the extent the Contractor is prohibited from doing so by Federal or State law.

**H.5 Catastrophic Loss**

The Contractor shall propose how it plans to protect itself from a catastrophic loss, including but not limited to vehicular damage, vandalism, and Acts of God or a Public Enemy that significantly affect the utility system(s). The Contractor will be expected to bring the system back into service expeditiously following any such catastrophic loss or event and shall identify in its proposal how it plans to accomplish this. In its plan, the Contractor shall identify any intent to rely on the Federal Emergency Management Agency (FEMA) or other Governmental relief agencies for financial assistance in recovering from any catastrophic loss and must identify to what extent, if any, the Contractor would expect reimbursement under the Contract. If the Contractor has catastrophic insurance, the Contractor shall provide a copy of the coverage to the Contracting Officer.
H.6 Notification of Infrastructure/Service Contract Transfer

The Contractor shall provide 120 day written notice prior to any resale, transfer, or encumbrance of the system or any components thereof. Regardless of the disposition of the Contractor’s property, the utility services contract can only be transferred to another entity with the Government’s consent (see 41 U.S.C. §15 and FAR §42.1204).

H.7 Government Repurchase Option

1. The Government may, at its sole option, repurchase the privatized system at the end of the contract term or in the event the contract is terminated for the convenience of the Government or for default.

2. The Government shall exercise its repurchase option by providing written notice to the Contractor.

3. As consideration for the repurchase, the Government shall pay the Contractor the amount of the Contractor’s Unrecovered Investments in the System as defined in Paragraph 8 below. The repurchase shall become effective and the System[s] shall become the property of the Government 120 days after the Government issues notice of its intent to exercise its repurchase option or on such later date as the Government may designate. Following the transfer of the System to the Government, the Contractor shall present an invoice for the repurchase price.

4. In the event of a repurchase, the system shall be transferred to the Government free of all liens and encumbrances. The Contractor and the Government shall cooperate in preparing and executing all documents required to accomplish the transfer. All information in all media (electronic, paper and otherwise) including, without limitation, books, manuals, operating procedures, specifications, databases and maps necessary or useful for operating the System shall be transferred to the Government with the System. In addition, copies of all Contractor operations and maintenance records shall be transferred to the Government with the System.

5. To the extent the Contractor receives payments for Unrecovered Investments in accordance with this clause, the Contractor shall not be entitled to equivalent payments for Unrecovered Investments under any termination, cancellation or similar provision of the Contract.

6. In the event of termination for default, the Government may offset against payments made as consideration for repurchase under this Section any damages, including excess re-procurement costs, it suffers as a consequence of the Contractor’s default. The Government shall have no obligation to tender the repurchase price until the quantum of such damages is defined.

7. The Contractor shall maintain an up to date account of the current System repurchase price throughout the contract term based upon a methodology established by the Contractor and approved by the Government prior to contract award. Upon request, the Contractor shall make the account available to the Government with appropriate supporting documentation.

8. Definitions

A. For purposes of this Section, “Privatized System” or “System” means all fixtures and equipment used or useful for operating the utility system[s].

B. For purposes of this Section, “Unrecovered Investments” means

1. The purchase price for the utility system[s] defined in Section B of the contract but only to the extent the Contractor has paid all or a portion of the purchase price to the Government without offsetting recovery;

2. Improvements or additions to the system located on Government property and approved by the Government that are:
a) identified in the Contractor’s Initial System Deficiency Corrections and Renewal and Replacement Plan and subsequent Plans provided annually throughout the contract term; or
b) the result of requests for connections or connecting facilities.

However, the Contractor will only be compensated to the extent such investments have not been recovered by the Contractor in the form of payments made by or on behalf of the Government on account of such investments.

H.8 Foreign Object Damage Prevention Program

The Contractor shall comply with the Installation’s foreign object damage prevention program whenever it engages in activities on or around flightlines, airfields, or runways.

H.9 Hazardous Substances

The Contractor, at its expense, must comply with all applicable laws on occupational safety and health, the handling and storage of hazardous materials, and the proper handling and disposal of hazardous wastes and hazardous substances generated by its activities. Responsibility for the costs of proper handling and disposal of hazardous wastes and hazardous substances is governed by applicable law. The terms hazardous materials, hazardous wastes, and hazardous substances are as defined in the Federal Water Pollution Control Act, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Solid Waste Disposal Act, the Clean Air Act, and the Toxic Substances Control Act, and their implementing regulations, as they may be amended from time to time.

Any unexploded ordnance discovered on government property by the Contractor is the responsibility of the Government and will not be disturbed by the Contractor but, upon discovery, shall be immediately reported to Installation Security and the Contracting Officer’s Representative.

H.10 Interest Allowability of Capital Investment

Pursuant to the DoD Class Deviation signed 13 August 2007 and as determined by the Contracting Officer, the Contractor will be permitted to recover its interest costs associated only with capital expenditures to acquire, renovate, replace, upgrade, and/or expand utility systems. Interest rates used to calculate allowable interest costs must be limited to 600 basis points above the Contract Disputes Act (CDA) interest rate (41 U.S.C. 611) in effect at the time the Contractor makes the capital expenditure. The Contractor shall not receive facilities capital cost of money under FAR 31.205-10. CDA interest rate(s) are determined by the Bureau of the Public Debt and are published at the following website: http://www.publicdebt.treas.gov/odp/opdprnt2.htm.

H.11 Contribution in Aid of Construction (CIAC) Tax Liability

A purchase by the Contractor of a Government utility system at less than fair market value may be treated as a CIAC and therefore taxable income to the Contractor. As a result, the Contractor may incur an associated income tax liability. It is the responsibility of the Contractor to ensure that all transactions undertaken under the contract are in compliance with the United States Internal Revenue Service notices, guidelines, rules, and regulations governing the CIAC tax, and particularly the notices, guidelines, rules, and regulations governing how to determine fair market value, so that there is no CIAC tax liability to the Government. The Government will have no liability for nor will it pay any CIAC tax for which the Contractor is liable, or may become liable because of the Contractor’s performance under this contract.
H.12 Differing Site Conditions

FAR 52.236-2 -- Differing Site Conditions (Apr 1984)

(a) The Contractor shall promptly, and before the conditions are disturbed, give a written notice to the Contracting Officer of --

(1) Subsurface or latent physical conditions at the site which differ materially from those indicated in this contract; or

(2) Unknown physical conditions at the site, of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inhering in work of the character provided for in the contract.

(b) The Contracting Officer shall investigate the site conditions promptly after receiving the notice. If the conditions do materially so differ and cause an increase or decrease in the Contractor’s cost of, or the time required for, performing any part of the work under this contract, whether or not changed as a result of the conditions, an equitable adjustment shall be made under this clause and the contract modified in writing accordingly.

(c) No request by the Contractor for an equitable adjustment to the contract under this clause shall be allowed, unless the Contractor has given the written notice required; provided, that the time prescribed in paragraph (a) of this clause for giving written notice may be extended by the Contracting Officer.

(d) No request by the Contractor for an equitable adjustment to the contract for differing site conditions shall be allowed if made after final payment under this contract.

(End of Clause)
Section I

Contract Clauses

In the event of any inconsistencies between non-mandatory FAR and DFARS clauses incorporated by reference herein or elsewhere and any clauses set forth in full text in this Contract, the full text clauses shall control.

1.1 FAR 52.252-2 Clauses incorporated by Reference (Feb 1998)

(In Accordance With FAR 52.107(b))
This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text.
The full text of a clause may be accessed electronically at these addresses:
http://farsite.bill.af.mil (All CLAUSES) and http://www.arnet.gov/far (FAR Clauses ONLY [Clauses 1-11 through 1-750]).

(End of Clause)

1.2 FAR Clauses

The following FAR clauses are incorporated by reference:

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<td>Payments</td>
<td>FAR 32.111(a)(1)</td>
<td>Apr 1984</td>
</tr>
<tr>
<td>52.232-8</td>
<td>Discounts for Prompt Payment</td>
<td>FAR 32.111(b)(1)</td>
<td>Feb 2002</td>
</tr>
<tr>
<td>52.232-11</td>
<td>Extras</td>
<td>FAR 32.111(c)(2)</td>
<td>Apr 1984</td>
</tr>
<tr>
<td>52.232-17</td>
<td>Interest</td>
<td>FAR 32.617(a)(b)</td>
<td>Jun 1996</td>
</tr>
<tr>
<td>52.232-18</td>
<td>Availability of Funds</td>
<td>FAR 32.705-1(a)</td>
<td>Apr 1984</td>
</tr>
<tr>
<td>52.232-23</td>
<td>Assignment of Claims ALT 1</td>
<td>FAR 32.806(a)(1)</td>
<td>Jan 1986</td>
</tr>
<tr>
<td>52.232-23</td>
<td>Assignment of Claims ALT 1</td>
<td>FAR 32.806(a)(1)</td>
<td>Apr 1984</td>
</tr>
<tr>
<td>52.232-25</td>
<td>Prompt Payment</td>
<td>FAR 32.906(c)</td>
<td>Oct 2003</td>
</tr>
<tr>
<td>52.232-33</td>
<td>Payment by Electronic Funds Transfer --Central Contractor Registration</td>
<td>FAR 32.1110(a)(1)</td>
<td>Oct 2003</td>
</tr>
<tr>
<td>52.233-1</td>
<td>Disputes ALT 1</td>
<td>FAR 33.215</td>
<td>Jul 2002</td>
</tr>
<tr>
<td>52.233-3</td>
<td>Protest after Award</td>
<td>FAR 33.106(b)</td>
<td>Aug 1996</td>
</tr>
<tr>
<td>52.233-4</td>
<td>Applicable Law for Breach of Contract Claim</td>
<td>FAR 33.215(b)</td>
<td>Oct 2004</td>
</tr>
<tr>
<td>52.237-2</td>
<td>Protection of Government Buildings, Equipment, and Vegetation</td>
<td>FAR 37.110(b)</td>
<td>Apr 1984</td>
</tr>
<tr>
<td>52.237-3</td>
<td>Continuity of Services</td>
<td>FAR 37.110(c)</td>
<td>Jan 1991</td>
</tr>
<tr>
<td>52.242-1</td>
<td>Notice of Intent to Disallow Costs</td>
<td>FAR 42.802</td>
<td>Apr 1984</td>
</tr>
<tr>
<td>52.242-13</td>
<td>Bankruptcy</td>
<td>FAR 42.903</td>
<td>Jul 1995</td>
</tr>
<tr>
<td>52.243-1</td>
<td>Changes – Fixed-Price ALT 1</td>
<td>FAR 43.205(a)(1)</td>
<td>Aug 1987</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Apr 1984</td>
</tr>
<tr>
<td>52.244-6</td>
<td>Subcontracts for Commercial Items</td>
<td>FAR 44.403</td>
<td>Mar 2007</td>
</tr>
<tr>
<td>52.249-2</td>
<td>Termination for Convenience of the Government (Fixed Price)</td>
<td>FAR 49.502(b)(1)(i)</td>
<td>May 2004</td>
</tr>
<tr>
<td>52.249-8</td>
<td>Default (Fixed Price Supply and Service)</td>
<td>FAR 49.504(a)(1)</td>
<td>Apr 1984</td>
</tr>
<tr>
<td>52.252-6</td>
<td>Authorized Deviations in Clauses</td>
<td>FAR 52.107(f)</td>
<td>Apr 1984</td>
</tr>
</tbody>
</table>

I.2.1 Disputes

NOTE: This clause only applies to Schedule B-1, regulated offers

The requirements of the Disputes clause at FAR 52.233-1 are supplemented to provide that in regard to the interpretation of retail rates, rate schedules and items directly related to rates and rate schedules provided under this contract, the parties agree to accept as authoritative the interpretation of any statewide public utility regulatory authority with jurisdiction over the Contractor. The Government shall not be bound to accept as authoritative interpretations that conflict with Federal law or regulation or that are found by any administrative or judicial forum to: 1) result in discrimination against the Installation; 2) have resulted from abuse of discretion; or 3) have directly or indirectly resulted from any failure on the part of the regulatory authority or its members to comply with applicable laws and regulations.
1.3 DFARS Clauses Incorporated by Reference

The use in this solicitation or contract of any Defense Federal Acquisition Regulation Supplement (48 CFR Chapter 2) clause with an authorized deviation is indicated by the addition of "(DEVIAION)" after the name of the regulation. The following DFAR clauses are incorporated by reference:

<table>
<thead>
<tr>
<th>DFARS Paragraph</th>
<th>Clause Title</th>
<th>IAW</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>252.203-7001</td>
<td>Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies</td>
<td>DFARS 203.570-35</td>
<td>Dec 2004</td>
</tr>
<tr>
<td>252.204-7000</td>
<td>Disclosure of Information</td>
<td>DFARS 204.404-70(a)</td>
<td>Dec 1991</td>
</tr>
<tr>
<td>252.204-7003</td>
<td>Control of Government Personnel Work Product</td>
<td>DFARS 204.404-70(b)</td>
<td>Apr 1992</td>
</tr>
<tr>
<td>252.205-7000</td>
<td>Provision of Information to Cooperative Agreement Holders</td>
<td>DFARS 205.470</td>
<td>Dec 1991</td>
</tr>
<tr>
<td>252.209-7004</td>
<td>Subcontracting with Firms that Are Owned or Controlled by the Government of a Terrorist Country</td>
<td>DFARS 209.409</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>252.223-7004</td>
<td>Drug-Free Work Force</td>
<td>DFARS 223.570-2</td>
<td>Sep 1988</td>
</tr>
<tr>
<td>252.223-7006</td>
<td>Prohibition on Storage and Disposal of Toxic and Hazardous Materials</td>
<td>DFARS 223.7103(a)</td>
<td>Apr 1993</td>
</tr>
<tr>
<td>252.225-7031</td>
<td>Secondary Arab Boycott of Israel</td>
<td>DFARS 225.7605</td>
<td>Jun 2005</td>
</tr>
<tr>
<td>252.226-7001</td>
<td>Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns</td>
<td>DFARS 226.104</td>
<td>Sep 2004</td>
</tr>
<tr>
<td>252.231-7000</td>
<td>Supplemental Cost Principles</td>
<td>DFARS 231.100-70</td>
<td>Dec 1991</td>
</tr>
<tr>
<td>252.235-7003</td>
<td>Frequency Authorization</td>
<td>DFARS 235.071(b)</td>
<td>Dec 1991</td>
</tr>
<tr>
<td>252.247-7023</td>
<td>Transportation of Supplies by Sea</td>
<td>DFARS 247.574(b)(1)</td>
<td>May 2002</td>
</tr>
</tbody>
</table>

1.4 Utility Services Clauses Incorporated by Reference

The following Utility Services FAR and DFARS clauses are incorporated herein by reference:

<table>
<thead>
<tr>
<th>Paragraph</th>
<th>Clause Title</th>
<th>IAW</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>52.241-2</td>
<td>Order of Precedence – Utilities</td>
<td>FAR 41.501(c)(1)</td>
<td>Feb 1995</td>
</tr>
<tr>
<td>52.241-4</td>
<td>Change in Class of Service (Applicable to Tariff Priced Contracts Only)</td>
<td>FAR 41.501(c)(3)</td>
<td>Feb 1995</td>
</tr>
<tr>
<td>52.241-5</td>
<td>Contractor's Facilities</td>
<td>FAR 41.501(c)(4)</td>
<td>Feb 1995</td>
</tr>
</tbody>
</table>
I.5 Non-Regulated Utility Clauses Incorporated by Reference

The following FAR clauses are incorporated by reference if an award is made to an entity that is non-regulated, non-Governmental:

<table>
<thead>
<tr>
<th>Paragraph</th>
<th>Clause Title</th>
<th>IAW</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>52.222-41</td>
<td>Service Contract Act of 1965, as amended</td>
<td>FAR 22.1006(a)</td>
<td>Nov 2007</td>
</tr>
<tr>
<td>52.222-44</td>
<td>Fair Labor Standards Act and Service Contract Act - Price Adjustment</td>
<td>FAR 22.1006(c)(2)</td>
<td>Feb 2002</td>
</tr>
<tr>
<td>52.230-2</td>
<td>Cost Accounting Standards</td>
<td>FAR 30.201-4(a)</td>
<td>Apr 1998</td>
</tr>
<tr>
<td>52.230-8</td>
<td>Administration of Cost Accounting Standards</td>
<td>FAR 30.201-4(d)(1)</td>
<td>Apr 2005</td>
</tr>
</tbody>
</table>

I.6 Other Clauses

I.6.1 FAR 52.216-5: Price Redetermination – Prospective (Oct 1997)

(a) General. The unit prices and the total price stated in this contract shall be periodically redetermined in accordance with this clause, except that –

(1) The prices for supplies delivered and services performed before the first effective date of price redetermination (see paragraph (c) of this clause) shall remain fixed; and
(2) In no event shall the total amount paid under this contract exceed any ceiling price included in the contract.

(b) Definition. "Costs," as used in this clause, means allowable costs in accordance with Part 31 of the Federal Acquisition Regulation (FAR) in effect on the date of this contract.

(c) Price redetermination periods. For the purpose of price redetermination, performance of this contract is divided into successive periods. The first period shall extend from the date of the contract to two years after the contract start date, and the second and each succeeding period shall extend for 36 months from the end of the last preceding period, except that the parties may agree to vary the length of the final period. The first day of the second and each succeeding period shall be the effective date of price redetermination for that period.

(d) Data submission.

(1) Not more than 120 days nor less than 90 days before the end of each redetermination period, except the last, the Contractor shall submit –

(i) Proposed prices for supplies that may be delivered or services that may be performed in the next succeeding period, and –

(A) An estimate and breakdown of the costs of these supplies or services in the format of Table 15-2, FAR 15.408, or in any other form on which the parties may agree;
(B) Sufficient data to support the accuracy and reliability of this estimate; and
(C) An explanation of the differences between this estimate and the original (or last preceding) estimate for the same supplies or services; and

(ii) A statement of all costs incurred in performing this contract through the end of the first month before the submission of proposed prices in the format of Table 15-2, FAR 15.408 (or in any other form on which the parties may agree), with sufficient supporting data to disclose unit costs and cost trends for –

(A) Supplies delivered and services performed; and
(B) Inventories of work in process and undelivered contract supplies on hand (estimated to the extent necessary).

(2) The Contractor shall also submit, to the extent that it becomes available before negotiations on redetermined prices are concluded –

(i) Supplemental statements of costs incurred after the date stated in subdivision (d)(1)(ii) of this section for –

(A) Supplies delivered and services performed; and
(B) Inventories of work in process and undelivered contract supplies on hand (estimated to the extent necessary); and

(ii) Any other relevant data that the Contracting Officer may reasonably require.

(3) If the Contractor fails to submit the data required by subparagraphs (d)(1) and (2) of this section, within the time specified, the Contracting Officer may suspend payments under this contract until the data are furnished. If it is later determined that the Government has overpaid the Contractor, the Contractor shall repay the excess to the Government immediately. Unless repaid within 30 days after the end of the data submittal period, the amount of the excess shall bear interest, computed from the date the data were due to the date of repayment, at the rate established in accordance with the Interest clause.

(c) Price redetermination. Upon the Contracting Officer's receipt of the data required by paragraph (d) of this section, the Contracting Officer and the Contractor shall promptly negotiate to redetermine fair and reasonable prices for supplies that may be delivered or services that may be performed in the period following the effective date of price redetermination.

(f) Contract modifications. Each negotiated redetermination of prices shall be evidenced by a modification to this contract, signed by the Contractor and the Contracting Officer, stating the redetermined prices that apply during the redetermination period.

(g) Adjusting billing prices. Pending execution of the contract modification (see paragraph (f) of this section), the Contractor shall submit invoices or vouchers in accordance with the billing prices stated in this contract. If at any time it appears that the then-current billing prices will be substantially greater than the estimated final prices, or if the Contractor submits data showing that the redetermined price will be substantially greater than the current billing prices, the parties shall negotiate an appropriate decrease or increase in billing prices. Any billing price adjustment shall be reflected in a contract modification and shall not affect the redetermination of prices under this clause. After the contract modification for price redetermination is executed, the total amount paid or to be paid on all invoices or vouchers shall be adjusted to reflect the agreed-upon prices, and any requested additional payments, refunds, or credits shall be made promptly.

(h) Quarterly limitation on payments statement. This paragraph (h) applies only during periods for which firm prices have not been established.

(1) Within 45 days after the end of the quarter of the Contractor's fiscal year in which a delivery is first made (or services are first performed) and accepted by the Government under this contract, and for each quarter thereafter,
the Contractor shall submit to the contract administration office (with a copy to the contracting office and the cognizant contract auditor) a statement, cumulative from the beginning of the contract, showing –

(i) The total contract price of all supplies delivered (or services performed) and accepted by the Government and for which final prices have been established;

(ii) The total costs (estimated to the extent necessary) reasonably incurred for, and properly allocable solely to, the supplies delivered (or services performed) and accepted by the Government and for which final prices have not been established;

(iii) The portion of the total interim profit (used in establishing the initial contract price or agreed to for the purpose of this paragraph (h)) that is in direct proportion to the supplies delivered (or services performed) and accepted by the Government and for which final prices have not been established; and

(iv) The total amount of all invoices or vouchers for supplies delivered (or services performed) and accepted by the Government (including amounts applied or to be applied to liquidate progress payments).

(2) The statement required by subparagraph (h)(1) of this section need not be submitted for any quarter for which either no costs are to be reported under subdivision (h)(1)(ii) of this section, or revised billing prices have been established in accordance with paragraph (g) of this section, and do not exceed the existing contract price, the Contractor's price-redetermination proposal, or a price based on the most recent quarterly statement, whichever is least.

(3) Notwithstanding any provision of this contract authorizing greater payments, if on any quarterly statement the amount under subdivision (h)(1)(iv) of this section exceeds the sum due the Contractor, as computed in accordance with subdivisions (h)(1)(i), (ii), and (iii) of this section, the Contractor shall immediately refund or credit to the Government the amount of this excess. The Contractor may, when appropriate, reduce this refund or credit by the amount of any applicable tax credits due the Contractor under 26 U.S.C. 1481 and by the amount of previous refunds or credits afforded under this clause. If any portion of the excess has been applied to the liquidation of progress payments, then that portion may, instead of being refunded, be added to the unliquidated progress payment account, consistent with the Progress Payments clause. The Contractor shall provide complete details to support any claimed reductions in refunds.

(4) If the Contractor fails to submit the quarterly statement within 45 days after the end of each quarter and it is later determined that the Government has overpaid the Contractor, the Contractor shall repay the excess to the Government immediately. Unless repaid within 30 days after the end of the statement submittal period, the amount of the excess shall bear interest, computed from the date the quarterly statement was due to the date of repayment, at the rate established in accordance with the Interest clause.

(i) Subcontracts. No subcontract placed under this contract may provide for payment on a cost-plus-a-percentage-of-cost basis.

(j) Disagreements. If the Contractor and the Contracting Officer fail to agree upon redetermined prices for any price redetermination period within 60 days (or within such other period as the parties agree) after the date on which the data required by paragraph (d) of this section are to be submitted, the Contracting Officer shall promptly issue a decision in accordance with the Disputes clause. For the purpose of paragraphs (f), (g), and (h) of this section, and pending final settlement of the disagreement on appeal, by failure to appeal, or by agreement, this decision shall be treated as an executed contract modification. Pending final settlement, price redetermination for subsequent periods, if any, shall continue to be negotiated as provided in this clause.

(k) Termination. If this contract is terminated, prices shall continue to be established in accordance with this clause for

(1) completed supplies and services accepted by the Government and

(2) those supplies and services not terminated under a partial termination. All other elements of the termination shall be resolved in accordance with other applicable clauses of this contract.
1.6.2 Price Redetermination

At the request of either party to this contract, and with reasonable cause, the Utility Service Charge (CLIN 0001) may be re-negotiated in accordance with Section 1. Only the operations and maintenance and renewals and replacements portion of the Utility Service Charge are eligible for redetermination. However, in accordance with Section 1, neither party shall request a change to these service charges to become effective sooner than two years from the date of award and every three years thereafter.

The actual costs used for purposes of establishing any price redetermination under the contract must exclude all statutory (see 10 U.S.C. § 2324 (e)) and contractually unallowable costs. For Contractors who are subject to regulation by a State utility regulatory body, the actual costs must also exclude the types of costs that are not normally permitted to be reimbursed by the applicable regulatory body that oversees the utility rate determinations for the business segment performing the contract. Any reasonable method of estimating such costs, including a statistical sample of Contractor costs projected to the total cost universe, is sufficient to meet this requirement. Should any unallowable costs be included in the negotiated price redetermination, the Government shall be entitled to recover the amount of those unallowable costs plus interest from the date of the redetermination until the date of the repayment in accordance with 26 U.S.C. § 6621(a)(2).

1.6.3 FAR 52.222-42: Statement of Equivalent Rates for Federal Hires (May 1989)

In compliance with the Service Contract Act of 1965, as amended, and the regulations of the Secretary of Labor (29 CFR Part 4), this clause identifies the classes of service for employees expected to be employed under the contract. This clause also states the wages and fringe benefits payable to each if they were employed by the contracting agency subject to the provisions of 5 U.S.C. § 5341 or § 5332.

This statement is for information only; it is not a wage determination.

<table>
<thead>
<tr>
<th>EMPLOYEE CLASS</th>
<th>MONETARY WAGE – FRINGE BENEFITS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>See Attachment J38 – Federal Equivalents</td>
</tr>
</tbody>
</table>
SECTION J

List of Attachments

TABLE J.1-1
Installation- and Utility-Specific Attachment to RFP

<table>
<thead>
<tr>
<th>RFP Attachment</th>
<th>Installation</th>
<th>Utility System</th>
</tr>
</thead>
<tbody>
<tr>
<td>J1</td>
<td>Fort Knox, KY</td>
<td>Water</td>
</tr>
</tbody>
</table>

Attachment J38 – Federal Equivalents
Attachment J39 – Past Performance Questionnaire
Attachment J40 – Example Completion of Schedules for FP-PPR Type Contracts (Must be used in completion of B-4)
Attachment J41 – Subcontracting Plan
Attachment J42 – Sample Bill of Sale
Attachment J43 – Sample Easement
Attachment J44 – Wage Determination
Attachment J45 – Legislative Authority
Attachment J46 – Utility Privatization Economic Analysis Support Tool (UPEAST) Proposer TAB
SECTION K
Representations, Certifications, and other Statements of Offerors

Prospective Contractors shall complete electronic annual representations and certifications at http://orca.bpn.gov in conjunction with required registration in the Central Contractor Registration (CCR) database.

52.204-8 ANNUAL REPRESENTATIONS AND CERTIFICATIONS

(a)(1) The North American Industry Classification System (NAICS) code for this acquisition is 221310 (Water Supply and Irrigation Systems).
(2) The small business size standard is $6.5 million.
(3) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.
(b)(1) If the clause at 52.204-7, Central Contractor Registration, is included in this solicitation, paragraph (c) of this provision applies.
(2) If the clause at 52.204-7 is not included in this solicitation, and the offeror is currently registered in CCR, and has completed the ORCA electronically, the offeror may choose to use paragraph (c) of this provision instead of completing the corresponding individual representations and certifications in the solicitation. The offeror shall indicate which option applies by checking one of the following boxes:
   [ ] (i) Paragraph (c) applies.
   [ ] (ii) Paragraph (c) does not apply and the offeror has completed the individual representations and certifications in the solicitation.
(c) The offeror has completed the annual representations and certifications electronically via the Online Representations and Certifications Application (ORCA) website at http://orca.bpn.gov. After reviewing the ORCA database information, the offeror verifies by submission of the offer that the representations and certifications currently posted electronically have been entered or updated within the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201); except for the changes identified below [offeror to insert changes, identifying change by clause number, title, date]. These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer.

<table>
<thead>
<tr>
<th>FAR Clause #</th>
<th>Title</th>
<th>Date</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted on ORCA.

(End of provision)
Section L

Instructions, Conditions, and Notices to Offerors

L.1 FAR 52.252-1: Solicitation Provisions Incorporated by Reference (In Accordance With FAR 52.107[a])

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The Offeror is cautioned that the listed provisions may include blocks that must be completed by the Offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the Offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer.

The full text of a solicitation provision may be accessed electronically at these addresses: http://farsite.hill.af.mil (all provisions) and http://www.arnet.gov/far.

The following FAR and DFARS clauses are incorporated by reference:

<table>
<thead>
<tr>
<th>Paragraph</th>
<th>Clause Title</th>
<th>IAW</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>52.204-6</td>
<td>Data Universal Numbering System (DUNS) Number</td>
<td>FAR 4.603(a)</td>
<td>Apr 2008</td>
</tr>
<tr>
<td>52.215-1</td>
<td>Instructions to Offerors—Competitive Acquisitions w/ Alternate II below</td>
<td>FAR 15.209(a)</td>
<td>Jan 2004</td>
</tr>
<tr>
<td>52.215-1</td>
<td>Alt II</td>
<td>FAR 15.209(a)(2)</td>
<td>Oct 1997</td>
</tr>
<tr>
<td>52.215-16</td>
<td>Facilities Capital Cost of Money — see Clause H.10</td>
<td>FAR 15.408(h)</td>
<td>Jun 2003</td>
</tr>
<tr>
<td>52.215-20</td>
<td>Requirement for Cost or Pricing Data or Information other than Cost or Pricing Data</td>
<td>FAR 15.408(l)</td>
<td>Oct 1997</td>
</tr>
<tr>
<td>52.215-20</td>
<td>Cost or Pricing Data w/ Alternate IV below</td>
<td>FAR 15.408(l)(4)</td>
<td>Oct 1997</td>
</tr>
<tr>
<td>52.222-24</td>
<td>Pre-award On-Site Equal Opportunity Compliance (Evaluation)</td>
<td>FAR 22.810(c)</td>
<td>Feb 1999</td>
</tr>
<tr>
<td>52.237-1</td>
<td>Site Visit</td>
<td>FAR 37.110(a)</td>
<td>Apr 1984</td>
</tr>
<tr>
<td>252.204-7001</td>
<td>Commercial and Government Entity (CAGE) Code Reporting</td>
<td>DFARS 204.602-70</td>
<td>Aug 1999</td>
</tr>
</tbody>
</table>

(End of provision)

L.2 Information to Offerors

L.2.1 General Information

L.2.1.1 Contractor Selection

Selection of a Contractor will be based on a best value determination consistent with the evaluation factors described in Section M, Evaluation Factors for Award. Pursuant to the provisions of the Clause at FAR 52.215-1, Instructions to
Offerors – Competitive Acquisition, the Government intends to evaluate and award a contract without discussions with Offerors (except clarifications as described in FAR 15.306(a)). Therefore, the Offeror’s initial proposal should contain the Offeror’s best terms form a cost or price and technical standpoint. The Government reserves the right to conduct discussions if the Contracting Officer later determines them to be necessary.

L.2.1.2 Point of Contact

The Procuring Contracting Officer (PCO) is the sole point of contact for this acquisition. Address any and all questions or concerns in writing to the PCO no later than 30 days prior to the Proposal Due Date.

Name: Angela Mattox, Contracting Officer
Address: 8725 John J. Kingman Road, Suite 3830; ATTN: DESC-EA
City, State, Zip Code: Fort Belvoir, VA 22060-6222
Fax: 703-767-2382
E-mail: Angela.Mattox@dla.mil

L.2.1.3 Debriefings

All Offerors may request debriefings by providing a written request to the PCO at the address located in Block 8 of Section A within 3 calendar days after receiving notification from the PCO of elimination from the competitive range or award of contract. To the maximum extent practicable, debriefings will be conducted within 5 days of the debriefing request.

If an Offeror believes that the requirements in these instructions contain an error or omission, or are otherwise unsound, the Offeror shall immediately notify the PCO in writing with supporting rationale.

L.2.1.4 Use of Non-Government Advisors

Offerors are advised that data submitted to the Government in response to this solicitation may be released to non-government advisors for review and analysis. These advisors may be required to provide advice within their area of expertise regarding proposal strengths, weaknesses, inadequacies, risks, and deficiencies. Non-government advisors will be subject to civil and criminal penalties associated with any release of information pursuant to FAR Part 3.104.

If the Offeror has any objection to non-government advisor access to their proposal information, the Offeror shall provide grounds and justification for their objections. The non-government advisors are:

C.H. Guernsey & Co., Northrop Grumman, and ManTech Information Systems & Technology Corporation

Note: The companies listed above may not assist or participate in preparation or submission of any proposal associated with this acquisition.

L.2.1.5 Site Visits and Preproposal Conferences

Pursuant to FAR 52.237-1, Site Visit, a Government site visit(s) will be scheduled (see below). All Offerors intending to submit an offer on a utility system may attend the site visit. The site visit is intended to provide prospective Offerors with adequate information to prepare proposals. Pot holing (digging up underground utilities to check/verify condition) by the attendees during the site visit will not be permitted.

In conjunction with the site visit(s), a pre-proposal conference will be held where Offerors will be given the opportunity to ask questions. Results of the pre-proposal conference will be documented and made available to all interested Offerors.
The following is the schedule for the site visits and pre-proposal conference (subject to change):

(1) Pre-proposal Conference:

<table>
<thead>
<tr>
<th>Installation</th>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fort Knox, KY</strong></td>
<td>July 22, 2008</td>
<td>1:00 pm – 4:00 pm</td>
</tr>
<tr>
<td><strong>Directorate of Public Works</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bldg 1110A, Room 121</td>
<td></td>
<td></td>
</tr>
<tr>
<td>125 6th Avenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fort Knox, KY 40121-5719</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(2) Site Visit:

<table>
<thead>
<tr>
<th>Installation</th>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fort Knox, KY</strong></td>
<td>July 23, 2008</td>
<td>9:00 am – 4:00 pm</td>
</tr>
<tr>
<td><strong>Central Water Plant</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bldg 1205</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Water Street</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NOTE: At any time, Offerors may request additional site visits through the Contracting Officer which may be provided at the discretion of the installation.

L.2.1.6 Technical Library

A Technical Library will be available from the date of the site visit until 45 days after award for Offerors to view data related to utility systems. Offerors should contact the CO to arrange entrance into the Library. The Technical Library is located at **Fort Knox, KY**. Technical Libraries will be available electronically to the maximum extent practicable. Non-disclosure agreements may be required.

L.2.1.7 Proprietary Information

Information deemed by the Offeror to be proprietary shall be clearly marked as proprietary information. Proposals submitted in response to this solicitation will not be returned.

L.2.1.8 Period of Validity

The proposal shall remain valid for **300 days** from the required submission date.

L.2.2 Number of Awards

If the Offeror is awarded multiple systems, then a single contract will be awarded for the systems. Therefore, the number of awards may be less than the number of systems listed in the RFP.

L.2.3 Protests

L2.4.1 52.233-2 Service of Protest (Sept 2006)

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the General Accounting Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from: See Block 8 of SF 33.

(b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.
L.2.4.2 AGENCY PROTESTS (SEP 1999) - DLAD

AGENCY PROTESTS (SEP 1999) - DLAD
Companies protesting this procurement may file a protest (1) with the Contracting Officer, (2) with the Government Accountability Office, or (3) pursuant to Executive Order No. 12979, with the Agency for a decision by the Activity's Chief of the Contracting Office. Protests filed with the Agency should clearly state that they are an “Agency Level Protest under Executive Order No. 12979.” (NOTE: DLA procedures for Agency Level Protests filed under Executive Order No. 12979 allow for a higher level decision on the initial protest than would occur with a protest to the Contracting Officer; this process is not an appellate review of a Contracting Officer's decision on a protest previously filed with the Contracting Officer.) Absent a clear indication of the intent to file an agency level protest, protests will be presumed to be protests to the Contracting Officer.

(DLAD 52.233-9000)

L.3 Proposal Preparation Instructions – General

This section provides general guidance for preparing proposals and proposal revisions, as well as specific instructions on the format and content of the proposal. The Offeror’s proposal must include all data and information requested by these instructions and must be submitted in accordance with these instructions.

The Government will read/evaluate only the maximum number of pages allowed. Nonconformance with the specified organization, content, and page limitations may be cause for proposal rejection.

L.3.1 Proposal Organization/Page Limits

Offerors shall prepare the proposal as set forth in the table below. The titles, contents, and page limits of each volume shall be as defined in the table below.

<table>
<thead>
<tr>
<th>Volume</th>
<th>Paragraph Number</th>
<th>Title</th>
<th>Maximum Page Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td></td>
<td>Technical Proposal (Written)</td>
<td>200 (PER SYSTEM)</td>
</tr>
<tr>
<td>II</td>
<td></td>
<td>Past Performance</td>
<td>50 (TOTAL)</td>
</tr>
<tr>
<td>III</td>
<td></td>
<td>Contract Documentation</td>
<td>None</td>
</tr>
<tr>
<td>IV</td>
<td></td>
<td>Price Proposal</td>
<td>None</td>
</tr>
</tbody>
</table>

L.3.2 Proposal Format

The proposal shall be clear and concise, and shall include sufficient detail for effective evaluation and for substantiating the validity of stated claims. The proposal shall not simply restate or rephrase the Government’s requirements, but rather provide a convincing rationale explaining how the Offeror intends to meet these requirements. Offerors shall assume that the Government has no prior knowledge of their facilities and experience, and will base its evaluation on the information presented in the Offeror’s proposal. Each volume shall be written on a stand-alone basis so that its contents may be evaluated without cross-referencing. Elaborate graphics, multi-media functions (for example, video clips or sound bites), or other embellishments are not desired.

L.3.3 Distribution

Offeror shall submit a signed original hard copy with each volume in a separate three-ring binder. The Offeror should also submit 4 electronic copies on CD for a total of 1 hard copy and 4 soft copies of the Offeror’s proposal.

L.3.4 Electronic Media

Offerors shall submit their electronic proposals on CD ROM disks. All volumes shall be submitted on one CD. With the exception of the Price Proposal, Offeror shall submit proposal files in Windows 98 or newer version format with a table of contents (roadmap) of the proposal structure. The minimum requirement for hypertext link is a table of
contents linked to each file provided in the proposal. Additional hypertext links within the proposal are at the Offeror’s discretion.

The Price Volume shall be submitted in application-specific files developed and saved using the following versions of Microsoft software: Windows 98 or newer version.

Electronic proposal files should be no more than four megabytes (4MB) in size. Offeror's are encouraged to refrain from incorporating detailed graphic items (other than any plans or drawings) as they are not required or desired. Any scanned documents incorporated into an Offeror's proposal shall be split into multiple files so that each individual file is no more than 4MB. If multiple files are required for a given volume, Offerors shall organize their electronic submission so that each volume is contained in a separate directory. Each CD shall contain an electronic label, which is to be established on the CD when the CD is formatted. No password-protected, zipped, or self-extracting files shall be used.

Each offeror shall provide virus free CDs and shall certify that they are virus free. Offerors are reminded that if the hard copy version contains restrictive legends the CD shall contain the same markings.

L.3.5 Pages and Typing

Page size shall be 8½ by 11 inches (Windows 98 or newer version portrait format) or 11 by 8½ inches (Windows 98 or newer version landscape format). Landscape pages may be used only for large tables, charts, graphs, and diagrams, not for pages of text. Page size 11 by 17 inches may only be used for tables, figures/diagrams, illustration/drawings, and maps. Pages sized 11 by 17 inches will be counted as two pages.

Text shall be single-spaced in 11-point font. Font size of 10 point may be used for tables, captions, matrices, maps, and header and footer information. For charts, graphs, and figures/diagrams, the font shall be no smaller than 5 point. Use at least 1-inch margins on the top and bottom and 1-inch side margins. Pages will be numbered by section within each volume. These page format restrictions shall also apply to responses to any correspondence provided during the negotiation process.

Page limitations shall be treated as maximums. If exceeded, excess pages will not be read or considered in the evaluation of the proposal.

Each page shall be counted except for the following: cover pages, table of contents, cross-reference matrix, tabs, glossaries, and attachments (tariffs, statutes, operating manuals, performance specifications, etc).

L.3.6 Cost or Pricing Information

All cost or pricing information, except that described below, shall only be addressed in the price proposal. Cost trade-off information, work-hour estimates, and material kinds and quantities may be used in other volumes as appropriate to support design and trade-off decisions.

L.3.7 Proposal Structure

Each section or part of the Offeror’s proposal shall clearly identify the specific solicitation requirements it addresses.

L.3.8 Cross-Reference Matrix

The Offeror shall provide a cross-reference matrix. The purpose of this matrix is to aid the Government’s evaluation of the proposals, thereby ensuring no requirements have been overlooked. Offerors shall cross reference the offer and Section C, Description/Specifications/Work Statement, to where each is addressed.
L.3.9 Glossary of Abbreviations and Acronyms

The Government recommends that each volume contain a glossary of abbreviations and acronyms. Glossaries will not count against the page limitations for their respective volumes.

L.3.10 Documents Incorporated by Reference

Offerors may incorporate by reference documents such as statutes, tariffs, operating manuals, performance specifications, etc. within the proposal volumes. However, the full text documents shall be provided in a separate volume to the proposal.

L.3.11 Proposal Revisions

When submitting revised proposals Offerors shall submit changes in accordance with the following:

1. Proposal revisions shall be submitted as one original paper copy as well as 1 extra hard copy and 4 electronic copies on CD ROM disks, 2 with changes shown and 2 with changes accepted.

2. In the upper right corner of each revised page, include the Offeror’s name, exact location (volume, section, page number, etc.) within the original proposal, and date of transmittal.

3. Changes shall be marked by a change bar in the margin to indicate the changed part of each page.

4. If the revision exceeds one page, each page shall be marked with the page number it is replacing and a numerical or alphabetical extension (i.e. 93-a...93-d).

5. For each deleted page, a blank page shall be submitted denoted with “page intentionally left blank” and the original page number.

L.4 Proposal Preparation Instructions – Volume I: Technical Proposal

The Technical Proposal Volume must be specific and complete. A separate Volume I must be submitted for each type of utility system included in the proposal. For proposals that include the same type of utility system on more than one Installation a single volume may be submitted. However, Offerors shall specifically address Installation and any Government specific requirements and system deficiencies as part of the volume.

The technical proposal shall describe the Offeror’s capability to provide the level of utility service required by this contract. It should be specific and complete in every detail. Proposals that merely offer to provide service in accordance with Section C, Description/Specifications/Work Statement, will be considered technically unacceptable and may not be considered further.

The technical proposal shall specifically address each of the Technical Capability sub-factors.

The Technical Capability sub-factors are:

1. Service Interruption/Contingency and Catastrophic Loss Plan
2. Operations and Maintenance Plan/Quality Management Plan
3. Initial System Deficiency Corrections and Initial Renewals and Replacements Plan
4. Operational Transition Plan
5. Financial Strength
L.4.1 Subfactor 1: Service Interruption/Contingency and Catastrophic Loss Plan

Offeror shall submit a Service Interruption/Contingency and Catastrophic Loss Plan in accordance with the applicable requirements of Section C, Description/Specifications/Work Statement, Section C.7, Response to Service Interruptions/Contingencies and Catastrophes and Section C.8, Repair Response Notification Procedures. The Service Interruption/Contingency and Catastrophic Loss Plan will be incorporated into the contract at time of award.

The Service Interruption/Contingency and Catastrophic Loss Plan shall, at a minimum, address the following:

1. Defined procedures and provisions for reacting to all service interruptions.

2. Resources to be utilized in the implementation of the procedures described in the Plan including a description of the staffing and management personnel that will be available to insure prompt response to emergency situations.

3. Detailed contingency plan of action (including Government notifications).

4. Estimated response times for each type of service call (e.g., emergency, urgent, and routine).

5. Describe the procedure for handling each type of service call (e.g., emergency, urgent, routine) from notification to completion (use diagrams, Gantt Charts, flow chart, etc. if necessary).


7. Estimated time for reestablishment of permanent service.

8. Emergency Restoration Plan in the event of widespread utility outage.

9. Installation specific requirements.

10. Address possible causes for service interruptions and show how each would be handled both internally and externally by the offeror including, but not necessarily limited to, acts of God, natural disasters, human error, equipment failure, and employee strikes.

11. Catastrophic Loss Plan as required by Section H.5, Catastrophic Loss.

L.4.2 Subfactor 2: Operations and Maintenance/Quality Management Plan

Offeror shall submit an Operations and Maintenance/Quality Management Plan (Plan) in accordance with the requirements of Section C.12, Operations and Maintenance/Quality Management, of this solicitation. Regulated utilities who have submitted documents similar to the requested Plan to their State Utility Regulatory Commission may submit that documentation in lieu of the specifically requested information in this section. The Plan will be incorporated into the contract at time of award. The Plan shall describe the Offeror's operations and maintenance and quality management policies and procedures. The Plan shall propose performance standards and/or specifications for the provision of utility service.
When developing the Plan, the elements listed below (Table L-1) should be considered if applicable.

<table>
<thead>
<tr>
<th>Water System</th>
<th>Service Connection Standards and Specifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>Service Connection Standards and Specifications</td>
</tr>
<tr>
<td>Reliability</td>
<td>Exterior Backflow Prevention</td>
</tr>
<tr>
<td>Recurring and Preventative Maintenance</td>
<td>Water and Sewer Line Separation</td>
</tr>
<tr>
<td>Sampling/Analysis</td>
<td>New Construction Standards</td>
</tr>
<tr>
<td>Maintaining System Pressure</td>
<td>Commissioning Standards</td>
</tr>
<tr>
<td>Demand and Distribution Capacity</td>
<td>Color Identification and Markings</td>
</tr>
<tr>
<td>Water Storage Requirements</td>
<td>System Inspections</td>
</tr>
<tr>
<td>Fire Flow Capacity/Duration</td>
<td>Meter and Equipment Calibration</td>
</tr>
<tr>
<td>Corrosion Control (To Include Cathodic Protection)</td>
<td>Service Interruption Frequency</td>
</tr>
<tr>
<td>Minimization of Leaks and Losses</td>
<td>Operating Permits</td>
</tr>
<tr>
<td>Minimization of Water Use</td>
<td>Employee Certifications</td>
</tr>
<tr>
<td>Safety of Government Personnel and Property</td>
<td>Disaster Recovery</td>
</tr>
</tbody>
</table>

The utility system(s) shall be operated and maintained in accordance with all applicable federal, state, and local laws/regulations and the most current version of any specific requirements defined in the utility-specific attachment (Section J1). At a minimum, performance standards and/or specifications shall follow best engineering and management practices consistent with the following:

1. Electric distribution system(s): National Electric Safety Code (American National Standards Institute (ANSI)-C2), National Electrical Manufacturers Association (NEMA), National Electric Code (NFPA-70), and current reference materials published by the Institute of Electrical and Electronic Engineers (IEEE), the Illuminating Engineering Society (IES), and the Insulated Cable Engineers Association (ICEA).

2. Water distribution and wastewater collection system(s): The most recent edition of reference materials published by the American Water Works Association (AWWA), Water Environment Federation (WEF), American Society of Civil Engineers (ASCE), National Fire Protection Association (NFPA), and Factory Mutual Global.


4. Additional standards for operations and maintenance of the utility system the Offeror proposes.

Additionally, the Quality Management section of the Plan shall include, but is not limited to, the following:

1. A comprehensive narrative description of how the Offeror plans to operate and maintain the utility system(s) in a manner that will satisfy, at a minimum, the requirements in this solicitation.

2. Processes for obtaining customer feedback and translating feedback into appropriate process improvements.

3. A comprehensive narrative description of how the Offeror plans to implement a proven system of inspections or other quality assessment procedures and techniques.

4. Record keeping processes.

5. For wastewater treatment systems, an Environmental Compliance Plan from waste generation through waste discharge or disposal. This plan shall clearly define all interface points and responsibilities for transferring
materials from the wastewater system between the Government, Contractor, disposal facilities, and any regulatory bodies.

6. For each of the proposed performance standards and/or specifications, if applicable, listed in Table L-1, a description of how the performance standard and/or specification will be met.

7. Standards and specifications not established anywhere else in the solicitation.

8. Definition of the process by which Government requested facility expansions would be implemented by the Offeror.

9. Description of how the proposal satisfies the requirements related to compliance with applicable environmental, safety and OSHA laws and regulations.

10. A listing and description of opportunities for efficiencies in utility operations. Opportunities for efficiencies will consist of market based solutions to improve system utilization as well as technological enhancements. The Offeror will also identify cost savings associated with the opportunities for efficiencies included within its proposal.

11. Description of how technical information shall be managed and the means by which access will be provided to the Government and other Government Contractors.

12. Specialty skills training (if required)

13. Offeror may describe any quality awards or certifications that indicate the Offeror possesses a high-quality process for providing required services. Such awards or certifications include, for example, the Malcolm Baldrige Quality Award, other government quality awards, and private sector awards or certifications.

If relevant, regulated utilities may cite current operating standards and procedures required by the state utility regulatory commission in satisfaction of the above requirements.

L.4.3 Subfactor 3: Initial System Deficiency Corrections and Initial Renewals and Replacements Plan

Offeror shall submit an Initial System Deficiency Corrections and Initial Renewals and Replacements Plan in accordance with applicable requirements of Section C, Description/Specifications/Work Statement. An Initial System Deficiency Corrections and Initial Renewals and Replacements Plan will be incorporated into the contract at time of award.

The Initial System Deficiency Corrections and Initial Renewals and Replacements Plan shall describe in detail the purpose, scope and cost of the Initial System Deficiency Corrections and provide a detailed description of the Offeror’s procedures for identifying, financing and scheduling long-term capital renewals and SDC/Upgrades. The plan shall include, at a minimum, the following:

1. Detailed description of how the Offeror will correct all Government recognized system deficiencies of the utility system, as outlined in Section J1, together with a detailed initial Renewals and Replacement Plan. In addition, the Offeror shall provide a detailed Initial System Deficiency Correction/Connection Charges/Transition Period Schedule (B.7.4 Schedule 3) to be included with the technical proposal (without costs).

2. Identification, justification, and detailed description of any Offeror-recommended additional SDC/Upgrades and/or improvements to increase the efficiency of system operations

3. As applicable, conceptual plans for, including methods for monitoring the effectiveness of, energy efficiencies and conservation projects for purposes as defined in paragraph C.3.4, Energy and Water Efficiency and Conservation.

4. Conceptual methodology that will be used for scheduling renewals and replacements for the duration of the contract to ensure a long-term efficient level of service. In addition to the conceptual
methodology, the Offeror shall provide a detailed 50-year renewal and replacement schedule (B.7.3 Schedule 2) should be included with the technical proposal (without costs).

5. Describe in detail the Offeror's procedures for identifying, financing and scheduling long-term capital renewals and ISDC/Upgrades.

6. Description of proposed process for satisfactorily responding to requests made by the Government for system enhancements, including financing and Installation arrangements.

L.4.4 Subfactor 4: Operational Transition Plan

The Offeror shall submit an Operational Transition Plan in accordance with Section C.13, *Transition Plan*. The transition plan shall propose an adequate schedule for turnover of the facilities, equipment, permits, operation and maintenance, and other responsibilities to include any new construction, installation of meters required for utility billing, turnover of meter readings and billing responsibilities, and the process for evaluating existing employees for employment. The Operational Transition Plan should discuss any system condition that might require the Offeror to accomplish work in advance of title transfer. An appropriate remedy for the condition should be proposed as part of the Offeror’s SDC/Upgrades plan. The Operational Transition Plan shall clearly define all Offeror personnel holding authority to sign for transfer of operations and property. This shall include the name, title, and clear definition of authority or limitations in authority for each person who will sign for acceptance of final transition. The paragraphs below constitute the minimum requirements for the Operational Transition Plan. Installation and utility-specific transition items are listed in the utility-specific attachment (Section J1). In no case shall the Government sign off any transition element until the Contractor demonstrates full capability or the element is otherwise completed.

L.4.4.1 Contract Start Date

The Offeror shall propose a date on which the Offeror will assume full responsibility for the utility system(s) and for providing utility service(s) (Section F.2, *Commencement of Service*). The Offeror will also outline its plans for onsite familiarization and the transition of system operations including procedures for operation and maintenance during the transition.

L.4.4.2 Connection Requirements

The Operational Transition Plan shall include a plan and schedule for the construction of new connections, if identified in the utility-specific attachment (Section J1), or any new connections as proposed by the Offeror. The Operational Transition Plan shall include procedures for notification of any related outages.

L.4.4.3 New Meter Requirements

The Operational Transition Plan shall include a plan and schedule for installing new meters, if identified in the utility-specific attachment (Section J1) or, any new meters as may be proposed by the Offeror. All new meters required by this contract shall be installed within 30 days of the start of the performance period.

L.4.4.4 Permits and Procedures

The Government will make initial notification to state agencies regarding the termination or transfer of environmental permits and/or other items, if needed. The Operational Transition Plan shall include a plan and schedule for the transfer or acquisition of permits as required. It is essential that advanced planning occurs and the Contractor initiates the acquisition of permits within 1 week after contract award.

L.4.4.5 Inventory and Transfer Requirements

Contractor developed checklists will be the basis for the transfer of operations to the Contractor.

L.4.4.5.1 Inventory and Transfer of Facilities and Fixed Equipment
The Operational Transition Plan shall include a detailed plan, schedule, and checklist for the joint inventory of all facilities and fixed equipment, to include building structures and installed equipment.

**L.4.4.5.2 Inventory and Transfer of Non-fixed Equipment, Spare Parts, and Personal Property**

The Operational Transition Plan shall include a detailed plan, schedule, and checklist for the joint inventory of personal property transferring from the Government to the Contractor.

**L.4.4.5.3 Transfer of Manuals and Records**

The Operational Transition Plan shall include a detailed plan, schedule, and checklist for the joint inventory of all operating manuals, record drawings, plans and specifications, maintenance records, and other such information available for each utility.

**L.4.4.5.4 Joint Inventory**

The joint inventory will be completed prior to the start of the performance period. The final Easement and Bill of Sale will be amended to reflect the results of the joint inventory.

**L.4.4.6 Initial Meter Readings**

The Operational Transition Plan shall include a description and schedule for joint meter readings for secondary meters in place prior to transition.

**L.4.4.7 Authorized Personnel and Points of Contact**

The Operational Transition Plan shall clearly define all Offeror personnel holding authority to sign for transfer of operations and property. The Operational Transition Plan shall also provide Offeror points of contact (names and phone numbers) for work to be performed under the contract.

**L.4.5 Subfactor 5: Financial Strength**

Offeror(s) shall submit documentation of financial capabilities in accordance with Section M.2, *Evaluation Factors and Subfactors*. Financial capability shall demonstrate that the Offeror is in sound financial condition and has the ability to secure the necessary financing to meet the financial and capital requirements of the utility system at present and in the future. Offerors shall describe in detail their capability to finance the utility system purchase price, CIAC tax payment and capitalization principal, renewals and replacements, and SDC/Upgrades. Additionally, Offerors may describe how they will utilize other financial instruments (e.g., performance bonds, additional insurance coverage, etc.) to mitigate operational risks to the Government over the term of the contract.

At a minimum, the Offeror shall submit the following criteria for the past five years: Interest Coverage, Funds from Operation (FFO) to Interest Ratio, FFO to Total Debt Percentage, Total Debt to Total Capital Ratio (Debt Ratio), and Disaster Recovery Ratio (DRR), in order to accurately characterize the Offeror's financial condition. Offerors should also submit current bond ratings (e.g. from Moodys, Standard and Poors, or any other investment publication).

<table>
<thead>
<tr>
<th>Financial Strength Ratio Table</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
</tr>
<tr>
<td>1. Interest Coverage</td>
</tr>
<tr>
<td>2. Funds from Operation (FFO) to Interest Ratio</td>
</tr>
<tr>
<td>3. FFO to Total Debt Percentage</td>
</tr>
<tr>
<td>4. Total Debt to Total Capital Ratio</td>
</tr>
<tr>
<td>5. Disaster Recovery Ratio (DRR)</td>
</tr>
</tbody>
</table>

**DEFINITIONS:**

**Interest Coverage:** Pretax Operating Income / Gross Interest Expense
Funds From Operations (FFO): Net Income + Depreciation + Deferred Taxes + Investment Tax Credits + Allowance for Funds Used During Construction (AFUDC) + Deferrals + Other FFO Adjustments

Average Total Debt: (Long-Term Debt + Short-Term Debt) of current period / 2 + (Long-Term Debt + Short-Term Debt) of prior period / 2

Interest Expense: Gross Interest Expense as the sum of Long-Term and Short-Term interest (e.g., before any deduction for the debt portion of AFUDC)

Total Debt: Short-Term Debt + Long-Term Debt

Total Capital: Short-Term Debt + Long-Term Debt + Preferred Stock + Common Equity

Disaster Recovery Cash Requirement (DRCR): Replacement Cost New x Maximum Recovery Ratio (defined as the maximum proportion of the installation’s utility system likely to be destroyed in a disaster or catastrophe)

Maximum Proportion of Utility System able to be destroyed =

- Electric – Mostly Overhead = 75% x Utility Plant (Replacement Cost New)
- Electric – Mostly Underground = 15% x Utility Plant (Replacement Cost New)
- Natural Gas = 20% x Utility Plant (Replacement Cost New)
- Water – with Elevated Storage = 35% x Utility Plant (Replacement Cost New)
- Water – without Elevated Storage = 10% x Utility Plant (Replacement Cost New)
- Wastewater – with Treatment = 35% x Utility Plant (Replacement Cost New)
- Wastewater – without Treatment = 10% x Utility Plant (Replacement Cost New)

Disaster Recovery Ratio (DRR): DCR / Total Capital

L.5 Proposal Preparation Instructions – Volume II: Past Performance

The Offeror shall submit to the Contracting Officer its past performance information (contact references per Section J39, Past Performance Questionnaire) with its proposal. An original hard copy of the Offeror’s past performance information shall be submitted within a three-ring binder.

Offerors shall provide information for up to 6 of its largest customers about their past performance on projects of similar complexity and type as that required in the RFP for each system upon which the offeror intends to submit proposal. Offerors shall present the information requested in Attachment 1 below as part of their proposal for both the Offeror and major (over $500,000) proposed subcontractors. Past performance references and contracts submitted may include those with Federal, state, or local governments, and those with commercial or private customers of similar scope, size and complexity for efforts similar to the Government requirement. Projects cited and references should be recent (within the last 5 years of the date of the proposal). Reference information should include the name and address of the customer, primary point of contact and telephone number, and a brief description of the services and facilities provided.

If the Offeror fails to provide valid client contacts or references fail to respond, past performance references may not be considered. The Government may contact the Offeror’s references to determine customer satisfaction with the Offeror’s performance.

Offerors shall provide a list of all system acquisitions in the last 5 years or all contracts and subcontracts currently in progress, which are of similar scope, magnitude, and complexity. Contracts listed may include those entered into by the Federal Government, agencies of state and local governments and commercial customers. The list must include, as a minimum, the following:

1. Name of acquisition or project.
2. Brief description of contract or subcontract.
3. Total contract value.
5. Principal parties involved and telephone numbers.
The Offeror shall provide references for any proposed subcontractors that will be performing a significant portion of the work, and for each firm participating in a joint venture or teaming arrangement. A Standard Form 294 is a suitable alternative.

The Offeror shall provide a written statement concerning its status with any independent Federal, state, or local regulatory authority with jurisdiction over each utility service on which the Offeror is proposing. The statement should include discussion on any violations, penalties, or other enforcement actions taken against the Offeror within the last five (5) years. The Offeror should not include information on any current investigations if releasing such information would be deemed a violation of law. The statement should include the following:

1. Name of regulatory authority.
2. Address and telephone number of authority.
3. Point of contact within the authority for verification.

**L.6 Proposal Preparation Instructions – Volume III: Contract Documentation**

**L.6.1 Standard Form (SF) 33 & Representations and Certifications**

Volume III shall include the following:

1. A completed, signed and dated SF 33. The original document should be clearly marked under separate cover and should be provided without any punched holes.

2. Completed electronic annual representations and certifications at [http://orca.bpn.gov](http://orca.bpn.gov) in conjunction with required registration in the Central Contractor Registration (CCR) database. Offerors are requested to include a hard copy of their ORCA submission in Volume III.

**L.6.2 Alternate Proposals and Exceptions to Terms and Conditions**

The Government encourages the submission of alternate proposals, which add value when compared with the requirements in the RFP. If submitting an alternate proposal, provide a rationale explaining the advantages of the alternate proposal to the Government. In addition, exceptions may be taken to individual terms and conditions of the RFP. Exceptions taken to individual terms and conditions of the RFP shall be clearly identified. Each exception shall be specifically related to each paragraph and/or specific part of the RFP to which the exception is taken. Provide a rationale in support of the exception, explaining its effect in comparison with the original requirements of the RFP. This information shall be provided in the format and content of the table below. Unless included in this volume, no exceptions to terms and conditions will be assumed and any resultant contract will incorporate the terms and conditions of the RFP.

<table>
<thead>
<tr>
<th>RFP Exceptions</th>
<th>Paragraph / Page</th>
<th>Requirement / Portion</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOW, RFP Model Contract, etc.</td>
<td>Applicable page and paragraph numbers</td>
<td>Identify the requirement or portion to which exception is taken</td>
<td>Justify why the requirement will not be met or discuss reasons why not meeting the Government's terms and conditions might be advantageous to the Government</td>
</tr>
</tbody>
</table>
L.6.2.1 Waiver of Applicability of Cost Accounting Standards and Deviations from Specific Parts of Federal Acquisition Regulation (FAR) Part 31

L.6.2.1.1. CAS Waiver
Offerors subject to Cost Accounting Standards (See FAR Part 30 and FAR 52.230-1 Cost Accounting Standards Notice and Certification included in this Request for Proposal), who seek a waiver of CAS requirements as allowed by the Cost Accounting Standards Board (http://www.acq.osd.mil/ie/irm/utilities/utilitiesLawPolicyReferenceDocuments.shtml) must submit the following information in writing as part of their offer:

1. Certification that the business segment offering will not, at the time of award, be performing on any other contract that is subject to Cost Accounting Standards;
2. Disclosure of the offeror's established accounting practices for allocating costs to contracts for which CAS has been waived;
3. Certification that offer will consistently use the disclosed practices to prepare current and future pricing.

Additionally, all the following provisions must be met for a CAS Waiver to be pursued:

1. The contract type must be Firm Fixed Price (FFP), Fixed Price with Economic Price Adjustment (FPEPA), or Fixed Price with Prospective Price Redetermination (FPPPR).
2. Cost or Pricing Data as defined in the FAR was not obtained during the award process.
3. Accounting practices used must be disclosed and comply with those laid out in Clause G.4.2.
4. Contractor agrees that adjustments to contract pricing can be made by the Government if accounting practices disclosed are not used (See Clause G.4.1).
5. Any resulting contract includes FAR Clause 52.215-2.
6. For FPPPR contracts, statutorily unallowable costs and costs typically not allowed by cognizant State regulatory bodies (as applicable) are not used for price redetermination (See Clause H.5).

L.6.2.1.2. FAR Part 31 Deviation
Offerors seeking a waiver from any otherwise applicable FAR Part 31 provisions, as permitted by the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (OUSD-AT&L) deviation dated August 13, 2007 (http://www.acq.osd.mil/ie/irm/utilities/utilitiesLawPolicyReferenceDocuments.shtml), must provide the following information and the following criteria must be met:

1. FAR 31.205-20 Interest and Other Financial Costs
   a. A description as to why allowing costs otherwise disallowed by the cost principle will significantly reduce the costs to the Government under any resulting contract or price adjustment
   b. Interest costs must be directly related financial costs incurred to obtain loans or borrow capital from third-party financial institutions and are reasonable

2. FAR 31.205-41 Taxes
   a. For Federal Income Tax directly related to a Contribution in Aid of Construction (CIAC) Tax, an offer should be constructed in a manner to ensure no such tax liability is incurred. However, if, prior to award, a CIAC liability is identified, the offer shall notify the Contracting Officer and provide a written description as to why the liability exists, the amount of the liability, and why an offer cannot be structured to eliminate the tax.
   b. The allowable portion of any CIAC obligation would be limited to the portion of the actual CIAC tax attributable to the difference between:
      i. The fair market value determinations of the Government using a generally accepted valuation methodology, and
      ii. The fair market value determination of the Internal Revenue Service in assessing the tax.
   c. Please refer to Section H for CIAC obligations arising after contract award.
3. General Deviation from FAR Part 31
   a. The following criteria must be met in order for a waiver to be granted:
      i. Offeror must request a waiver from FAR Part 31, or a specific part of FAR Part 31, and
         provide a rational as to why it is in the best interest of the Government to do so.
      ii. The contract contemplated must be FPPPR and include FAR Clause 52-215-2.
      iii. The offer must be either exempt from CAS or have CAS requirements waived for the
           contract.
      iv. The business segment performing the contract may not be, at the time of contract award,
          currently performing on any other contract that is subject to the provisions of FAR Part 31.
      v. The initial fixed price and/or price redeterminations must:
         1. Meet the limitations for any deviation granted from FAR 31.205-30, Interest and other
            financial costs.
         2. Meet the limitations specified for any deviation granted from FAR 31.205-41 Taxes.
         4. If a regulated entity, exclude costs typically considered to be unallowable by the cognizant
            State regulatory body.

L.6.3 Other Required Information

L.6.3.1 Authorized Personnel
The Offeror shall provide the name, title, address, e-mail, fax, and telephone number of the company representative(s)
who can obligate the Offeror contractually. Also, identify those individuals authorized to negotiate with the
Government providing the same information requested above.

L.6.3.2 Subcontracting Plan (Large Businesses Only)
Each large business Offeror shall submit a Subcontracting Plan as part of its proposal submission (see J-11). The plan
shall be prepared in accordance with FAR 52.219-9, Small Business Subcontracting Plan and will also be reviewed
against the statutory goal applicable to all federal agencies of 23 percent commitment of total subcontracting dollars to
small businesses. Of the 23 percent, 5 percent shall be committed to Small Disadvantaged Businesses, 5 percent to
Women-Owned Small Businesses, 3 percent to HUBZone Businesses, and 3 percent to Service-Disable Veteran-
Owned Small Businesses. If the Offeror cannot meet any or all of the goals specified, complete rationale/justification
shall be provided.

Regulated public entities with a Subcontracting Plan that has been filed with the General Services Administration
(GSA) pursuant to a GSA Area-Wide contract may comply with this proposal instruction requirement by incorporating
such Subcontracting Plan by reference and including it in their initial offer.

L.6.3.3 Socioeconomic Plan
Offerors shall submit a plan that demonstrates their commitment to providing subcontracting opportunities to small
businesses (which include small businesses, small disadvantaged businesses, HUBZone small businesses, women-
owned small businesses, veteran-owned small businesses, and service-disabled veteran-owned small businesses) and
historically black colleges or universities and minority institutions. All Offerors regardless of business size are
required to provide socioeconomic commitment. Small businesses will be credited for the dollar value/percentage of
the work they perform as if the work were subcontracted to a small business concern. Work performed by a small
business in-house shall be identified in the socioeconomic plan.

SOCIOECONOMIC PLAN: In addition to any subcontracting plan required by FAR Clause 52.219-9, describe the
extent of participation of small businesses (which include small businesses, small disadvantaged businesses, HUBZone
small businesses, women-owned small businesses, veteran-owned small businesses, and service-disabled veteran-
owned small businesses) and historically black colleges or universities and minority institutions in performance of the
contract whether as a joint venture, teaming arrangement, or subcontractor. As part of this description the Offeror shall
include:
1. A description of the efforts the Offeror will make to assure that small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIIs) will have equal opportunity to compete for subcontracts under any resulting contract.

2. A description of the Offeror’s current and planned proposed range for services, supplies, and any other support that will be provided by small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIIs).

3. The specific names of subcontractors to the extent they are known.

4. A description of any future plans the Offeror has for developing additional subcontracting opportunities for small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIIs) during the contract period.

5. Identification of the portion of the Offeror’s proposal, as a percentage of dollars, that will be subcontracted to small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIIs).

6. The type of performance data the Offeror would accumulate and provide to the Contracting Officer regarding its support of small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIIs) during the period of contract performance.

7. The name and title of the individual principally responsible for ensuring company support to such firms.

L.7 Proposal Preparation Instructions – Volume IV: Price Proposal

L.7.1 Submission of Certified Cost or Pricing Data

If adequate price competition does not exist, as determined by the Contracting Officer, cost or pricing data (see FAR 15.406-2, Certificate of Current Cost or Pricing Data) may be required. In the event that cost or pricing data is required, the Offeror shall provide cost or pricing data within 30 calendar days after receipt of the Contracting Officer’s request.

L.7.2 General

The Offeror shall submit a separate schedule B (B-1, B-2, B-3 or B-4) for each utility system at each Installation included in the proposal. Refer to Section B for instructions.

L.7.3 Accounting Systems

The Offeror shall describe the accounting system proposed for this contract (see Section G).

L.7.4 Organization

Volume IV shall consist of the following sections:

<table>
<thead>
<tr>
<th>Table of Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1: Schedule B-1, B-2, B-3, or B-4 and Price Schedule Data Sheet(s) 1, 2, 3, 4, and 5 (see Section B)</td>
</tr>
<tr>
<td>Section 2: Cost Proposal, Introduction, and Pricing Assumptions</td>
</tr>
<tr>
<td>Section 3: General Estimating Methodology</td>
</tr>
<tr>
<td>Section 4: Cost Risk Assessment</td>
</tr>
</tbody>
</table>

L.7.5 Detailed Instructions for Price Proposal

Table of Contents

The Table of Contents shall specify, by page number, the location of information requested in these instructions.
Section 1 – Price Schedule B-1, B-2, B-3, or B-4
- Include a completed copy of the Price Schedule B-1, B-2, B-3 or B-4 as appropriate and in accordance with Section B.
- Include completed copies of Price Schedule Data Sheets (1, 2, 3, 4, 5) as appropriate and in accordance with Section B.
  - Schedule 5
    Provide a 50-year statement of proposed billings to the government in constant (real) dollars. At a minimum, Schedule 5 should include the following cost items on an annual basis for each of the 50 years. If a shorter contract period is proposed, the schedule need only address the number of years proposed for the contract.

System Purchase Price Credit
System Purchase Price Recovery
Operations and Maintenance Expense – Schedule 1
General and Administrative Expense – Schedule 1
Renewals and Replacement Expense – Schedule 1
Initial System Deficiency Correction Costs – Schedule 3
Transition Period Costs – Schedule 3
Other costs and/or credits proposed by Offeror – from applicable Schedule
Non-Federal Taxes and Fees – Schedule 1
Federal Income Tax – Schedule 1
Total Annual Payment by the Government

All values shown on Schedule 5 should be documented in the Offeror’s Proposal and the derivation of same should be provided in the Offeror’s Pricing Proposal and supporting documentation. It is preferred that documentation for Schedule 5 be provided in Microsoft Excel format with internal workbook logic intact. Such documentation should not require links to documents not provided as part of the Offeror’s Proposal.

Section 2 – Price Proposal, Introduction, and Pricing Assumptions
Offerors shall discuss and quantify to the extent practicable other possible long-term costs and benefits to the United States, if the conveyance affects separate contract relationships, particularly for commodities. To the extent long-term costs and benefits require the cooperation of a third party (e.g., an upstream utility that owns the exclusive physical means to deliver electrical energy, natural gas or water supplies to an installation), the Offeror shall discuss their proposed methodology for cooperation.

Section 3 – Standard Estimating Methodology
Summarize Offeror’s standard estimating system as it pertains to this acquisition. For Offerors proposing Cost Accounting Standards (CAS) compliant accounting systems as a Uniform System of Accounts (USOA); state whether or not your Disclosure Statement has been determined adequate by the cognizant Government ACO. If determined adequate, provide date of approval. Identify any outstanding CAS violations; provide status/action being taken. If exempted from submitting a CAS Disclosure Statement so state, and identify the reason for the exemption.

Section 4 – Price Risk Assessment
Submit a risk analysis that identifies price risk areas and the recommended management approach to mitigate/control the impact of those price risks on the overall success of the program. Use the sample format below:

<table>
<thead>
<tr>
<th>Cost Risk Area</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Explain the risk element</td>
<td>Explain plans to mitigate</td>
</tr>
</tbody>
</table>
SECTION M

Evaluation Factors for Award

M.1 Basis for Contract Award

In accordance with 10 U.S.C. § 2688, utility privatization award can only be made if (1) the long-term economic benefit of the conveyance to the United States exceeds the long-term economic cost of the conveyance to the United States, and (2) the conveyance will reduce the long-term costs of the United States for utility services provided by the utility system concerned. These criteria must be met for each separate utility system.

A contract will be awarded to the Offeror who is deemed responsible in accordance with FAR 9.1, whose proposal meets the criteria described in the above paragraph, and whose proposal is determined to represent the best value to the Government based on the evaluation factors listed below. The lowest priced proposal may not necessarily receive the award; likewise, the highest rated technical proposal may not necessarily receive the award.

M.2 Evaluation Factors and Sub-factors

The five evaluation factors are Technical Capability, Past Performance, Risk, Socioeconomic Plan and Price. The evaluation factors and sub-factors are as follows:

Factor 1: Technical Capability: The five sub-factors are approximately equal to each other in terms of importance.

Sub-factor 1: Service Interruption/Contingency and Catastrophic Loss Plan: Will be evaluated for the degree to which it ensures an appropriate, efficient and effective response to service interruptions and contingencies and catastrophic system losses.

Sub-factor 2: Operations and Maintenance Plan/Quality Management Plan: Will be evaluated for the degree to which it ensures appropriate, efficient and effective operation and maintenance of the utility system(s) and a superior level of quality.

Sub-factor 3: Initial System Deficiency Corrections and Initial Renewals and Replacements Plan: Will be evaluated for the degree to which it supports the long-term ability of the utility system(s) to provide utility service(s).

Sub-factor 4: Operational Transition Plan: Will be evaluated for the degree to which it will ensure an effective and efficient transition.

Sub-factor 5: Financial Strength: Will be evaluated for stability and adequacy to satisfy the long-term capital requirements for owning, operating, and maintaining the utility system(s). This is to be reflected in documented evidence that the Offeror is in sound financial condition and has the ability to secure the necessary financing now and in the future.
Factor 2: Past Performance: Will be evaluated based on the degree to which current and previous (within the past 5 years) contract efforts indicate the probability of the Offeror successfully accomplishing contract requirements throughout the performance period. The currency and relevancy of the information, source of the information, context of the data, and general trends in Offeror’s performance will be considered.

In the case of an Offeror without a record of relevant past performance or for whom information on past performance is not available, the Offeror will not be evaluated favorably or unfavorably on past performance. However, a higher rating may be achieved if the Offeror proposes management personnel who have a successful record of performance on relevant and recent contracts, or if a proposed subcontractor (who will be performing a significant portion of the work) has a "very good" or better performance history on relevant and recent contracts.

Offerors are advised that the Government may use information gained from any source known to the Government to evaluate past performance, provided such information is recent (within the past 5 years). However, the Government reserves the right to only consider the Contractor's performance under Government or DESC contracts. If any past performance information provided by the Contractor is utilized in evaluating the Offeror's proposal, a past performance questionnaire will be utilized to contact references and rate proposals.

Factor 3: Risk: Will be evaluated using the following Sub-factors, which are approximately equal in importance to each other.

Sub-factor 1: Performance: Proposals will be evaluated on the degree to which award of a contract would present a risk of degradation of the quality of utility service(s).

Sub-factor 2: Assurance of Long-term Price and Service Stability: Proposals will be evaluated on the degree to which long-term price and service stability are enhanced as a result of regulation by an independent federal, state or local regulatory authority with jurisdiction over the applicable utility service.

Sub-factor 3: Cost Realism: A cost realism analysis will be performed in accordance with FAR 15.404-1(d)(3). Realism will be based on an evaluation of the information provided in support of the offered price to determine if the prices reflect a clear understanding of the requirements; are consistent with the various elements of the offer's technical proposal; are not unbalanced; and are neither excessive nor insufficient for the effort to be accomplished. Reasonableness will be determined based on prices submitted by the competition, current market conditions, and comparison to the Government estimate, as appropriate.

Sub-factor 4: Other possible long-term costs and benefits to the United States may be considered, especially if the conveyance affects separate contract relationships, particularly for commodities.

Factor 4: Socioeconomic Plan: Will be evaluated based on the degree to which an Offeror's proposal demonstrates the commitment to use, in performance of the offered requirements, Small Businesses (which include Small Businesses, Small Disadvantaged Businesses, HUBZone Small Businesses, Women-Owned Small Businesses, Veteran-Owned Small Businesses, and Service-Disabled Veteran-Owned Small Businesses) and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MLIs).

NOTE: The Offeror’s proposal for socioeconomic support will be made a part of any resulting contract for use in determining how well the Contractor has adhered to its socioeconomic plan.

Factor 5: Price: The total evaluated price will be a consideration in the final source-selection decision.

For Price Schedule B-1, the total evaluated price (Price Schedule and Price Schedule Data Sheets, as applicable) will be the net present value of the stream of monthly payments the Government is expected to make to the Contractor over the 50-year contract period. Each monthly payment will be calculated by crediting the total monthly payment (the Applicable Tariffs including ISDCs/Connection charge(s) and initial renewals and replacements and the recoverable portion of the purchase price expressed in the price proposal) by the purchase price CLIN 0001. Present values will be calculated using the discount rate specified in Appendix C of OMB Circular A-94 (current issue at the time proposals are due).
For Price Schedules B-2, B-3, and B-4, the total evaluated price (Price Schedules and Price Schedule Data Sheets, as applicable) will be the net present value of the stream of monthly payments the Government is expected to make to the Contractor over the 50-year contract period. Each monthly payment will be calculated by crediting the total monthly payment (the Utility Service Charge including applicable ISDCs and initial renewals and replacements and the recoverable portion of the purchase price) by the purchase price CLIN 0001. Present values will be calculated using the discount rate specified in Appendix C of OMB Circular A-94 (current issue at the time proposals are due).

M.2.1 Order of Importance for Evaluating Factors and Sub-factors:

In accordance with 10 U.S.C. § 2688, authority to privatize a utility system is subject to the action being in the long-term economic interests of the United States Government. That is, the long-term economic benefits must outweigh the long-term economic costs for conveyance to occur (Section M.3, Comparison of Offered Prices with the Government Should-Cost Estimate). Before a best-value decision can be made, Offerors must comply with the basic economic test of 10 U.S.C. § 2688. Based on this result, the following factors and sub-factors will then be evaluated.

Technical Capability, Past Performance, and Risk are of approximately equal importance. Socioeconomic Plan is somewhat less important than Technical Capability, Past Performance and Risk. When combined, Technical Capability, Past Performance, Risk, and Socioeconomic Plan are significantly more important than Price. Technical Capability and Risk will be evaluated at the Sub-factor level. Under Technical Capability, Sub-factors 1, 2, 3, 4, and 5 are of approximately equal importance. Under Risk, Sub-factors 1, 2, 3, and 4 are of approximately equal importance.

M.3 Comparison of Offered Prices with the Government Should-Cost Estimate

In accordance with 10 U.S.C. § 2688, authority to privatize a utility system is subject to the action being in the long-term economic interests of the Government. To determine whether that criterion is met, the Government will use the CLIN data in Schedule B-1, B-2, B-3 or B-4 to develop a projected 50-year cash flow. Present values will be calculated at the discount rate specified in Appendix C of the Office of Management and Budget (OMB) Circular A-94 that is current at the time proposals requested herein are due.

The economic analyses conducted will be done in accordance with OMB Circular A-94, Department of Defense Instruction 7041.3, and DEPSECDEF Guidance on Utilities Privatization dated October 9, 2002.
<table>
<thead>
<tr>
<th>Question #</th>
<th>Area / Topic</th>
<th>Question</th>
<th>Document(s) / Answer Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Water Treatment</td>
<td>Can a copy of current CO2 agreement with contractor be provided?</td>
<td>Agreement</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Are there special requirements / approvals to repair or modify historical buildings on post and do the WTP's buildings or Otter Creek pump station qualify as historic buildings?</td>
<td>Yes or No, list of requirements</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Can a copy of laboratory services contract be provided?</td>
<td>Agreement</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Can a copy of any chemical supply contracts be provided?</td>
<td>Agreement</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Can a list of chemical feed equipment capacities be provided for each WTP?</td>
<td>Specifications</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>How many, if any, of the existing sludge lagoons on post be available to contractor? or, will all sludge have to be disposed off post?</td>
<td>Yes / No Number</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>The RFP requires the WTP's be operated to produce hardness between 100 and 110 (Page J1-8), but recent MOR's show hardness between 142 and 177. Is the RFP range the acceptable range or the current operations output range?</td>
<td>Which range?</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>Referring to question above, are the WTP's currently capable of meeting the lower hardness range listed in RFP?</td>
<td>Yes / No</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>J1.3.28 - If an alternate with advanced treatment is proposed (ozone, reverse osmosis), would the energy cost to operate those be considered &quot;reasonable&quot; and provided at no cost to contractor by the Government?</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Question #</td>
<td>Area / Topic</td>
<td>Question</td>
<td>Document(s) / Answer Requested</td>
</tr>
<tr>
<td>------------</td>
<td>-------------</td>
<td>--------------------------------------------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>10</td>
<td></td>
<td>Can we receive a copy of the IDSE Plan, Stage 2, Disinfection By-products Requirements plan filed with EPA?</td>
<td>Yes / No, Copy</td>
</tr>
<tr>
<td>11</td>
<td></td>
<td>Provide dimensions of 2 MG clearwell at Central WTP</td>
<td>Specifications</td>
</tr>
<tr>
<td>12</td>
<td></td>
<td>Is there any documentation that can be provided of results of clear-well internal inspections by FK personnel be provided?</td>
<td>Yes / No, Copy</td>
</tr>
<tr>
<td>13</td>
<td></td>
<td>Are there any technical drawings of the WTP’s (did not see any in technical library)</td>
<td>Yes / No, Copy</td>
</tr>
<tr>
<td>14</td>
<td></td>
<td>Are there any electrical schematics or power distribution drawings of the WTP’s (did not see any in technical library)</td>
<td>Yes / No, Copy</td>
</tr>
<tr>
<td>15</td>
<td></td>
<td>Can monthly data for sludge production for each WTP be provided?</td>
<td>Yes / No, Data</td>
</tr>
<tr>
<td>16</td>
<td>Raw Source</td>
<td>Is the McCracken Spring pipe over Otter Creek, above dam, carrier bridge and bridge supports included as part of assets to be transferred?</td>
<td>Clarification</td>
</tr>
<tr>
<td>17</td>
<td></td>
<td>Is the intake structure / bar screen attached to dam at Otter Creek pump station part of assets to be transferred?</td>
<td>Yes / No</td>
</tr>
<tr>
<td>18</td>
<td></td>
<td>On list of Government identified deficiencies, the line between Otter Creek Pump Station and Central WTP is listed as 14,437 If, but elsewhere appears to be 26,400 If - please confirm correct length</td>
<td>Clarification</td>
</tr>
<tr>
<td>19</td>
<td></td>
<td>Can a copy of the hydraulic model completed by PDR Engineering in mid-1990's be provided, if the Government still has a copy of the data? (list of nodes, input and output data)</td>
<td>Hard copy or digital data</td>
</tr>
<tr>
<td>20</td>
<td></td>
<td>Can a list be provided of when each West Point well was last re-developed or cleaned?, by well number (excluding pump / controls repairs)</td>
<td>List</td>
</tr>
<tr>
<td>Question #</td>
<td>Area / Topic</td>
<td>Question</td>
<td>Document(s) / Answer Requested</td>
</tr>
<tr>
<td>------------</td>
<td>-----------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>21</td>
<td></td>
<td>Are there any available stream gaging or actual streamflow records available for Otter Creek and McCracken Spring?</td>
<td>Data</td>
</tr>
<tr>
<td>22</td>
<td></td>
<td>What are the source withdrawal permit amounts for Otter Creek and McCracken Spring?</td>
<td>Amounts</td>
</tr>
<tr>
<td>23</td>
<td>Distribution System</td>
<td>Can we receive a copy of list of inoperable fire hydrants, or current list of repairs required to hydrants?</td>
<td>List</td>
</tr>
<tr>
<td>24</td>
<td></td>
<td>Is there a set minimum fire flow required from all hydrants, and a minimum residual pressure required, per Ft. Knox Fire Department?</td>
<td>Minimum amount</td>
</tr>
<tr>
<td>25</td>
<td></td>
<td>Can a list of any PRV stations be provided, and if so, at what locations?</td>
<td>List</td>
</tr>
<tr>
<td>26</td>
<td></td>
<td>Is there a minimum static pressure to be delivered at each delivery point, or within a building, or do KDOW limits apply?</td>
<td>Minimum amount</td>
</tr>
<tr>
<td>27</td>
<td></td>
<td>Tank #3 - Are plans underway to re-paint this tank before turnover, if yes, what level of re-painting or repairs are planned?</td>
<td>Yes / No Explanation</td>
</tr>
<tr>
<td>28</td>
<td></td>
<td>Is there a standard logo, size and color that must be placed on all storage tanks after painting?, and, would cost of that logo be borne by contractor or by Government? (for only tanks that do not currently have logos on them)</td>
<td>Yes / No Explanation</td>
</tr>
<tr>
<td>29</td>
<td></td>
<td>If logos are required on new tank painting, would external lighting also be required and would that cost be borne by the contractor or Government? (for only tanks that do not currently have logos &amp; lighting on them)</td>
<td>Yes / No Explanation</td>
</tr>
<tr>
<td>30</td>
<td></td>
<td>Can a copy of all cell tower / antenna leases be provided showing expiration date, name of company and tank location? (can redact the lease amount)</td>
<td>Agreements</td>
</tr>
<tr>
<td>Question #</td>
<td>Area / Topic</td>
<td>Question</td>
<td>Document(s) / Answer Requested</td>
</tr>
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</tr>
<tr>
<td>31</td>
<td></td>
<td>What would be the latest date that bidders would know how many, if any, Government employees would be available for hire? and, would this be before or after bid award?</td>
<td>Date Yes / No</td>
</tr>
<tr>
<td>32</td>
<td>General</td>
<td>Can a list of all maintenance related external contractor names be provided who are currently servicing water related equipment be provided? (do not need to know contract amount, just name and service provided)</td>
<td>List</td>
</tr>
<tr>
<td>33</td>
<td></td>
<td>Are internal building fire suppression systems, piping, backflow equipment, pumps, valves, controls and external pumper connections considered part of this privatization?</td>
<td>Clarification</td>
</tr>
<tr>
<td>34</td>
<td></td>
<td>J1-2.1 - Are the Government useful lives (page J1-5) for assets to be used for determining the repair and replacement schedule, or should the contractor use its own or industry standard lives for developing this schedule?</td>
<td>Clarification</td>
</tr>
<tr>
<td>35</td>
<td></td>
<td>Can a copy of the Installation Design Guide for new building constructed by the contractor?</td>
<td>Guide Book / Specifications</td>
</tr>
<tr>
<td>36</td>
<td></td>
<td>Will the past &quot;mobilization demand&quot; of 10.5 mg/d still be required by the contractor in the future, regardless of deployable units stationed at Ft. Knox?</td>
<td>Clarification</td>
</tr>
<tr>
<td>37</td>
<td></td>
<td>Can a list of any KDOW violations in last five years be provided (potable water system only)?</td>
<td>List</td>
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<td>38</td>
<td></td>
<td>Does Ft. Knox have any projections for on-post population after BRAC changes are completed?</td>
<td>Data</td>
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<tr>
<td>39</td>
<td></td>
<td>Can a copy of any master maps, map books, paper maps of the water system be provided that are currently used by DPW operations employees?</td>
<td>Copies</td>
</tr>
<tr>
<td>Question #</td>
<td>Area / Topic</td>
<td>Question</td>
<td>Document(s) / Answer Requested</td>
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<tr>
<td>40</td>
<td>C.5.1.5 -</td>
<td>C.5.1.5 - Refers to delivering drawings to Government on CADD-CAM disks. What format is required for these drawings?</td>
<td>Specifications</td>
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<tr>
<td></td>
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</tr>
<tr>
<td>41</td>
<td></td>
<td>What software or platform does the Government use for CAD and GIS data or drawings?</td>
<td>Specifications</td>
</tr>
<tr>
<td>42</td>
<td></td>
<td>J1.3.9 - Will on-site surveying be allowed in the development of aerial photography or collection of &quot;relevant planimetric features&quot;</td>
<td>Yes / No</td>
</tr>
<tr>
<td>43</td>
<td></td>
<td>J1.3.9 - For item &quot;c&quot;, which zone of KY State Plane Coordinate system is to be used? (North, South or single?)</td>
<td>Specifications</td>
</tr>
<tr>
<td>44</td>
<td></td>
<td>J1.2 - Are there any other specific facility attribute features available other than those listed in tables under J1.2?</td>
<td>Yes / No List</td>
</tr>
<tr>
<td>45</td>
<td></td>
<td>What percentage of Ft. Knox water system is already mapped, and will this be made available to contractor after turnover and would this be hardcopy or digital, and to what estimate of accuracy?</td>
<td>List Type</td>
</tr>
<tr>
<td>46</td>
<td></td>
<td>Do the SDSFIE specifications require adherence to a specific data model / schema that is already in place, or can one be developed by the contractor that is also SDSFIE compliant?</td>
<td>Yes / No Specification</td>
</tr>
<tr>
<td>47</td>
<td></td>
<td>Is there a standard map grid and mapping scale already in place to which all hardcopy mapping must conform, or would that be developed by the contractor?</td>
<td>Yes / No Specification</td>
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<tr>
<td>48</td>
<td></td>
<td>Will all reimbursable customers, located on post, who pay the Government a water bill, continue to do so, or, will the contractor be required to develop separate water rates and bill those customers directly?</td>
<td>Yes / No Clarification</td>
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<tr>
<td>Question</td>
<td>Area / Topic</td>
<td>Question</td>
<td>Document(s) / Answer Requested</td>
</tr>
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<td>-----------------------------------------------------------------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>49</td>
<td></td>
<td>Reference question above - Will the contractor required to begin reading meters and billing reimbursable customers on post? (assuming those rates and revenues will stay with the Government)</td>
<td>Yes / No</td>
</tr>
</tbody>
</table>
Questions for Harden County

1. We would like to review the basis for rate charges being used for the wastewater utility.

2. Will Harden County want to charge depreciation and return? Presumably so. If so, we need depreciation periods for various components. We may also want to recognize that depreciation periods for ratemaking purposes are shorter than the actual useful lives that we will want to include in the Renewal and Replacement Plan.

3. Number of months Harden County would like to take to pay the purchase price? (This could be based on a nominal interest rate of 4.1 to 4.9 percent, depending on the term. But it will be discounted at a 4.9% rate. So if Harden County would like to finance it at 5.0 percent or above, it will look good in UPEAST. In that case, it would make sense to amortize the purchase price for as long of a term as is practicable.)

4. Would Harden want to charge its standard rates rather than create a new rate schedule? That would require metering at each building. It would also seem prudent to check the cost competitiveness of such rates, on one hand, and ability to fully recover costs, on the other hand.

5. Include Initial System Deficiency Corrections/Connection Charges (ISDC/CC) in Harden County’s tariff or keep as a separate charge? The ISDC/CC schedule assumes a cash basis for cost recovery. So, if it will be set as a separate rate item (i.e. separate from the basic tariff), it looks like it would need to be done on a cash basis.

6. Thoughts on transition cost amortization period? Discount rate for it will be 4.9 percent. So, if Harden County has a higher cost of capital than 4.9 percent, it would want to keep the amortization period to a minimum.

7. Need G&A allocation basis. What is being used for the wastewater privatization cost?

8. Conservation: Want to propose incentive payments?

9. Initial construction period where rate base is built up. Need strategy. Perhaps have separate ISDC/CC that automatically is triggered when complete and then rolled into tariff in next rate hearing. How was this handled for the wastewater utility.

10. How was rate base defined for the wastewater utility? How was it allowed to build up during the ISDC/CC period without regulatory lag affecting Harden County’s return?

11. Approach to depreciation. Should the acquired system be treated as a single asset or broken down by components? This would require filing an exhibit of system value and remaining life for the system as a whole or for each component depending on approach. What was done with the wastewater system?

12. How should we treat depreciation and return in Schedule 5.

B. Overall Strategic Questions
1. Will both Harden County and LWC be subject to regulation? Will we need for both to say that their rates will be regulated by the Kentucky commission?

Questions for DESC

1. Schedule B-1: CLIN 0001 requires one dollar amount for the Applicable Tariff. Will this be equal to the sum of all costs included in Schedule 5, excluding the purchase price credit?
1. Why is the Army terminating the lease of the three HCWD No. 1 wells in the West Point Well Field before the successful contractor can implement system modification and ISDC projects?

Answer: The HCWD #1 wells are operated under a lease agreement that is contingent on Fort Knox selling water to HCWD #1. Fort Knox has issued notice to HCWD #1 to terminate the water sales agreement effective 29 Sept 2010. HCWD #1 will retain ownership of the three wells after the termination date. Please note these wells are not listed as part of the asset inventory in the RFP.

2. Is the Army willing to extend the lease of the three HCWD No. 1 wells in the West Point Well Field until the contractor can evaluate and implement a long term supply solution?

Answer: No. Due to the rising chloride levels in the Fort Knox production wells. The Army is not in the business of selling water to other systems.

3. Why is the Army terminating the lease with HCWD No. 1 for the 14-inch DI raw water line before the successful contractor can implement system modification and ISDC projects?

Answer: See answers to questions 1 & 2.

4. Is the Army willing to extend the lease of the HCWD No. 1 14-inch DI raw water line until the contractor can complete these projects?

Answer: See answer to question 2.

5. Is the Army willing to maintain all the leases currently in effect until the contractor and the Army review the hydraulic model and determine the best life cycle value for Fort Knox’s long term supply and distribution?

Answer: No.

6. Will the decommissioning and demolition of the Muldraugh WTP be handled through a contract modification, or should related costs be included in the proposal?

Answer: Prospective offerors shall include all costs related to the Muldraugh WTP in their proposals. Reference RFP Attachment J1-10, paragraph 2. See also Question 14.

7. If the successful privatization contractor is not HCWD #1, what aspects of the potable water purchase agreement does the Army envision the contractor to be involved?

Answer: The purpose of the utility privatization contract is to turn over the assets listed in the RFP for the utility privatization contractor to own, operate and maintain. The utility privatization contractor may offer an alternate proposal to supply water.
8. Will locally purchased potable water be required to meet the current Muldraugh WTP finished water specifications?

Answer: It should meet the Muldraugh WTP Standards as closely as possible, be economical to purchase, and be acceptable to Fort Knox for consumption and use in heating and cooling systems. It must meet all safe drinking water standards and be balanced using the Langlier Index.

9. What additional treatment is required to make locally purchased potable water acceptable to meet the current Muldraugh WTP finished water specifications?

Answer: The answer is unknown. It is up to the offerors to recommend alternate proposals.

10. What is the pipe distance for the three most reasonable interconnections between the Fort Knox system and the HCWD #1 system?

Answer: The answer is unknown. Currently there are two connections to provide water only from Fort Knox to HCWD #1. These are one way connections.

11. What timeframe should the contractor assume for the Army to complete negotiations, right-of-way, permitting, construction and start-up of the interconnection(s)?

Answer: The timeframe is unknown since no decision has been made on where our source of water will come from.

12. Do any of these currently envisioned interconnections utilize currently leased assets?

Answer: Only Fort Knox assets that are available to be used are listed in the RFP.

13. Will the West Point Well Field need to be maintained after the Muldraugh WTP is decommissioned? If so, which wells?

Answer: Yes. Wells 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, and 17.

14. How should the five years of operating costs for the Muldraugh WTP be shown in the RFP, since these expenses will discontinue?

Answer: The Government requests that the Operation and Maintenance (O&M) costs for the Muldraugh WTP be separately identified in Schedule 3. Offerors should use a project name similar to “Muldraugh WTP O&M – Year X” for each of the 5 years of service. If the alternate potable water source is provided in less than 5 years, then the contract will be modified to remove the remaining years and/or months.
15. When were the small impoundment and dam structures feeding the Otter Creek PS most recently dredged?

Answer: Otter Creek – 2008

McCracken Springs – 2007

16. How does the Army coordinate the operation of the wells in the West Point Well Field with HCWD No. 1 to control chloride contamination of HCWD’s wells?

Answer: All the wells have some elevated chloride levels some are higher than others. The wells are rotated and spaced according to operation. There is no coordination with HCWD #1 concerning their wells.

17. After contract award, will the successful contractor be permitted to move water through the Fort Knox system for its own use?

Answer: Please reference RFP Section C.4.1. Use of Distribution Systems to Serve Areas Out-side the Installation Service Area.

18. Is the Central WTP ever switched to ground water due to low flow in Otter Creek or McCracken Spring? If so, how often?

Answer: Yes, during dry periods. On average it is estimated about 3 months per year.

19. On average, how many times per year is the Central WTP switched to ground water for more the one day due to undesirable surface water?

Answer: Approximately 30% of the time.

20. Is the Central WTP building a historic building?

Answer: Yes. Building 1205 is historic. Any and all changes or modifications must be approved by Fort Knox DPW.

21. The four sludge lagoons at the Muldraugh WTP are included in the privatization, but three are filled to capacity. Will Fort Knox allow all the lagoons to be cleaned and all solids trucked to the Installation landfill during the first two years?

Answer: No, the Fort Knox landfill is only permitted as a construction debris landfill. This sludge is considered a special waste and could be hauled to a sanitary landfill or possibly land applied with approval from the Fort Knox DPW or properly disposed of off post.

22. Are the results of the Central WTP clear well evaluation available yet?

Answer: There is no evaluation. Fort Knox is not conducting or funding an evaluation of the Central WTP clear well.
23. Will the current water purchase arrangements for the Range areas with each individual supplier remain in effect after the privatization?

Answer: Yes. The purchase agreements are included in the technical library. Fort Knox will continue to pay the bill for the water consumed from those suppliers. The utility privatization contractor will be responsible for the maintenance of the lines in these areas.

24. Section L.4.5 of the RFP requires that the Disaster Recovery Cash Requirement (DRCR) be calculated as the numerator for the Disaster Recovery Ratio. For the DRCR calculation, Replacement Cost New value of "Utility Plant" is required. Is that referring to the utility plant at Fort Knox or is it referring to the utility plant currently owned by the prospective purchaser?

Answer: The Replacement Cost New value of “Utility Plant” refers to the utility plant at Fort Knox.
<table>
<thead>
<tr>
<th>Question #</th>
<th>Area / Topic</th>
<th>Question</th>
<th>Document(s) / Answer Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>52</td>
<td>Financial Info Required</td>
<td>Section L.4.5 of the RFP requires that the Disaster Recovery Cash Requirement (DRCR) be calculated as the numerator for the Disaster Recovery Ratio. For the DRCR calculation, Replacement Cost New value of &quot;Utility Plant&quot; is required. Is that referring to the utility plant at Fort Knox or is it referring to the utility plant currently owned by the prospective purchaser?</td>
<td>Clarification</td>
</tr>
<tr>
<td>Item Type and Variable Annotation</td>
<td>Year 1</td>
<td>Year 2</td>
<td>Year 3</td>
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<td><strong>Revenue and Income Statement</strong></td>
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<td><strong>Operating Revenues</strong></td>
<td>$2,312,419</td>
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<td>$2,397,370</td>
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<td>$2,296,810</td>
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<td><strong>Depreciation and Amortization</strong></td>
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<td>$14,500</td>
<td>$15,500</td>
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<td><strong>Taxes Payable</strong></td>
<td>$5,500</td>
<td>$6,500</td>
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<td><strong>Additional Paid-in Capital</strong></td>
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<td>$11,000</td>
<td>$12,000</td>
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<td><strong>Shareholders' Equity</strong></td>
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<td>$160,000</td>
<td>$170,000</td>
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<td><strong>Total Assets</strong></td>
<td>$300,000</td>
<td>$310,000</td>
<td>$320,000</td>
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**HCWID Radcliff Sewer Utility - Financial Model**

**Notes:** The financial model is a projection of the revenue and expenses for the Radcliff Sewer Utility over a 12-year period, with a focus on the operating revenues and expenses, net income, and shareholders' equity. The model includes detailed financial data and projections, with a clear presentation of the financial statements for each year. The model is designed to help stakeholders understand the financial health and future projections of the utility.
Harden County Water District No. 1
Financial Strength Ratio Calculations

<table>
<thead>
<tr>
<th>Factors</th>
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<td>2006</td>
<td>2005</td>
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<tr>
<td>Interest Coverage</td>
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<td>Other FFO Adjustments</td>
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<td>Average Total Debt</td>
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<td>Long Term Debt--Current</td>
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<td>13,031,644</td>
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<td>28,325,864</td>
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<td>Water Utility Plant (RCN)</td>
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<td>% Maximum Proportion of Utility System able to be destroyed</td>
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<td>35.0%</td>
<td>35.0%</td>
<td>35.0%</td>
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<td>Disaster Recovery Cash Requirement</td>
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<td>5. Disaster Recovery Ratio</td>
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Harden County Water District No. 1
Financial Strength Ratio Table

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<th>Projected</th>
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<tr>
<td></td>
<td>2008</td>
<td>2007</td>
<td>2006</td>
<td>2005</td>
</tr>
<tr>
<td>1. Interest Coverage</td>
<td>#DIV/0!</td>
<td>4.76</td>
<td>5.76</td>
<td>5.66</td>
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<tr>
<td>2. Funds from Operations (FFO) to Interest Ratio</td>
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<td>3. FFO to Total Debt Percentage</td>
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<td>18.7%</td>
<td>21.6%</td>
<td>16.4%</td>
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<td>4. Total Debt to Total Capital Ratio</td>
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<td>0.32</td>
<td>0.34</td>
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<td>5. Disaster Recovery Ratio</td>
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**VOCs**

- Benzene: $165.00 per year, included 1 time, cost $165.00, total $165.00
- Carbon Tetrachloride: included 1 time, cost $165.00, total $165.00
- Chlorobenzene (mono): included 1 time, cost $165.00, total $165.00
- cis-1,2-dichloroethylene: included 1 time, cost $165.00, total $165.00
- Dichloromethane: included 1 time, cost $165.00, total $165.00
- Ethylbenzene: included 1 time, cost $165.00, total $165.00
- o-Dichlorobenzene: included 1 time, cost $165.00, total $165.00
- p-Dichlorobenzene: included 1 time, cost $165.00, total $165.00
- Styrene: included 1 time, cost $165.00, total $165.00
- Tetrachloroethylene (PCE): included 1 time, cost $165.00, total $165.00
- Toluene: included 1 time, cost $165.00, total $165.00
- trans-1,2-Dichloroethylene: included 1 time, cost $165.00, total $165.00
- Trichloroethylene (TCE): included 1 time, cost $165.00, total $165.00
- Vinyl Chloride: included 1 time, cost $165.00, total $165.00
- Xylenes, total: included 1 time, cost $165.00, total $165.00
- 1,1-Dichloroethylene: included 1 time, cost $165.00, total $165.00
- 1,1,1-Trichloroethane: included 1 time, cost $165.00, total $165.00
- 1,1,2-Trichloroethane: included 1 time, cost $165.00, total $165.00
- 1,2-Dichloroethane: included 1 time, cost $165.00, total $165.00
- 1,2-Dichloropropane: included 1 time, cost $165.00, total $165.00
- 1,2,4-Trichlorobenzene: included 1 time, cost $165.00, total $165.00

**SOCs**

- Alachlor: 2 every 3 yrs, included 1 time, cost $325.00, total $325.00
- Aldicarb: 2 every 3 yrs, included 1 time, cost $200.00, total $200.00
- Aldicarb Sulfone: 2 every 3 yrs, included 1 time, cost $200.00, total $200.00
- Aldicarb Sulfoxide: 2 every 3 yrs, included 1 time, cost $200.00, total $200.00
- Atrazine: 2 every 3 yrs, included 1 time, cost $200.00, total $200.00
- PAHs (Benzo(a)pyrene): 2 every 3 yrs, included 1 time, cost $200.00, total $200.00
- Carbofuran: 2 every 3 yrs, included 1 time, cost $200.00, total $200.00
- Chlordane: 2 every 3 yrs, included 1 time, cost $95.00, total $95.00
- Dalapon: 2 every 3 yrs, included 1 time, cost $95.00, total $95.00
- Di(2-ethylhexyl)adipate: 2 every 3 yrs, included 1 time, cost $95.00, total $95.00
- Di(2-ethylhexyl)phthalate: 2 every 3 yrs, included 1 time, cost $95.00, total $95.00
- Dinoseb: 2 every 3 yrs, included 1 time, cost $95.00, total $95.00
- Diquat: 2 every 3 yrs, included 1 time, cost $95.00, total $95.00
- Endothall: 2 every 3 yrs, included 1 time, cost $95.00, total $95.00
- Endrin: 2 every 3 yrs, included 1 time, cost $95.00, total $95.00
- EDB (1,2-dibromoethane): 2 every 3 yrs, included 1 time, cost $95.00, total $95.00
- Glyphosate: 2 every 3 yrs, included 1 time, cost $95.00, total $95.00
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Harden County Water District No. 1
Financial Strength Ratio Calculations

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Water Utility Plant (RCN)
% Maximum Proportion of Utility System able to be destroyed

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Harden County Water District No. 1
Financial Strength Ratio Table

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<tr>
<td>1. Interest Coverage</td>
<td>4.35</td>
<td>4.76</td>
<td>5.76</td>
<td>5.66</td>
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<td>2. Funds from Operation (FFO) to Interest Ratio</td>
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<td>4.1</td>
<td>5.1</td>
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<td>3. FFO to Total Debt Percentage</td>
<td>31.6%</td>
<td>18.7%</td>
<td>21.6%</td>
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<td>4. Total Debt to Total Capital Ratio</td>
<td>0.24</td>
<td>0.31</td>
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<td>5. Disaster Recovery Ratio</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Year</td>
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<td>2003</td>
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<td>1.146.792</td>
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<td>389.026</td>
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<tbody>
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<tr>
<td>35.0%</td>
<td>35.0%</td>
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<table>
<thead>
<tr>
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<tbody>
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<tr>
<td>2.95</td>
<td>2.22</td>
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<td>2.1</td>
<td>2.5</td>
<td></td>
</tr>
<tr>
<td>7.7%</td>
<td>8.5%</td>
<td></td>
</tr>
</tbody>
</table>
Water Treatment

1. Can a copy of the current CO2 agreement with the contractor be provided?

   Answer: No. Fort Knox does not share any agreements with private vendors.

2. Are there special requirements/approvals to repair or modify historical buildings on post and do the WTP’s buildings or Otter Creek pump station qualify as historic buildings?

   Answer: Yes. Building 1205 is historic. Any and all changes or modifications must be approved by Fort Knox DPW.

3. Can a copy of the laboratory services contract be provided?

   Answer: No. Fort Knox does not share any agreements with private vendors.

4. Can a copy of any chemical supply contracts be provided?

   Answer: No. Fort Knox does not share any agreements with private vendors.

5. Can a list of chemical feed equipment capacities be provided for each WTP?

   Answer: All chemical feeders are capable of meeting the maximum capacity of each plant. Central WTP – 3.5 MGD and Muldraugh WTP – 7.0 MGD.

6. How many, if any, of the existing sludge lagoons on post be available to contractor? Or, will all sludge have to be disposed off post?

   Answer: Please reference Section J1.2.1.1. Pages J1-8 and J1-9.

7. The RFP requires the WTP’s be operated to produce hardness between 100 and 110 (Page J1-8), but recent MOR’s show hardness between 142 and 177. Is the RFP range the acceptable range or the current operations output range?

   Answer: The acceptable operating range would be between 100 and 120ppm on total hardness. The reason for the higher ranges is because of limited available lagoon space.

8. Referring to question above, are the WTP’s currently capable of meeting the lower hardness range listed in RFP?

   Answer: Yes.
9. J1.3.28 - If an alternate with advanced treatment is proposed (ozone, reverse osmosis), would the energy cost to operate those be considered "reasonable" and provided at no cost to contractor by the Government?

Answer: The Government will review each proposal on a case by case basis.

10. Can we receive a copy of the IDSE Plan, Stage 2, Disinfection By-products Requirements plan filed with EPA?

Answer: Copy provided.

11. Provide dimensions of 2 MG clearwell at Central WTP

Answer: Estimated external dimensions are 16’ deep x 200’ diameter.

12. Is there any documentation that can be provided of results of clear-well internal inspections by FK personnel be provided?

Answer: No documentation is available.

13. Are there any technical drawings of the WTP’s (did not see any in technical library)?

Answer: Yes, however they are not available in electronic format.

14. Are there any electrical schematics or power distribution drawings of the WTP’s (did not see any in technical library)?

Answer: No.

15. Can monthly data for sludge production for each WTP be provided?

Answer: Central – based on July 2008 monthly operation, the estimated amount was 44,800 gallons. Muldraugh – No data available.

**Raw Source**

16. Is the McCracken Spring pipe over Otter Creek, above dam, carrier bridge, and bridge supports included as part of assets to be transferred?

Answer: The pipe, carrier bridge, and walkway will be transferred. The concrete bridge supports and dam will remain with the Government.
17. Is the intake structure / bar screen attached to dam at Otter Creek pump station part of assets to be transferred?

Answer: Yes. It is attached to the pump house.

18. On list of Government identified deficiencies, the line between Otter Creek Pump Station and Central WTP is listed as 14,437 ft, but elsewhere appears to be 26,400 ft - please confirm correct length

Answer: The correct, estimated, total length is 26,400 LF.

19. Can a copy of the hydraulic model completed by PDR Engineering in mid-1990s be provided, if the Government still has a copy of the data? (List of nodes, input and output data)

Answer: The Government has a hard copy from a 1985 study that was used by PDR in the mid 1990s.

20. Can a list be provided of when each West Point well was last redeveloped or cleaned, by well number (excluding pump / controls repairs)?

Answer: Yes. See below:

<table>
<thead>
<tr>
<th>Well</th>
<th>Year</th>
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<tbody>
<tr>
<td>1</td>
<td>2006</td>
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<tr>
<td>2</td>
<td>2005</td>
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<tr>
<td>3</td>
<td>2005</td>
</tr>
<tr>
<td>4</td>
<td>Demolished</td>
</tr>
<tr>
<td>5</td>
<td>1996</td>
</tr>
<tr>
<td>6</td>
<td>2008</td>
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<tr>
<td>7</td>
<td>Mid - 1980s</td>
</tr>
<tr>
<td>8</td>
<td>1999</td>
</tr>
<tr>
<td>9</td>
<td>2008</td>
</tr>
<tr>
<td>10</td>
<td>1999</td>
</tr>
<tr>
<td>11</td>
<td>2006</td>
</tr>
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<td>12</td>
<td>2005</td>
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<td>12A</td>
<td>Abandoned</td>
</tr>
<tr>
<td>13</td>
<td>2006</td>
</tr>
<tr>
<td>17</td>
<td>Abandoned</td>
</tr>
</tbody>
</table>
21. Are there any available stream gaging or actual streamflow records available for Otter Creek and McCracken Spring?

Answer: Yes. Otter Creek – copy provided. McCracken Spring – no data available.

22. What are the source withdrawal permit amounts for Otter Creek and McCracken Spring?

Answer: Copies of the water withdrawal permits are provided.

Distribution System

23. Can we receive a copy of list of inoperable fire hydrants, or current list of repairs required to hydrants?

Answer: All fire hydrants are operable except for two or three which are awaiting parts for repair.

24. Is there a set minimum fire flow required from all hydrants, and a minimum residual pressure required, per Ft. Knox Fire Department?

Answer: Yes. Links furnished by the Fort Knox Fire Department:

http://www.wbdg.org/ceb/DOD UEC/mfc_3_600_01.pdf
http://www.wbdg.org/ceb/DOD UEC/mfc_3_600_02.pdf

25. Can a list of any PRV stations be provided, and if so, at what locations?

Answer: Yes. Camp Carlson

26. Is there a minimum static pressure to be delivered at each delivery point, or within a building, or do KDOM limits apply?

Answer: KDOM limits apply.
27. Tank #3 - Are plans underway to re-paint this tank before turnover, if yes, what level of re-painting or repairs are planned?

Answer: Painting status is unknown at this time. If done, complete sandblast, re-paint, new valves, and new cathodic protection would be accomplished.

28. Is there a standard logo, size, and color that must be placed on all storage tanks after painting, and would the cost of that logo be borne by the contractor or by the Government? (Only tanks that do not currently have logos on them)

Answer: All logos must be submitted to and approved by the Garrison Commander. Additional logos requested by the Government will be funded by the Government.

29. If logos are required on new tank painting, would external lighting also be required, and would that cost be borne by the contractor or by the Government? (Only tanks that do not currently have logos & lighting on them)

Answer: If additional lighting is requested by the Government, it will be funded by the Government.

30. Can a copy of all cell tower / antenna leases be provided showing expiration date, name of company and tank location?

Answer: Copies provided.

31. What would be the latest date that offerors would know how many, if any, Government employees would be available for hire? And, would this be before or after contract award?

Answer: The date is unknown at this time, and will not be known until after contract award.

General

32. Can a list of all maintenance related external contractor names who are currently servicing water related equipment be provided?

Answer: The Ginn Group provides electrical and building maintenance support.

33. Are internal building fire suppression systems, piping, back-flow equipment, pumps, valves, controls and external pumper connections considered part of this privatization?
Answer: Please reference Section J1.2.1.2, Points of Demarcation. Based on the identified points of demarcation, some backflow equipment is included, some fire pumps, and some external pump connections are included in the inventory.

34. J1.2.1 - Are the Government useful lives (page J1-5) for assets to be used for determining the Renewals and Replacements Schedule, or should the contractor use its own or industry standard lives for developing this schedule?

Answer: It is up to the contractor to propose what useful lives it will use in developing its Renewals and Replacements Schedule.

35. Can a copy of the Installation Design Guide (IDG) for new building constructed by the contractor?

Answer: The IDG is currently being developed. The earliest projected date for its completion is November 2008.

36. Will the past “mobilization demand” of 10.5 mg/d still be required by the contractor in the future, regardless of deployable units stationed at Ft. Knox?

Answer: Yes. 10.5 MGD is the requirement.

37. Can a list of any KDOW violations in last five years be provided (potable water system only)?

Answer: Yes. Copies provided.

38. Does Ft. Knox have any projections for on-post population after BRAC changes are completed?

Answer: No data available.

39. Can a copy of any master maps, map books, or paper maps of the water system that are currently used by DPW employees be provided?

Answer: Maps and books will be maintained on site at all times. No exceptions. Interested parties may make copies at their expense.

40. C.5.1.5 - Refers to delivering drawings to Government on CADD-CAM disks. What format is required for these drawings?
Answer: Design drawings need to be in AutoCad format. The Meta Data with each entity type must be included with updates furnished to the Government by the successful contractor.

41. What software or platform does the Government use for CAD and GIS data or drawings?


42. J1.3.9 - Will on-site surveying be allowed in the development of aerial photography or collection of "relevant planimetric features?"

Answer: Yes. The project must be coordinated with Fort Knox DPW.

43. J1.3.9 - For item "c", which zone of KY State Plane Coordinate system is to be used (North, South, or single)?

Answer: Fort Knox must comply with Army/DOD regulations, which require data to be in WGS84 UTM Meters Zone 16 North. Data cannot be in any State Plane Zone.

44. J1.2 - Are there any other specific facility attribute features available other than those listed in tables under J1.2?

Answer: Please reference Section J1.2.1, Page J1-5. Paragraph 1. The description and inventory provided were developed based on the best available data.

45. What percentage of Ft. Knox water system is already mapped, and will this be made available to contractor after turnover and would this be hardcopy or digital, and to what estimate of accuracy?

Answer: Estimate – 80% mapped in GIS digital format. The maps will be made available to the successful contractor after award. The data was created from old hand drawn maps and has not been GPS or field verified.

46. Do the SDSFIE specifications require adherence to a specific data model / schema that is already in place, or can one be developed by the contractor that is also SDSFIE compliant?

Answer: Fort Knox has a data model. The data needs to be according to SDSFIE standards.

47. Is there a standard map grid and mapping scale already in place to which all hardcopy mapping must conform, or would that be developed by the contractor?
Answer: Fort Knox does have a map grid and mapping scale in place, however the successful contractor will not be required to use the Fort Knox system and may create its own grid and scale.

48. Will all reimbursable customers, located on post, who pay the Government a water bill, continue to do so, or, will the contractor be required to develop separate water rates and bill those customers directly?

Answer: All reimbursable customers on post will continue to pay their water bills to the Government. Further, the Government will continue to do the billing.

49. Reference question above - Will the contractor be required to read meters and bill reimbursable customers on post? (Assuming those rates and revenues will stay with the Government)

Answer: Please reference Section C.3.3, Sub-Metering, Section J1.6, Monthly Submittals, and Section J1.5.1. Existing Meters. The successful contractor will be required to provide monthly meter readings to the Government. However, the Government will continue to do the billing.

50. Schedule B-1: CLIN 0001 requires a single dollar amount for the Applicable Tariff. Will this be equal to the sum of all costs included in Schedule 5, excluding the purchase price credit?

Answer: It depends upon the structure of the applicable tariff. Please see Section B 4.1, Regulated Tariff Rate Proposal, footnote b. If separate identification is not provided, the Government will assume that the tariff rate includes all costs in Schedule 5.

Water Storage Tanks

51. Tanks WT001 250K, WT002 500K, and WT004 300K were upgraded in 2004 and 2002. At the site visit it was indicated that the exterior was painted. Were they also lead abated? It was stated that the interior was only spot blasted and patched. Has the interior of these 1935, 1937 & 1942 tanks ever been tested for lead?

Tanks WT003 500K and WT005 500K were last upgraded in 1994. It is apparent that these tanks may have lead. Is lead still present on the exterior on these two tanks? Was the interior upgraded in 1994? Has the interior ever been tested for lead?

Answer: Concerning Tanks WT001 250K, WT002 500K, WT004 500K, WT003 500K, and WT005 300K, Fort Knox has done some lead abatement in the past to these tanks. The Government’s position would be to test for lead before any work is planned and, for proposal purposes, to consider treating all of the tanks where lead may be present on the exterior and/or interior surfaces.
Dinges, Andrea/WDC

From: Peek, Sally/ATL
Sent: Tuesday, October 07, 2008 10:39 AM
To: Walker, Tanya/WDC
Cc: Dinges, Andrea/WDC; Adams, Annette/WDC
Subject: RE: Fort Knox Proposal Delivery

There will be one box with one set of proposals (6 volumes), plus 4 CDs, plus a separate envelope. This is packaged in the box already with the address label on it.

Delivery instructions:

Deliver to
Angela Mattox. DESC-EA, Suite 3830
Defense Energy Support Center
8725 John J. Kingman Rd., Suite 3830
Fort Belvoir, VA 22060-6222
703-767-1595

From Washington DC (1-95 South)

- If you are traveling south on 1-95, take the Fairfax Parkway/Backlick Road (7100) exit 166 A.
- Take the Fairfax County Parkway to its end at U.S. Rt. 1 (Richmond Highway)
- Turn left
- At the first light, on the right, is the entrance for Tulley Gate on to Fort Belvoir.
- This is the main entrance to the post and is open 24 hours a day. 7 days a week.
- All visitors to Fort Belvoir without DOD decals on their vehicles must stop at Tulley Gate weekdays or Pence Gate after hours, weekends and holidays to receive a temporary vehicle pass. For more information about temporary or long-term visitors' passes, click here or call the VPOC during weekday hours at (703) 806-4892.

From Richmond (1-95 North)

- If you are traveling north on 1-95 North, take the Fort Belvoir Exit 161 B (U.S. Rt 1 -- Richmond Highway)
- You will travel five miles to Fort Belvoir.
- Continue through the light at the Fairfax County Parkway (VA 7100). At the next stoplight, on the right side you will see the entrance for Tulley Gate; turn right.

Visitor Processing Operations Center

- All visitors in vehicles without Department of Defense decals must enter Fort Belvoir through Tulley Gate. Tulley is a 24-hour gate.

You must go in Tulley gate. I'm sure some form of ID is required. Tell them you are delivering a proposal that's due Oct 9 at 3 pm EST to 8725 John J. Kingman Rd., Room 3830. Solicitation No. SP0600-08-R-0303

10/7/2008
Hardin County Water District No. 1
Radcliff, KY

Pre-Award Accounting System Review
NM-SHORTICQ

DIIS File "SHORTICQ"
Version 2.6
July 2002

DEFENSE CONTRACT AUDIT AGENCY

Survey of Contractor's Organization,
Accounting System and System of Internal Controls
Contractors Having Between $10 and $80 Million CCFY Dollars

Part A - Basic Organization

(Date Prepared)

(Auditor)

1. Contractor's Name Hardin County Water District No. 1

2. Address 1400 Rogersville Road, Radcliff, KY 40160 Telephone 270-351-3222

3. Type of Organization:

(a) Corporation
   (1) Closely Held, Family, Publicly Held
   (2) Listed on __________________________ Stock Exchange
   (3) Stock Issued
       Total Shares of Stock Issued: __________________________

       Major Stockholders and Number of Shares __________________________
       __________________________

       Shares of Stock Held by Officers of the Corporation __________________________

(b) Partnership

APPS Version: 4.4.13
CD Date 07/2002

13 (1/11)
Hardin County Water District No. 1
Radcliff, KY

Pre-Award Accounting System Review
NM-SHORTICQ

(1) Partners' Names

(2) Basis for Distribution of Profits and the Amount of Profit

Sharing for Each Partner

(c) [ ] Division of

(d) [ ] Recent Business Combinations, e.g., Mergers, Acquisition,

Divestiture

(e) [x] Other Special government sub-district of the Commonwealth of Kentucky, organized as a county water district under KRS Chapter 74.

4. Incorporated in State of Kentucky

5. Date of Incorporation July 15, 1952

6. Division of Plants W/P Ref.

7. Type of Operation:
   Specify
   Manufacturing Service Construction [x] Other W/P Ref

8. Products Manufactured or Services: Public Water Utility Provides potable water

9. Is any portion of this division's records maintained at other locations? Yes (QC/QA, water testing reports and samples results at water treatment plant)

   (Identify location(s) and cognizant audit office(s). Include corporate HQ)

   Carpenter, Mountjoy & Bressler, 2300 Waterfront Plaza, Louisville, KY 40202

10. Number of Direct Employees 26 Indirect

13 (2/11) Auditor:

Date:
11. Does the contractor have a Work At Home (WAH) Program? Yes____ No__X__

12. Number of Employees Participating in the WAH Program: NA

13. Dollar amount of WAH Labor $ (Most recent complete FY) NA

14. Annual Sales Volume (All Years Since Last Update) $: 2,332,506 FYE: 2001

15. Breakdown of Sales - % or $ (Most Recent Complete FY)

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<tr>
<td>NASA</td>
<td>FPIF/AF</td>
</tr>
<tr>
<td>FMS</td>
<td>TM</td>
</tr>
<tr>
<td>Other Gov't</td>
<td>Other</td>
</tr>
<tr>
<td>Total</td>
<td>Total</td>
</tr>
</tbody>
</table>

16. Plant and Facilities Owned Leased Other
   Specify

17. If leased, is there any relationship between the lessee and lessor?

18. Physical Layout: No. Bldgs. 10 Floor Space

19. Approximate Ratio of Floor Space Used for:
   Mfg Operations: NA
   Administration

Auditor: ___________________________ Date: ____________
Hardin County Water District No. 1
Radcliff, KY

Pre-Award Accounting System Review
NM-SHORTICQ


22. Outside Auditors: Carpenter, Mountjoy & Bressler, 2300 Waterfront Plaza, Louisville, KY, 40202

23. Services by Outside Auditors: Annual audit, financial reports, interim special reports, review bonds documents, certify special reports as needed, review internal controls and recommend improvements, attend Board meetings as needed.

24. If internal auditors have performed reviews of internal controls, review their working papers for the purpose of modifying the scope of our review.

25. Any indication of financial instability?

26. Any history of questionable practices?

27. Names and titles of Principal Executives, Timed Devoted to Business and Salary

<table>
<thead>
<tr>
<th>NAME</th>
<th>TITLE</th>
<th>% OF TIME</th>
<th>SALARY</th>
</tr>
</thead>
</table>

28. Obtain organization chart W/P
Proposed O&M Team Chart
Ft. Knox Wastewater/Storm Facilities Contract
Accounting Profile

29. Accounting Period: January – December

30. Obtain Charts of Accounts

31. Flow Chart or provide narrative description of contractor's accounting system, i.e., (a) books of original entry, (b) ledgers - general and subsidiary, (c) any statistical and/or supporting records

32. If contractor is required to file a CAS D/S (see FAR 30.202), obtain copy of Disclosure Statement or verify that one on file is most current. (Obtain revisions or complete revised D/S as applicable.)

33. If contractor is publicly held obtain copy of SEC Form 10K and/or a copy of published statement.

34. Obtain listing of all financial and managerial reports (manual or computerized)

35. Identify each indirect expense pool and reference its base description in the CAS Disclosure Statement (or describe the allocation basis for each indirect expense pool.)

   a. 

   b. 

   c. 

   d. 

   e. 

Auditor: 

Date: 

APPs Version: 4.4.13 
CD Date 07/2002
Hardin County Water District No. 1
Radcliff, KY

Pre-Award Accounting System Review
NM-SHORTICQ

f.__________________________________________________________________________

g.__________________________________________________________________________
Pre-Award Accounting System Review
NM-SHORTICQ

36. Are Policies and Procedures in writing?
   □ No  □ Yes

If so, list them below and indicate where located:

<table>
<thead>
<tr>
<th>Description and/or Title</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Personnel Policies and Procedures</td>
<td></td>
</tr>
<tr>
<td>b. Accounting Policies and Procedures</td>
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<tr>
<td>c. WAH Policies and Procedures</td>
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<td>d.</td>
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<td>f.</td>
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<tr>
<td>g.</td>
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</tr>
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Part B - Accounting System General

1. Are the cost accounting records reconciled to/controlled by the general accounting system?

2. If the contractor has in-house ADP capability, is there evidence of adequate data processing controls?

3. Is there evidence of an adequate budgetary control system? (CAM 5.5)

APP5 Version: 4.4.13
CD Date 07/2002

13 (8/11)

Auditor:
Date:
4. Has a Financial Responsibility Survey or similar review (CAM 5-202.1 and 14-300) been performed within the last two years?

5. On a separate sheet, list all accounting and estimating system deficiencies identified in prior reviews, to at least the following level of detail: Work package and W/P Ref; Description; Possible Impact (major, minor, immaterial); Follow-up Action.

Does review of internally/externally generated reports on internal controls (A.20) and prior DCAA reviews indicate adequate follow-up on weaknesses disclosed?

6. Does the contractor have procedures for assessing the risk due to fraud, the risk factors considered, and the specific controls that may mitigate the risks (CAM 4-702)?

**Part C - Labor**

1. Note work package and completion date of last prior labor interview or floorcheck review and insert a copy of the summary W/P in this file. Have noted deficiencies been corrected?

2. Does the contractor regularly reconcile the payroll to the labor distribution?

3. Do over half of the direct employees work on more than one type of contract? (Cost-type and other; government and commercial, etc.)

4. Is there adequate IR&D/B&P Control? (For example, there should be no evidence that IR&D/BP costs may have been shifted to overhead or G&A during the latter part of the CFY.)

5. Is the labor charging pattern consistent? (For example, there should be no evidence of a shift to

<table>
<thead>
<tr>
<th>Auditor:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

Date:
indirect charging as a contract ceiling is approached.)

6. Does the contractor maintain employee awareness training program(s) (CAM 5-907)? If so, attach a brief summary.

**Part D - Material**

1. Are materials purchases based on requisitions?

2. Are receiving reports completed and matched independently of person preparing checks?

3. Is physical inventory accountability separated from record keeping?

4. Note work package and completion date of last prior review verifying physical existence of inventory ______ and insert a copy of the summary working paper in this file. Were noted exceptions corrected?

**Part E - Overhead**

1. Does contractor use work orders for internal projects and other special accumulations?

2. Does contractor segregate unallowable costs? (FAR 31.201-6; DAR 15-201.6)

3. Do the contractor's accounting procedures provide for consistency of charging; i.e., that items of the same nature as those charged direct are not included in the overhead pools? (FAR 31.202 and 303; DAR 15-202 and 203.)

4. On a separate sheet, identify significant audit exceptions in the last prior audit indirect cost

   13 (10/11)

   **Auditor:**

   **Date:**
pools. (Use the indirect expense questioned summary W/P if possible.) Is it likely that the contractor will screen the accounts and exclude similar items from subsequent audits?

5. Does the MAAR #15 reconciliation disclose either poor correlation between bases and pools or a steady increase in indirect rates?

6. If a business combination has taken place, has the contractor:
   a. Made credit adjustments for the gains arising from the disposition of assets (CAM 7-1705.6)?
   b. Identified unallowable depreciation and cost of money in excess of the amounts calculated based on the acquired company's net book value of the assets (7-1705.7)?
Survey of Contractor's Organization,
Accounting System and System of Internal Controls (ICQ)
Contractors with CCFY Dollars Between $15 Million and $90 Million

**PURPOSE.** This questionnaire provides the basis for documenting the auditor's understanding of the entity's internal control components and is used to plan the audit. Five components of internal control are applicable to the audit of every entity: Control Environment; Contractor's Risk Assessment; Information and Communications; Monitoring; and Accounting System Control Objectives and Activities.

**APPLICABILITY.** This questionnaire is designed to assist the auditor in obtaining an understanding of internal controls and assessing control risk at non-major contractors with ADV between $15 million and $90 million. For contractors with ADV less than $15 million, the ICQ or alternative procedures may be used, provided they adequately document the required understanding of the internal controls (CAM 5-111.1.a).

**PROFESSIONAL REQUIREMENTS.** GAGAS Chapter 6 requires the auditor to follow the field work standard on Internal Control which states “Auditors should obtain a sufficient understanding of the internal control that is material to the subject matter or assertion to plan the engagement and design procedures to achieve the objectives of the attestation engagement.” Although not applicable to DCAA audits, the AICPA standard *Consideration of the Internal Control Structure in a Financial Statement Audit* may provide useful guidance related to internal control. GAGAS Chapter 6 also requires auditors who are performing an examination, to design the audit to provide reasonable assurance of detecting fraud, illegal acts, or violations of provisions of contracts that could have a material effect on the subject matter or assertion.

**COMPLETION REQUIREMENTS.** The ICQ should be completed/updated as part of the auditor's periodic visits to non-major contractors with ADV between $15 million and $90 million since the Mandatory Annual Audit Requirements (MAARs) 1 and 3 applicability and materiality requirements in CAM 6-105.2b are presumed. A new ICQ should be completed every year if a field visit is required as part of a current audit.

**INSTRUCTIONS FOR COMPLETION OF THE ICQ**

The ICQ is composed of Parts A through D. Part A, Basic Organization, allows the auditor to obtain a general understanding of the contractor's structure, size, and complexity. Parts B through D incorporate the five components of internal control that are applicable to the audit of every entity: Control Environment; Contractor's Risk Assessment; Information and Communications; Monitoring; and Accounting System Control Objectives and Activities. The ICQ questions or control activities were selectively obtained from the DIIS Internal Control Matrices (ICMs) to assist us in documenting the internal controls at non-major contractors.

**PROCEDURES FOR OBTAINING UNDERSTANDING.** In obtaining an understanding of controls that are relevant to audit planning, the auditor should perform procedures to obtain sufficient knowledge about the design of the relevant controls pertaining to each of the five
internal control components and determine whether they have been placed in operation. This knowledge is ordinarily obtained through previous experience with the contractor and through procedures such as inquiries of appropriate management, supervisory, and staff personnel; inspection of the contractor’s documents and records; and observation of contractor activities and operations. The form and extent of this documentation is influenced by the size and complexity of the contractor, the auditor’s previous experience with the contractor, the nature of the particular controls, and the nature of the contractor’s documentation of specific controls (AU 319.58).

**RELATIONSHIP BETWEEN THE ICQ AND THE CONTROL RISK ASSESSMENT.**
The purpose of the ICQ is to document the auditor’s understanding of the contractor’s system of internal controls to plan the audit. Frequently, at nonmajor contractors, the auditor assesses control risk at the maximum (high) because it is more efficient to perform substantive tests for significant and sensitive accounts than to test the effectiveness of the contractor’s internal controls (CAM 5-111.2a.). If the auditor decides that it is more efficient to test the controls, the ICAPS internal control program for the specific system (e.g., accounting, estimating, billing, etc.) must be used. In this case, the auditor should also use the ICAPS form(s) to summarize the results of the ICAPS internal control audit(s) performed and the ICQ to document the understanding of the internal controls system(s) not tested.

**APPENDIX- FAR COST PRINCIPLES ASSESSMENT.** The completion of the FAR Cost Principles Assessment is required by Part B, Step 2.c. of the ICQ, as part of the documentation of understanding of internal controls for incurred cost audits. Completion of the assessment is optional for all other assignments.
DEFENSE CONTRACT AUDIT AGENCY
OFFICE

Survey of Contractor’s Organization,
Accounting System and System of Internal Controls
Contractor’s with CCFY Dollars Between $15 Million and $90 Million

PART A – BASIC ORGANIZATION
(Prepare a Part A for each Division)

Date Prepared: ______________________

Auditor: ______________________

1. Contractor’s Name  HARDIN COUNTY WELFARE DISTRICT NO. 1

2. Division name, if applicable ____________________________________________

3. Address  1400 ROGERSVILLE ROAD, RADCLIFF KY 40160

4. Telephone No.  270-351-2222  5. FAX No.  270-352-3055

6. Point of Contact (Accounting)  JIM BRUCE

7. Position Description  GENERAL MANAGER

8. E-mail address  JBRUCE@HCWD.COM

9. Point of Contact (Contracts/Proposals)  JIM BRUCE

10. Position Description  (SEE #7)  11. E-mail address  (SEE #8)

12. Type of Organization:

a. Corporation  (PUBLIC AGENCY, NO STOCK ISSUED)

   Closely Held
   State of Incorporation  KENTUCKY
   Date  JULY, 1952
   Listed on the
   Stock Issued:
   Total Shares of Stock Issued
   Major Stockholders and Number of Shares
   Shares of Stock Held by Officers of the Corporation

b.  □ Partnership
PART A - BASIC ORGANIZATION
(Prepare a Part A for each Division)
(1) Partners’ Names ____________________________ N/A
(2) Basis for Distribution of Profits and the Amount of Profit ____________________________ N/A
(3) Sharing for Each Partner ____________________________ N/A

\[\checkmark\]
Special Sub-District of Commonwealth of Kentucky

c. Division of ____________________________

d. \[\square\] Recent Business Combinations, e.g., Mergers, Acquisition, Divestiture

e. \[\square\] Other ____________________________

13. Is any portion of this division’s records maintained at other locations?
   a. Identify locations(s) ____________________________ N/A
   b. Identify cognizant audit office(s).
      (Include corporate HQ) ____________________________

14. Contractor’s fiscal year under review __________ Fiscal Year End __________

15. Major Product or Services ______________ Water & Sewer Utility Services

   \[\square\] Manufacturing \[\square\] Service \[\square\] Construction \[\checkmark\] Other

16. Brief Description of Products Manufactured or Service ______________ Water & Sewer Treatment & Utility Service

17. Breakdown of Sales - % or $ (Most Recent Complete FY)

\{\begin{align*}
\text{Total Sales} & \quad \text{Dollars (in000)} & \quad \text{Percent} \\
\text{DoD- Domestic} & \quad \text{CPFF} & \quad \text{Federal} \\
\text{DoD-FMS} & \quad \text{CPAF} & \quad \text{Sales} \\
\text{NASA} & \quad \text{T&M} & \quad \text{CPFF} \\
\text{Other Govt.} & \quad \text{Labor} & \quad \text{FFP} \\
\end{align*}\}

Page 2 of 10
PART A – BASIC ORGANIZATION
(Prepare a Part A for each Division)

Commercial
Totals

FPAF
Other
Totals

18. Outside Auditors:
   a. Name of Auditors: RAY, FOLEY, HANSLEY & COMPANY (MR. BRAD HAYES, CPA)
   b. Service(s) Provided: ANNUAL AUDIT & FINANCIAL REPORT

19. Internal Auditors:
   a. Functionally Independent?
      □ Yes □ No
   b. Recent audits performed by internal auditors:
   c. Are internal audits available for DCAA review?
      □ Yes □ No
   d. Internal audits reviewed by DCAA?

20. Cost Accounting Standards (CAS):
   a. Number of CAS Covered Contracts
      Full Coverage
      Modified Coverage
   b. CASB Disclosure Statement?
      □ Yes □ No Date
   c. D/S considered adequate?
      □ Yes □ No Date

21. Earned Value Management (EVM) and Other Program Management System Reporting Requirements
   (CONTRACTOR’S TARIFF, REGULATED UTILITY RATE)
   a. Number of contracts with EVM requirements (DFARS 252.234-7001)
   b. Number of contracts requiring Cost Performance Report (CPR) (DD Form 2734)
      or equivalent:
   c. Number of contracts requiring Cost/Schedule Status Report (C/SSR) (DD Form 2735)
      or equivalent:
   d. Number of contracts requiring Contract Fund Status Report (CFSR) (DD Form 1586)
      or equivalent:
   e. Number of contracts requiring Contractor Cost Data Report (CCDR) (DD Forms 1921,
      1921-1 and 1921-2) or equivalent:

22. Location of current Contractor Organization and System Appendix

23. Plant and Facilities
   □ Owned □ Leased □ Other
PART A – BASIC ORGANIZATION
(Prepare a Part A for each Division)

a. If leased, is there any relationship between the lessee and lessor? [ ] Yes [ ] No

b. If Yes, explain the relationship

24. Contractor employees and Government sales (in $000) for on site and off site locations

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>NO. OF EMPLOYEES</th>
<th>TYPE OF GOVERNMENT CONTRACTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ft. Knox, Kentucky</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Sewer operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hawaii, Main</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>HQ/operations</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

25. If the contractor has a Work At Home (WAH) program, indicate:

   a. the number of employees participating in the program
   b. the dollar amount of WAH labor for the most recent complete fiscal year

   [ ] N/A

26. Names and titles of Principal Executives, Time Devoted to Business and Salary

   NAME  TITLE  % OF TIME  SALARY

   None

27. Value of pension assets and pension liabilities

   [ ] N/A

28. Information on contracts awarded during the previous fiscal year.

   [ ] Yes  [ ] No
   [ ] Yes  [ ] No
   [ ] Yes  [ ] No
   [ ] Yes  [ ] No

Page 4 of 10
PART A – BASIC ORGANIZATION
(Prepare a Part A for each Division)

Yes  No
Yes  No
Yes  No
Yes  No
Yes  No
Survey of Contractor’s Organization,  
Accounting System and System of Internal Controls (ICQ)  
Contractors with CCFY Dollars Between $15 Million and $90 Million

PURPOSE. This questionnaire provides the basis for documenting the auditor’s understanding of the entity’s internal control components and is used to plan the audit. Five components of internal control are applicable to the audit of every entity: Control Environment; Contractor’s Risk Assessment; Information and Communications; Monitoring; and Accounting System Control Objectives and Activities.

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DEVELOPMENT CONTRACT AUDIT AGENCY
OFFICE

Survey of Contractor’s Organization,
Accounting System and System of Internal Controls
Contractor’s with CCFY Dollars Between $15 Million and $90 Million

PART A – BASIC ORGANIZATION
(Prepare a Part A for each Division)

Date Prepared: ____________________________

Auditor: __________________________________

1. Contractor’s Name ________________________________

2. Division name, if applicable ________________________________

3. Address _______________________________________

4. Telephone
   No. ____________________________ 5. FAX No. ____________________________

6. Point of Contact (Accounting) ________________________________

7. Position
   Description ____________________________ 8. E-mail address __________________

9. Point of Contact
   (Contracts/Proposals) ________________________________

10. Position
    Description ____________________________ 11. E-mail address __________________

12. Type of Organization:

   a. Corporation
      □ Closely Held □ Family, or □ Publicly Held
      State of Incorporation ____________________________ Date ______________________
      Listed on the ____________________________ Stock Exchange
      Total Shares of Stock Issued ____________________________
      Major Stockholders and Number of Shares ____________________________
      Shares of Stock Held by Officers of the Corporation ____________________________

   b. □ Partnership
PART A – BASIC ORGANIZATION
(Prepare a Part A for each Division)
(1) Partners’ Names
(2) Basis for Distribution of Profits and the Amount of Profit
(3) Sharing for Each Partner

c. Division of

13. Is any portion of this division’s records maintained at other locations?
   a. Identify locations(s)
   b. Identify cognizant audit office(s).
      (Include corporate HQ)

14. Contractor’s fiscal year under review _________ Fiscal Year End _____________

15. Major Product or Services
    □ Manufacturing □ Service □ Construction □ Other

16. Brief Description of Products
    Manufactured or Service

17. Breakdown of Sales - % or $ (Most Recent Complete FY)

<table>
<thead>
<tr>
<th>Total Sales</th>
<th>Dollars (in000)</th>
<th>Percent</th>
<th>Federal Govt. Sales</th>
<th>Dollars (in000)</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>DoD-Domestic</td>
<td></td>
<td></td>
<td>CFFP /</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DoD-FMS</td>
<td></td>
<td></td>
<td>CPAF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NASA</td>
<td></td>
<td></td>
<td>T&amp;M /</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Govt.</td>
<td></td>
<td></td>
<td>Labor</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
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<td>Hour</td>
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<td>FFP</td>
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<td></td>
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<td></td>
<td>FPIF /</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PART A – BASIC ORGANIZATION
(Prepare a Part A for each Division)

<table>
<thead>
<tr>
<th>Commercial</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>FPAF</td>
<td>Other</td>
</tr>
<tr>
<td>Totals</td>
<td>Totals</td>
</tr>
</tbody>
</table>

18. Outside Auditors:
   a. Name of Auditors
   b. Service(s) Provided

19. Internal Auditors:
   a. Functionally Independent? [ ] Yes [ ] No
   b. Recent audits performed by internal auditors:
   c. Are internal audits available for DCAA review? [ ] Yes [ ] No
   d. Internal audits reviewed by DCAA?

20. Cost Accounting Standards (CAS)
   a. Number of CAS Covered Contracts
      Full Coverage _
      Modified Coverage _
   b. CASB Disclosure Statement? [ ] Yes [ ] No Date
   c. D/S considered adequate? [ ] Yes [ ] No Date

21. Earned Value Management (EVM) and Other Program Management System Reporting Requirements
   a. Number of contracts with EVM requirements (DFARS 252.234-7001)
   b. Number of contracts requiring Cost Performance Report (CPR) (DD Form 2734) or equivalent:
   c. Number of contracts requiring Cost/Schedule Status Report (C/SSR) (DD Form 2735) or equivalent:
   d. Number of contracts requiring Contract Fund Status Report (CFSR) (DD Form 1586) or equivalent:
   e. Number of contracts requiring Contractor Cost Data Report (CCDR) (DD Forms 1921, 1921-1 and 1921-2) or equivalent:

22. Location of current Contractor Organization and System Appendix

23. Plant and Facilities [ ] Owned [ ] Leased [ ] Other
PART A – BASIC ORGANIZATION
(Prepare a Part A for each Division)

a. If leased, is there any relationship between the lessee and lessor? ☐ Yes ☐ No

b. If Yes, explain the relationship

24. Contractor employees and Government sales (in $000) for on site and off site locations

<table>
<thead>
<tr>
<th>NO. OF EMPLOYEES</th>
<th>TYPE OF GOVERNMENT CONTRACTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOCATION</td>
<td>DIR.</td>
</tr>
</tbody>
</table>

25. If the contractor has a Work At Home (WAH) program, indicate:

a. the number of employees participating in the program

b. the dollar amount of WAH labor for the most recent complete fiscal year

26. Names and titles of Principal Executives, Time Devoted to Business and Salary

| NAME | TITLE | % OF TIME | SALARY |

27. Value of pension assets and pension liabilities

28. Information on contracts awarded during the previous fiscal year.

<table>
<thead>
<tr>
<th>CONTRACT NUMBER</th>
<th>AWARD DATE</th>
<th>AMOUNT</th>
<th>CONTRACT TYPE</th>
<th>SUBJECT TO TINA?</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Yes</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Yes</td>
<td>☐ No</td>
<td></td>
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<tr>
<td>☐ Yes</td>
<td>☐ No</td>
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</tr>
<tr>
<td>☐ Yes</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PART A – BASIC ORGANIZATION
(Prepare a Part A for each Division)
DEFENSE CONTRACT AUDIT AGENCY
OFFICE

Survey of Contractor’s Organization,
Accounting System and System of Internal Controls
Contractor’s with CCFY Dollars Between $15 Million and $90 Million

PART A – BASIC ORGANIZATION
(Prepare a Part A for each Division)

Date Prepared: ____________________________

Auditor: _________________________________

1. Contractor’s Name    Hardin County Water District No. 1

2. Division name, if applicable ____________________________

3. Address   1400 Rogersville Road, Radcliff, KY 40160

4. Telephone
   No.   270-351-3222   5. FAX No.   270-352-3055

6. Point of Contact (Accounting)    Jim Bruce

7. Position
   Description   General Manager   8. E-mail address   jbruce@hcwd.com

9. Point of Contact
   (Contracts/Proposals)    Jim Bruce

10. Position
    Description   General Manager   11. E-mail address   jbruce@hcwd.com

12. Type of Organization:
    Public Agency, with No Stock Issued

a. Corporation
   Closely Held   Family, or   Publicly Held
   State of Incorporation   Kentucky   Date   July, 1952
   Listed on the   ____________________________ Stock Exchange
   Stock Issued:
   Total Shares of Stock Issued
   Major Stockholders and Number of Shares
   Shares of Stock Held by Officers of the Corporation

b.   Partnership
PART A – BASIC ORGANIZATION
(Prepare a Part A for each Division)

(1) Partners' Names    N/A
(2) Basis for Distribution of Profits and the Amount of Profit    N/A
(3) Sharing for Each Partner    N/A

c. x Division of    Special Sub-District of Commonwealth of Kentucky

d. Recent Business Combinations, e.g., Mergers, Acquisition, Divestiture

In April, 2008, HCWD1 acquired the City of Radcliff Sanitary Sewer Utility. Annual total revenues are estimated at $3,800,000, annual expenses of $1,920,000, annual debt service of $502,600 and annual capital improvement plan of $675,000. Net asset value transferred to District (for no cost) was $15,951,000. Sewer utility will be regulated by Kentucky PSC and District must keep funds (Radcliff Sewer) funds separate from other utilities, and account for revenues, expenditures and investments separately.

e. □ Other

13. Is any portion of this division's records maintained at other locations?
   a. Identify locations(s)    N/A
   b. Identify cognizant audit office(s).
      (Include corporate HQ)    

14. Contractor's fiscal year under review    TBD    Fiscal Year End    December 31

15. Major Product or Services    Water & Sewer Utility Services

□ Manufacturing    □ Service    □ Construction    □ Other

16. Brief Description of Products
    Manufactured or Service    Water & Sewer Utility Services

17. Breakdown of Sales - % or $ (Most Recent Complete FY) (2007)

<table>
<thead>
<tr>
<th>Total Sales</th>
<th>Dollars (in000)</th>
<th>Percent</th>
<th>Federal Govt. Dollars (in000)</th>
<th>Percent</th>
</tr>
</thead>
</table>

Page 2 of 10
PART A – BASIC ORGANIZATION
(Prepare a Part A for each Division)

<table>
<thead>
<tr>
<th></th>
<th>Sales CPFF /</th>
<th>Sales CPAF</th>
<th>Sales T&amp;M / Labor</th>
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<tbody>
<tr>
<td>DoD- Domestic</td>
<td>$3,431,621</td>
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<td>DoD-FMS</td>
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<tr>
<td>NASA</td>
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<td>Other Govt.</td>
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<tr>
<td>Totals</td>
<td>T $7,568,420</td>
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</table>

18. Outside Auditors:
   a. Name of Auditors: Ray, Foley, Hensley & Company (Mr. Brad Hayes, CPA)
   b. Service(s) Provided: Annual Audit & Financial Report

19. Internal Auditors: N/A
   a. Functionally Independent? [ ] Yes [ ] No
   b. Recent audits performed by internal auditors: ____________________________
   c. Are internal audits available for DCAA review? [ ] Yes [ ] No
   d. Internal audits reviewed by DCAA? ____________________________

20. Cost Accounting Standards (CAS) (N/A – Regulated, Non-Profit Public Utility)
   a. Number of CAS Covered Contracts: Full Coverage 0
      Modified Coverage 0
      (Exempt from CAS- Rates set by law & regulations)
   b. CASB Disclosure Statement? [ ] Yes [ ] No Date X
   c. D/S considered adequate? [ ] Yes [ ] No Date

21. Earned Value Management (EVM) and Other Program Management System Reporting Requirements (Contract is tariff, Regulated Utility Rate)
   a. Number of contracts with EVM requirements (DFARS 252.234-7001) N/A
   b. Number of contracts requiring Cost Performance Report (CPR) (DD Form 2734) or equivalent: N/A
   c. Number of contracts requiring ____________________________ N/A

Page 3 of 10
PART A – BASIC ORGANIZATION
(Prepare a Part A for each Division)
   Cost/Schedule Status Report (C/SSR) (DD Form 2735) or equivalent:

   d. Number of contracts requiring Contract Fund Status Report (CFSR) (DD Form 1586) or equivalent:
      N/A

   e. Number of contracts requiring Contractor Cost Data Report (CCDR) (DD Forms 1921, 1921-1 and 1921-2) or equivalent:
      N/A

22. Location of current Contractor Organization and System Appendix
   Building 7207, South Carolina Street, Ft. Knox Kentucky, 40121

23. Plant and Facilities  [X] Owned  [ ] Leased  [ ] Other
   a. If leased, is there any relationship between the lessee and lessor?  [ ] Yes  [X] No
   b. If Yes, explain the relationship

24. Contractor employees and Government sales (in $000) for on site and off site locations

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>NO. OF EMPLOYEES</th>
<th>TYPE OF GOVERNMENT CONTRACTS</th>
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<td>Sewer Op.</td>
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<td>Off Site:</td>
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<td>HCWD1 Main</td>
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<tr>
<td>HQ/Operations</td>
<td>33</td>
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</tbody>
</table>

25. If the contractor has a Work At Home (WAH) program, indicate:
   a. the number of employees participating in the program  N/A
   b. the dollar amount of WAH labor for the most recent complete fiscal year

26. Names and titles of Principal Executives, Time Devoted to Business and Salary

   NAME   | TITLE   | % OF TIME | SALARY
   (District employees are direct employees.)
PART A – BASIC ORGANIZATION
(Prepare a Part A for each Division)

As a special sub-
district of state
government, there are
no principal
executive or officers.

Board members are
appointed to 4 year
terms by county
Judge Executive and
receive salary of
$6,000 per year each)

27. Value of pension assets and pension liabilities N/A

28. Information on contracts awarded during the previous fiscal year. (None Awarded during previous fiscal year)

29.

<table>
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<tr>
<th>CONTRACT NUMBER</th>
<th>AWARD DATE</th>
<th>AMOUNT</th>
<th>CONTRACT TYPE</th>
<th>SUBJECT TO TINA?</th>
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**FOOTNOTES:**

1. This projected schedule is to be used for forecasting purposes only and is not in any way intended to be an actual schedule of events. Dates, locations, and systems are subject to change or cancellation at the sole discretion of DESC without notice.

2. Award dates are generally projected to be 18 months from RFP issuance dates, of each procurement. However, this can vary greatly depending on individual circumstances.

3. Color Scheme:

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<tbody>
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<td>ARMY</td>
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**Note:**
- For tax compliance, refer to Section 352(b)(2)(A) of IRS Tax Code.
- Business costs must include 10% interest costs, as stated in the applicable law.
- The maximum violation rate is 5.95%.
DEFENSE CONTRACT AUDIT AGENCY
AUDIT REPORT NO. 1621–2009K177400001

December 15, 2008

PREPARED FOR: Defense Logistics Agency
Defense Energy Support Center
ATTN: Mr. Brian Koessel, Contract Specialist
8725 John Kingman Road, Suite 3830
Fort Belvoir VA  22060-6222

PREPARED BY: DCAA Indianapolis Branch Office
8899 E. 56th Street, Column 116-AA
Indianapolis, IN 46249-4900
Telephone No. (317) 510-1011
FAX No.  (317) 510-1012
E-mail Address dcaa-fao1621@dcaamil

SUBJECT: Preaward Survey of Prospective Contractor Accounting System Audit

REFERENCES: Solicitation No.: SP0600-08-R-0803, Privatization of the
Water System at Fort Knox, KY
Relevant Dates: See Page 4

CONTRACTOR: Hardin County Water District No.1
1400 Rogersville Road
Radcliff, KY 40160-9343

REPORT RELEASE RESTRICTIONS: See Page 5

CONTENTS:
Subject of Audit 1
Scope of Audit 1
Results of Audit 2
Contractor Organization and Systems 3
DCAA Personnel and Report Authorization 4
Audit Report Distribution and Restrictions 5
Appendix 6
SUBJECT OF AUDIT

As you requested on October 28, 2008, we examined Hardin County Water District No. 1’s (HCWD) accounting system, to determine whether the design of the system is acceptable for the award of a prospective contract, in accordance with the criteria set forth in FAR 53.209-1(f), Standard Form 1408, Preaward Survey of Prospective Contractor Accounting System. By submitting a cost proposal to the government, Hardin County Water District No. 1 asserts that its accounting system is acceptable to perform the prospective contract in accordance with the above FAR criteria. The financial capability audit you requested is in process and will be issued in a separate report.

Hardin County Water District No. 1 is responsible for establishing and maintaining an acceptable accounting system for accumulating costs under prospective government contracts. Our responsibility is to express an opinion on the acceptability of the design of the accounting system for the award of a prospective contract based on our examination.

SCOPE OF AUDIT

We conducted our examination in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the data and records examined are free of material misstatement. An examination includes:

- obtaining an understanding of internal control for accumulating costs under prospective government contracts;
- examining, on a test basis, evidence supporting the amounts and disclosures in the data and records evaluated;
- assessing the accounting principles used and significant estimates made by the contractor; and
- evaluating the overall data and records presentation.

We evaluated the accounting system using the applicable requirements contained in:

- Federal Acquisition Regulation (FAR); and
- Defense FAR Supplement (DFARS)

Our examination was performed from November 10, 2008 to November 19, 2008.

We believe that our examination provides a reasonable basis for our opinion.

Our examination did not include tests to determine whether internal control is in operation or operating effectively. Because of inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected. Also, accounting system internal control is subject to the risk that the design of the internal control may become unacceptable because of changes in conditions.

FOR OFFICIAL USE ONLY
RESULTS OF AUDIT

In our opinion, the design of the accounting system is, in all material respects, considered acceptable for award of a prospective contract in accordance with the criteria contained in FAR 53.209-1(f). The accounting system is in operation. As requested, we have completed a Standard Form 1408, Pre-Award Survey of Prospective Contractor Accounting System (Appendix, see page 6).

Our examination was limited to determining whether HCWD’s design of the accounting system is acceptable for award of a prospective contract. We did not perform a comprehensive examination of the contractor’s overall accounting system and its related internal control. Accordingly, we express no opinion on HCWD’s system of internal control taken as a whole.

We discussed the results of our examination with Mr. Jim Bruce, General Manager, in an exit conference held on December 11, 2008.
CONTRACTOR ORGANIZATION AND SYSTEMS

I. Organization

HCWD was incorporated in the state of Kentucky on July 15, 1952. Sales for fiscal year (FY) ended 2007 were $7.6 million. Of this amount, $3.4 million was to the DoD. HCWD is a special government sub-district of the Commonwealth of Kentucky, organized as a county water district under KRS Chapter 74. As a public water utility, HCWD provides potable water and sewer treatment.

II. Accounting System

HCWD’s accounting period is from January 1 to December 31. HCWD maintains an accounting system on the accrual basis in conformity with accounting principles generally accepted in the United States of America. HCWD’s accounting system is posted on a current basis. Appropriate adjusting entries are made at the end of each month and at year end. HCWD prepares financial statements on an annual basis. The annual financial statements are audited by Ray, Foley, Hensley, and Company, CPAs of Lexington, KY.
Audit Report No. 1621-2009K17740001

DCAA PERSONNEL

Primary contacts regarding this audit:
Jason C. Arnett, Auditor
William D. Adams, Supervisory Auditor

Telephone No.
(502) 580-3133
(513) 554-0180

Other contacts regarding this audit report:
Hugh Drummond, Branch Manager

Telephone No.
(317) 510-1011

FAX No.
(317) 510-1012

E-mail Address
dcaa-fao1621@dcaa.mil

General information on audit matters is available at http://www.dcaa.mil.

RELEVANT DATES

Request for Audit: dated and received October 28, 2008

AUDIT REPORT AUTHORIZED BY:

/Signed/
HUGH DRUMMOND
Branch Manager
DCAA Indianapolis Branch Office

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AUDIT REPORT DISTRIBUTION AND RESTRICTIONS

DISTRIBUTION

Defense Logistics Agency
Defense Energy Support Center
ATTN: Brian Koessel, Contract Specialist
8725 John Kingman Road, Suite 3830
Fort Belvoir VA  22060-6222

Hardin County Water District No.1
1400 Rogersville Road
Radcliff, KY  40160-9343

E-mail Address
Brian.koessel@dlmil

(Copy furnished thru ACO)

RESTRICTIONS

1. Information contained in this audit report may be proprietary. It is not practical to identify during the conduct of the audit those elements of the data which are proprietary. Make proprietary determinations in the event of an external request for access. Consider the restrictions of 18 U.S.C. 1905 before releasing this information to the public.

2. Under the provisions of Title 32, Code of Federal Regulations, Part 290.7(b), DCAA will refer any Freedom of Information Act request for audit reports received to the cognizant contracting agency for determination as to releasability and a direct response to the requestor.

3. Do not use the information contained in this audit report for purposes other than action on the subject of this audit without first discussing its applicability with the auditor.
PREAWARD SURVEY OF PROSPECTIVE CONTRACTOR ACCOUNTING SYSTEM

PUBLIC REPORTING BURDEN FOR THIS COLLECTION OF INFORMATION IS ESTIMATED TO AVERAGE 24 HOURS PER RESPONSE, INCLUDING THE TIME FOR REVIEWING INSTRUCTIONS, SEARCHING EXISTING DATA SOURCES, GATHERING AND MAINTAINING THE DATA NEEDED, AND PREPARING AND REVIEWING THE COLLECTION OF INFORMATION. SEND COMMENTS REGARDING THIS BURDEN ESTIMATE OR ANY OTHER ASPECT OF THIS COLLECTION OF INFORMATION, INCLUDING SUGGESTIONS FOR REDUCING THIS BURDEN, TO THE FEDERAL REGISTER (FOR), OFFICE OF FEDERAL ACQUISITION AND REGULATORY POLICY, GSA, WASHINGTON, DC 20408, AND TO THE OFFICE OF MANAGEMENT AND BUDGET, PAPERWORK REDUCTION PROJECT (9000-0011), WASHINGTON, DC 20503.

SECTION I - RECOMMENDATION

1. PROSPECTIVE CONTRACTOR'S ACCOUNTING SYSTEM IS ACCEPTABLE FOR AWARD OF PROSPECTIVE CONTRACT
   ✔ YES  ☐ NO (Explain in 2. NARRATIVE)
   ☐ YES, WITH A RECOMMENDATION THAT A FOLLOW-ON ACCOUNTING SYSTEM REVIEW BE PERFORMED AFTER CONTRACT AWARD
   (Explain in 2. NARRATIVE)

2. NARRATIVE (Clarification of deficiencies, and other pertinent comments. If additional space is required, continue on plain sheets of paper)

   ☐ SIGNATURE AND OFFICE (include typed or printed name)
   Jason Amerst - DCAA Indianapolis Branch Office

   ☐ SIGNATURE AND OFFICE (include typed or printed name)
   William D. Adams - DCAA Indianapolis Branch Office

   IF CONTINUATION SHEETS ATTACHED - MARK HERE ☐

[Signature]

DATE SIGNED
11/18/08

DATE REVIEWED
12/09/08

STANDARD FORM 1408 (REV 5/98) (E.O.)

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<table>
<thead>
<tr>
<th>SECTION II - EVALUATION CHECKLIST</th>
</tr>
</thead>
<tbody>
<tr>
<td>MARK &quot;X&quot; IN THE APPROPRIATE COLUMN. (Explain any deficiencies in SECTION I NARRATIVE)</td>
</tr>
<tr>
<td>1. EXCEPT AS STATED IN SECTION I NARRATIVE, IS THE ACCOUNTING SYSTEM IN ACCORD WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES APPLICABLE IN THE CIRCUMSTANCES?</td>
</tr>
<tr>
<td>2. ACCOUNTING SYSTEM PROVIDES FOR:</td>
</tr>
<tr>
<td>a. Proper segregation of direct costs from indirect costs.</td>
</tr>
<tr>
<td>b. Identification and accumulation of direct costs by contract.</td>
</tr>
<tr>
<td>c. A logical and consistent method for the allocation of indirect costs to intermediate and final cost objectives. (A contract is a final cost objective.)</td>
</tr>
<tr>
<td>d. Accumulation of costs under general ledger control</td>
</tr>
<tr>
<td>e. A timekeeping system that identifies employees' labor by intermediate or final cost objectives.</td>
</tr>
<tr>
<td>f. A labor distribution system that charges direct and indirect labor to the appropriate cost objectives.</td>
</tr>
<tr>
<td>g. Interim (at least monthly) determination of costs charged to a contract through routine posting of books of account.</td>
</tr>
<tr>
<td>h. Exclusion from costs charged to government contracts of amounts which are not allowable in terms of FAR 31, Contract Cost Principles and Procedures, or other contract provisions.</td>
</tr>
<tr>
<td>i. Identification of costs by contract line item and by units (as if each unit or line item were a separate contract) if required by the proposed contract.</td>
</tr>
<tr>
<td>j. Segregation of preproduction costs from production costs.</td>
</tr>
<tr>
<td>3. ACCOUNTING SYSTEM PROVIDES FINANCIAL INFORMATION:</td>
</tr>
<tr>
<td>a. Required by contract clauses concerning limitation of cost (FAR 52.232-20 and 21) or limitation on payments (FAR 52.216-16)</td>
</tr>
<tr>
<td>b. Required to support requests for progress payments.</td>
</tr>
<tr>
<td>4. IS THE ACCOUNTING SYSTEM DESIGNED AND ARE THE RECORDS MAINTAINED IN SUCH A MANNER THAT ADEQUATE RELIABLE DATA ARE DEVELOPED FOR USE IN PRICING FOLLOW-ON ACQUISITIONS?</td>
</tr>
<tr>
<td>5. IS THE ACCOUNTING SYSTEM CURRENTLY IN FULL OPERATION? (If not, describe in Section I Narrative which portions are (1) in operation, (2) set up but not yet in operation, (3) anticipated, or (4) nonexistent.)</td>
</tr>
</tbody>
</table>
MEMORANDUM FOR DEFENSE LOGISTICS AGENCY, 
DEFENSE ENERGY SUPPORT CENTER 
8725 JOHN J. KINGMAN ROAD, SUITE 3830 
FORT BELVOIR, VA 22060-6222

ATTENTION: Mr. Brian Koessel, Contract Specialist 

REFERENCE: SP0600-08-R-0803 - Privatization of the Water System at Fort Knox, KY 

SUBJECT: Request for Financial Capability Risk Assessment 

CONTRACTOR: Hardin County Water District No. 1 

In response to your request dated October 28, 2008 we conducted a detailed financial condition risk assessment of Hardin County Water District No. 1 (HCWD). 

The purpose of the risk assessment was to determine if there are significant indicators of any financial distress that would warrant the performance of a financial capability audit. Our risk assessment included the following:

- Analysis of the contractor’s annual financial statements for contractor fiscal years (FY) 2005 through 2007. 
- Evaluation of Hardin County Water District No. 1’s current financial flexibility. 
- Performing trend analysis of key financial ratios. 
- Performing trend analysis of key financial statement elements. 

We also assessed Hardin County Water District No. 1’s financial condition at the time of fieldwork to determine if the contractor has adequate financial resources to perform on Government contracts in the current and near-term (up to one year). Our assessment also included an evaluation of the contractor’s unaudited financial statements for the first nine months of its Fiscal Year 2008, January 1 through September 30, 2008.

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Our risk assessment did not disclose any significant indicators of current financial distress. This memorandum confirms our discussion with you on December 10, 2008. As mutually agreed, we limited our review to a risk assessment process, inasmuch as we do not believe a full financial capability audit is warranted at this time.

We discussed the results of our risk assessment with Mr. Jim Bruce, General Manager, in an exit conference held on December 11, 2008.

If you require additional information or audit services, please contact Mr. Jason Arnett, Auditor, at telephone number (502) 580-3133 or e-mail Address jason.arnett@dcaa.mil, or Mr. William D. Adams, Supervisory Auditor, at telephone number (513) 554-0180.

/Signed/
HUGH T. DRUMMOND
Branch Manager

Enclosure:
   Key Financial Information
1. Background Information

HCWD is established as a water sub-district in the Commonwealth of KY. HCWD uses enterprise fund accounting method in accordance with GAAP. HCWD is audited annually by the independent CPA firm Ray, Foley, Hensley, and Company of Lexington, KY. HCWD prepares a budget and monitors its actual versus budget in a comparative format with its quarterly financial statements. HCWD does not complete periodic assessments of contract cost performance, which is due to the fund accounting method which it uses to segregate fund costs. This method allows for all income and expenses to be recorded to a specific fund. Each fund is set up with two bank accounts which allow for complete segregation of funds. One account is established as a revenue fund and the other is a sweep account which is used to pay recorded expenses.

2. Key Financial Data

The following information was obtained from the contractor’s audited financial statements for completed FY 2005 through 2007 and the partial year unaudited financial data through September 30, 2008. The contractor’s financial data is summarized below:
**Balance Sheet Data**

<table>
<thead>
<tr>
<th></th>
<th>CFY 2005 (000's)</th>
<th>CFY 2006 (000's)</th>
<th>CFY 2007 (000's)</th>
<th>CFY 2008 (000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>$522</td>
<td>$695</td>
<td>$588</td>
<td>$3,933</td>
</tr>
<tr>
<td>Short Term Investments</td>
<td>1,229</td>
<td>780</td>
<td>258</td>
<td>206</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>829</td>
<td>811</td>
<td>1,245</td>
<td>825</td>
</tr>
<tr>
<td>Quick Assets</td>
<td>$2,580</td>
<td>$2,286</td>
<td>$2,092</td>
<td>$4,963</td>
</tr>
<tr>
<td>Inventory &amp; Other Current Assets</td>
<td>479</td>
<td>245</td>
<td>262</td>
<td>845</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>$3,059</td>
<td>$2,531</td>
<td>$2,353</td>
<td>$5,808</td>
</tr>
<tr>
<td>Total Fixed Assets (Net of Accumulated Depreciation)</td>
<td>35,659</td>
<td>36,889</td>
<td>36,541</td>
<td>54,631</td>
</tr>
<tr>
<td>Goodwill</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Assets</td>
<td>2,510</td>
<td>2,836</td>
<td>3,395</td>
<td>3,543</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$41,228</td>
<td>$42,256</td>
<td>$42,289</td>
<td>$63,962</td>
</tr>
</tbody>
</table>

**Debt Maturing Within One Year**

<table>
<thead>
<tr>
<th></th>
<th>CFY 2005 (000's)</th>
<th>CFY 2006 (000's)</th>
<th>CFY 2007 (000's)</th>
<th>CFY 2008 (000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Maturing Within One Year</td>
<td>$680</td>
<td>$700</td>
<td>$750</td>
<td>$1,110</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>76</td>
<td>371</td>
<td>571</td>
<td>386</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>652</td>
<td>809</td>
<td>724</td>
<td>917</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>$1,408</td>
<td>$1,880</td>
<td>$2,045</td>
<td>$2,413</td>
</tr>
<tr>
<td>Total Long-Term Liabilities</td>
<td>13,228</td>
<td>12,633</td>
<td>11,918</td>
<td>14,262</td>
</tr>
<tr>
<td>Minority Interest in Consolidated Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities (Debt)</strong></td>
<td>$14,636</td>
<td>$14,513</td>
<td>$13,963</td>
<td>$16,675</td>
</tr>
</tbody>
</table>

**Common Stock (Par Value)**

<table>
<thead>
<tr>
<th></th>
<th>CFY 2005 (000's)</th>
<th>CFY 2006 (000's)</th>
<th>CFY 2007 (000's)</th>
<th>CFY 2008 (000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock (Par Value)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Additional Paid-in Capital</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>21,947</td>
<td>23,778</td>
<td>24,051</td>
<td>41,810</td>
</tr>
<tr>
<td>Preferred Stock</td>
<td>1,425</td>
<td>1,116</td>
<td>1,087</td>
<td>1,298</td>
</tr>
<tr>
<td>Other Stockholders' Equity</td>
<td>3,220</td>
<td>2,850</td>
<td>3,188</td>
<td>4,209</td>
</tr>
<tr>
<td>Less: Treasury Stock</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Stockholders' Equity</strong></td>
<td>$26,592</td>
<td>$27,744</td>
<td>$28,326</td>
<td>$47,307</td>
</tr>
</tbody>
</table>

**Total Liabilities and Stockholders' Equity**

<table>
<thead>
<tr>
<th></th>
<th>CFY 2005 (000's)</th>
<th>CFY 2006 (000's)</th>
<th>CFY 2007 (000's)</th>
<th>CFY 2008 (000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Capital</td>
<td>$1,652</td>
<td>$651</td>
<td>$308</td>
<td>$3,394</td>
</tr>
</tbody>
</table>

**Income Statement Data**

<table>
<thead>
<tr>
<th></th>
<th>CFY 2005 (000's)</th>
<th>CFY 2006 (000's)</th>
<th>CFY 2007 (000's)</th>
<th>CFY 2008 (000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$5,599</td>
<td>$7,649</td>
<td>$7,568</td>
<td>$9,684</td>
</tr>
<tr>
<td>Cost of Goods Sold</td>
<td>3,039</td>
<td>4,392</td>
<td>4,860</td>
<td>6,060</td>
</tr>
<tr>
<td>Gross Profit or Margin</td>
<td>$2,569</td>
<td>$3,258</td>
<td>$2,708</td>
<td>$3,624</td>
</tr>
<tr>
<td>G&amp;A Expenses (Excluding Interest &amp; Taxes)</td>
<td>1,180</td>
<td>2,155</td>
<td>2,315</td>
<td>2,533</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$1,379</td>
<td>$1,102</td>
<td>$393</td>
<td>$1,091</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>452</td>
<td>565</td>
<td>569</td>
<td>669</td>
</tr>
<tr>
<td>Taxes</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income/(Loss) from Continuing Operations</td>
<td>$927</td>
<td>$537</td>
<td>$(176)</td>
<td>$422</td>
</tr>
<tr>
<td>Other Income/(Expense), net</td>
<td>16,437</td>
<td>615</td>
<td>758</td>
<td>24,955</td>
</tr>
<tr>
<td>Extraordinary Items (Net of Tax) - Income/(Expense)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Income/(Loss)</strong></td>
<td>$17,364</td>
<td>$1,152</td>
<td>$582</td>
<td>$25,377</td>
</tr>
</tbody>
</table>

**FOR OFFICIAL USE ONLY**
Statement of Cash Flows Data

<table>
<thead>
<tr>
<th></th>
<th>CFY 2005 (000's)</th>
<th>CFY 2006 (000's)</th>
<th>CFY 2007 (000's)</th>
<th>CFY 2008 (000's)</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash from Operations</td>
<td>$1,943</td>
<td>$3,829</td>
<td>$2,406</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Cash from Investments</td>
<td>(344)</td>
<td>469</td>
<td>165</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Cash from Financing</td>
<td>(1,209)</td>
<td>(4,167)</td>
<td>(2,678)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange Rate Effect</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase (Decrease) in Cash</td>
<td>$390</td>
<td>$131</td>
<td>$(107)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Long Term Liabilities

The Long Term Liabilities of HCWD have remained stable over the period examined. This indicates a stable financial environment for HCWD and does not pose a risk to the government in the near future during the performance of the proposed contract.

b. Stockholders' Equity (Net Worth)

HCWD does not have stockholders. This amount does provide an indicator of net assets, which is the equivalent to Stockholder's Equity for a governmental entity fund. The net assets have steadily increased over the period under review, thus showing that HCWD has been profitable. The high net asset amount has made it possible for HCWD to issue bonds with the highest Moody's Rating for a bond issue (Aaa).

c. Working Capital

Overall, working capital has decreased for HCWD. However, this does not pose a significant threat for the performance on the contract because HCWD is a government enterprise fund and if cash is needed in the near term, there are many avenues for HCWD to raise this capital. HCWD could issue bonds, with the highest investment grade rating, thus likely being at a low interest rate.

d. Sales

Sales have steadily increased over the period under review. The sales have increased due to new contracts being obtained by HCWD. These contracts are long term and will be performed on well into the future. The contracts are generally for 50 year terms. This would indicate that the sales will not decrease in the near term.
c. Net Income/ (Loss)

This is a poor indicator for HCWD because HCWD operates as a not-for-profit utility entity. Therefore the goal of HCWD is not to maximize its net income, but rather to provide a public utility to its customers.

f. Net Cash from Operations

Net cash from operations has increased over the period examined. The increased cash flow shows that HCWD has the ability to pay its obligations from cash flow obtained during the ordinary course of business. It does not appear that HCWD will have to make significant borrowings in order to meet the ordinary business expenses.

g. Net Cash from Investments

Net cash from Investments have remained stable and positive. The cash position of HCWD is stable and has shown that the cash management policies of HCWD are financially sound.

h. Net Cash from Financing

Net cash from Financing have remained stable and positive. The cash position of HCWD is stable and has shown that the cash management policies of HCWD are financially sound.

3. Key Financial Ratios

<table>
<thead>
<tr>
<th>Ratio</th>
<th>CFY 2005</th>
<th>CFY 2006</th>
<th>CFY 2007</th>
<th>9/30/2008</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Ratio</td>
<td>2.17</td>
<td>1.35</td>
<td>1.15</td>
<td>2.41</td>
<td>a.</td>
</tr>
<tr>
<td>Quick Ratio</td>
<td>1.83</td>
<td>1.22</td>
<td>1.02</td>
<td>2.06</td>
<td>b.</td>
</tr>
<tr>
<td>Return on Investment Ratio</td>
<td>42%</td>
<td>3%</td>
<td>1%</td>
<td>40%</td>
<td>c.</td>
</tr>
<tr>
<td>Debt to Equity Ratio</td>
<td>0.55</td>
<td>0.52</td>
<td>0.49</td>
<td>0.35</td>
<td>d.</td>
</tr>
<tr>
<td>Capital Turnover Ratio</td>
<td>4%</td>
<td>2%</td>
<td>1%</td>
<td>5%</td>
<td>e.</td>
</tr>
<tr>
<td>Cash Flow to Debt Ratio</td>
<td>127%</td>
<td>23%</td>
<td>21%</td>
<td>167%</td>
<td>f.</td>
</tr>
<tr>
<td>Cash Flow to Sales Ratio</td>
<td>35%</td>
<td>50%</td>
<td>32%</td>
<td>N/A</td>
<td>g.</td>
</tr>
<tr>
<td>Debt Coverage</td>
<td>7.5 years</td>
<td>3.8 years</td>
<td>5.8 years</td>
<td>N/A</td>
<td>h.</td>
</tr>
</tbody>
</table>

Enclosure

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a. Current Ratio

The contractor's current ratio is stable. HCWD has the ability to pay off its short term liabilities with its short term assets. While this is important, the nature of the Water/Sewer business is generally considered long-term, as can be seen in the 50 year proposed contract agreement. The long-term viability of the HCWD should be considered adequate.

b. Quick Ratio

HCWD has a Quick Ratio greater than 1.00 in each of the years under review and appears to be stable during this period. This means that HCWD has a "cushion" between the HCWD's obligations and HCWD's ability to pay the obligations.

c. Return on Investment Ratio

The Return on Investment Ratio is not an effective measure of HCWD because HCWD is set up as a not-for-profit utility. Being organized as a sub-section of the Commonwealth of KY, the goal of HCWD is to provide superior utility service to its customers, not make a profit. Thus the goals and organization of HCWD do not make this a valid measure.

d. Debt to Equity Ratio

The Debt to Equity ratio of HCWD is very favorable as well as stable. The standard benchmark is a Debt to Equity ratio of less than 1.00. As can be noted, HCWD is considerably below this benchmark in each of the periods evaluated. HCWD is not owned by individuals, and thus the equity is recorded in the Financial Statements as "Net Assets".

e. Capital Turnover Ratio

The Capital Turnover Ratio for HCWD is stable. The ratio is also favorable and does not show any indication of HCWD inability to perform on this contract for the duration of the contract.

f. Cash Flow to Debt Ratio

HCWD Cash Flow to Debt Ratio has more than adequate funds to satisfy its debt obligations. The ratio shows that HCWD has an adequate income of annual cash flow compared to its annual debt obligations. This ratio is also stable over the period examined.
g. Cash Flow to Sales Ratio

HCWD is effectively using its cash position to generate revenue. It has demonstrated stable ratios over 30 percent (%) in each of the years examined.

h. Debt Coverage

The debt coverage ratio may appear long at first; however if one considers that the life of a sewer system or water lines, the main business of this contractor, is 50 years, then the Debt Coverage Ratio is quite low. The ratio is stable and is not a sign of financial distress for HCWD.
Correspondence Number 2

Solicitation          SP0600-08-R-0803
System                Potable Water Utility System
Installation         Fort Knox, KY

Offeror               Hardin County Water District No. 1 (HCWD1)
                       Mr. Jim Bruce, General Manager
                       1400 Rogersville Road
                       Radcliff, KY  40160
                       Telephone: (270) 351-3222
                       Email:  jbruce@hcwd.com

Contracting Officer   Ms. Angela Mattox
                       Defense Energy Support Center
                       8725 John J. Kingman Road, Suite 4950
                       Fort Belvoir, VA  22060-6222
                       Telephone: (703)767-1348
                       Email:  angela.mattox@dla.mil

Contract Specialists  Mr. Brian Koessel
                       Telephone: (703)767-1595
                       Email:  brian.koessel@dla.mil
                       Ms. Taina Rivera
                       Telephone: (703)767-8130
                       Email:  taina.rivera@dla.mil

Previous Correspondence Number 1 (30Jun09)
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HCWD1: We are enclosing an original, signed form 19.3 (Attachment A-5) which we had in our copy of original proposal. Apparently the hard copies submitted to DESC did not include a signed copy.

The Government requests HCWD1 to acknowledge that DESC Form 19.3, Part 3, Paragraphs (7)(c)-(d), included in RFP Section J41, Subcontracting Plan, has not yet been revised by DESC to reflect the current requirements of FAR 52.219-9(d)(10)(iii)-(iv); and that regardless of the outdated language included in paragraphs (7)(c)-(d), HCWD1 shall comply with the requirements of the FAR.

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HCWD1: The offeror acknowledges that it will be required to comply with the latest FAR requirements for the above listed reference, which will include using the eSRS reporting system.

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(b) The proposed future relationships between HCWD1, CH2M HILL, and LWC (as they would exist if HCWD1 were awarded any contract).

**HCWD1**: Hardin County Water District No. 1 is the sole prime contractor under the submitted proposal. Louisville Water Company (LWC) will provide water treatment operations, water quality monitoring and expertise and bulk water sales under both the Base and Alternate proposals. This will be done under a sub-contract with HCWD1. CH2M HILL will provide management of the Capital Improvement Program; this will also be accomplished under a separate sub-contract with HCWD1. Both LWC and CH2M HILL will assist HCWD1 throughout the contract with capital project planning, design and administration.

**(8) Status with Independent Federal, State, or Local Regulatory Authority**

(a) The Government requests HCWD1 to confirm that the list of Notices of Violation (NOVs) identified in its proposal (and provided below) is a complete list of NOVs received by HCWD1 within the last five (5) years. See page II-7 (Reference RFP L.5).

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(b) The Government requests HCWD1 to provide a discussion of the identified NOVs (as well as any NOVs that may have occurred since the proposal was submitted) and how each NOV was resolved (or is currently being resolved). If providing this information may be deemed a violation of law, then HCWD1 should make a statement to that effect.

**HCWD1**: HCWD1 is providing (Attachment A-8), a summary of Notices of Violation for the period from 2003 through present. This includes the 5 years prior to proposal submission date, and any received since the proposal was submitted. Four (4) of these are administrative or reporting related, ten (10) are related to parameter exceedance or levels. The attachment includes information on:

- Description of the Violation
- Root Cause
- Action Plan
- Status of the Action Plan

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(taina.rivera@dla.mil or 703-767-8130) or Brian Koessel (brian.koessel@dla.mil or 703-767-1595).

HCWD1: HCWD1 and members of its team will be requesting under separate copy an additional site visit and will coordinate said request through DESC.

(10) Government Responses

This is additional information that was not discussed during the teleconference.

Note that statements indicating that information provided by the Offeror has been “accepted,” is “satisfactory,” “acceptable,” etc., or that no further information is requested simply mean that such information answers the Government’s questions, and in no way reflect how that information will be evaluated by the Source Selection Evaluation Team(s) and/or Source Selection Authority.

HCWD1: Acknowledged
June 30, 2009

Mr. Jim Bruce
General Manager
Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, Kentucky 40160

Dear Mr. Bruce,

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Please feel free to contact me at (703) 767-1348 or angela.mattox@dla.mil if you have any questions or concerns.

Sincerely,

Angela E. Mattox
Contracting Officer
Army Contracting Division
Energy Enterprise BU
Correspondence Number 2

Solicitation          SP0600-08-R-0803
System                Potable Water Utility System
Installation         Fort Knox, KY

Offeror       Hardin County Water District No. 1 (HCWD1)
               Mr. Jim Bruce, General Manager
               1400 Rogersville Road
               Radcliff, KY  40160
               Telephone: (270) 351-3222
               Email: jbruce@hcwd.com

Contracting Officer Ms. Angela Mattox
                     Defense Energy Support Center
                     8725 John J. Kingman Road, Suite 4950
                     Fort Belvoir, VA  22060-6222
                     Telephone: (703)767-1348
                     Email: angela.mattox@dla.mil

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(b) The proposed future relationships between HCWD1, CH2M HILL, and LWC (as they would exist if HCWD1 were awarded any contract).

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(a) The Government requests HCWD1 to confirm that the list of Notices of Violation (NOVs) identified in its proposal (and provided below) is a complete list of NOVs received by HCWD1 within the last five (5) years. See page II-7 (Reference RFP L.5).

KPDES permit violations for fecal coliform and TSS, March 2006
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KPDES permit violation for whole effluent toxicity, October-November 2007
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This is additional information that was not discussed during the teleconference.

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Correspondence Number 3

Solicitation
SP0600-08-R-0803
System
Potable Water Utility System
Installation
Fort Knox, KY

Offeror
Hardin County Water District No. 1 (HCWD1)
Mr. Jim Bruce, General Manager
1400 Rogersville Road
Radcliff, KY 40160
Telephone: (270) 351-3222
Email: jbruce@hcwd.com

Contracting Officer
Ms. Angela Mattox
Defense Energy Support Center
8725 John J. Kingman Road
Fort Belvoir, VA 22060-6222
Telephone: (703)767-1348
Email: angela.mattox@dla.mil

Contract Specialists
Mr. Brian Koessel
Telephone: (703)767-1595
Email: brian.koessel@dla.mil

Ms. Taina Rivera
Telephone: (703)767-8130
Email: taina.rivera@dla.mil

Previous Correspondence Numbers 1 (30Jun09) and 2 (22Oct09)
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Source Selection Information – See FAR 2.101 and 3.104
Correspondence Number 1 (30Jun09)

DESC is pleased to inform you that, in accordance with FAR 15.306(d), negotiations under solicitation SP0600-08-R-0803, privatization of the potable water utility system at Fort Knox, Kentucky, are now open. DESC will issue Negotiation Message #1 in the coming weeks. Along with the issuance of that message, DESC will also provide a schedule to assist with planning.

The negotiation messages and HCWDI's responses will occur primarily through written exchanges. DESC intends to conduct at least one session of face to face discussions, if necessary. Further, please be advised that Fort Knox will accommodate site visits from the date of this letter until two weeks prior to the due date for final proposal revisions, if requested. To schedule a site visit, please contact Mr. Brian Koessel at (703) 767-1595 or brian.koessel@dla.mil.

Please feel free to contact me at (703) 767-1348 or angela.matto@dla.mil if you have any questions or concerns.
Correspondence Number 2 (22Oct09)

A conference call was held on October 21, 2009, with the following people in attendance: Ms. Angela Mattox and Ms. Taina Rivera representing the Government and Mr. Jim Bruce representing HCWD1. The items listed below were discussed during the conference call. DESC requests you consider these items in any revision you may make in HCWD1's proposal. Government request HCWD1 return this document after inserting responses to each concern. The responses incorporated into this document should be sent via email to the following addresses: angela.mattox@dla.mil, taina.rivera@dla.mil, and brian.koessel@dla.mil. Send any questions and/or concerns via email to Ms. Mattox.

1) Proposals and Negotiation Messages

Offerors are advised that proposals and negotiation messages will not be incorporated by reference into any resultant Contract. Rather, the terms and conditions contained in Sections B through K of the RFP will form the terms and conditions of the Contract, with appropriate modifications to reflect: a) exceptions properly made in accordance with Section L.6.2. of the RFP and accepted by the Contracting Officer; b) agreements reached as a result of negotiations; c) the actual systems awarded; and d) changes in terminology indicating the transition from Offeror/RFP to Contractor/Contract. Only discrete schedules and plans from the successful proposal will be made a part of the contract as attachments (e.g. - Contingency Operations Plan, Section B Pricing Schedule, etc.).

2) General Questions

Offerors who have general questions regarding the RFP, the system being conveyed or similar issues not specific to the content of the Offeror's proposal must submit such questions to the Contracting Officer in writing so that the Government can publish the answers to all Offerors. While the Government will conduct discussions during any face to face or telephonic negotiation session, the Government will not discuss these types of general questions. This ensures that sufficient time is allotted for the negotiation sessions and that information is distributed to all Offerors in a consistent manner.

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Assumptions will be considered by the Government solely for evaluation purposes. Unless identified as an exception in accordance with Section L.6.2 and accepted as such by the Contracting Officer, assumptions will not be deemed to be a part of any resulting contract and will not form the basis for any pricing adjustments.

4) Alternate Proposals and Exceptions to Terms and Conditions

The Government requests HCWD1 to confirm that it takes no exceptions to the terms and conditions of the RFP. See page III-4 (Reference RFP L.6.2).

Source Selection Information – See FAR 2.101 and 3.104
(5) Subcontracting Plan

The DESC Form 19.3, Small Business Subcontracting Plan, submitted by HCWD1 is not signed and therefore incomplete. The Government requests HCWD1 to sign and date its Small Business Subcontracting Plan. Failure to submit a complete subcontracting plan shall make HCWD1 ineligible for a contract award. See page III-5 (Reference RFP I.2, J41, and L.6.3.2).

The Government requests HCWD1 to acknowledge that DESC Form 19.3, Part 3, Paragraphs (7)(c)-(d), included in RFP Section J41, Subcontracting Plan, has not yet been revised by DESC to reflect the current requirements of FAR 52.219-9(d)(10)(iii)-(iv); and that regardless of the outdated language included in paragraphs (7)(c)-(d), HCWD1 shall comply with the requirements of the FAR.

(6) Socioeconomic Plan

The Government requests HCWD1 to acknowledge the requirements in FAR 52.219-9(d)(10)(iii)-(iv), for it and its subcontractors (with subcontracting plans) to use the Electronic Subcontracting Reporting System (eSRS) to submit the Summary Subcontract Report (SSR), and to revise its proposal accordingly. See page III-10 (Reference RFP I.2 and L.6.3.3).

(7) HCWD1’s Subcontractors

The relationship between HCWD1 and other entities (LWC and CH2M HILL), as described in the proposal, is unclear. To evaluate the capabilities of any entity other than the offeror the Government must have a clear understanding of the roles of the entities post-award. If these relationships are not clarified, then the Government will be restricted to evaluating HCWD1’s capabilities alone. The Government requests HCWD1 to clearly define:

(a) The current relationships between HCWD1, CH2M HILL, and LWC. See below for locations in your proposal that mentions HCWD1’s relationship with the other companies.

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(i) Page III-1: HCWD1 will be the prime contractor with two team subcontractors: Louisville Water Company (LWC) and CH2M HILL.

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Source Selection Information – See FAR 2.101 and 3.104
Correspondence Number 3 (27Oct09)

A conference call was held on October 27, 2009 at the request of HCWD1 to obtain clarification on two items discussed in Correspondence #2. Individuals in attendance are listed below.

Government  Angela Mattox
HCWD1        Mr. Jim Bruce  Mr. Brett Pyles
Louisville Water Company  Mr. Jim Smith
CH2M Hill  Mr. David Hackworth  Mr. Jon Greene  Mr. David Gray

(1) HCWD1’s Subcontractors

Mr. Bruce wanted to know how to respond since the Government had listed 11 places. Ms. Mattox said insert the response at the end of each volume.

HCWD1 agreed to put in writing that the Partnership Agreement would not be a part of any resultant contract in its response concerning its subcontractors.

HCWD1 will provide an updated organization chart.

(2) Status with Independent Federal, State, or Local Regulatory Authority

HCWD1 will provide a table of NOVs and background information.

Source Selection Information – See FAR 2.101 and 3.104
Correspondence Number 2

Solicitation
System
Installation
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HCWD1: We are enclosing an original, signed form 19.3 (Attachment A-5) which we had in our copy of original proposal. Apparently, the hard copies submitted to DESC did not include a signed copy.

The Government requests HCWD1 to acknowledge that DESC Form 19.3, Part 3, Paragraphs (7)(c)-(d), included in RFP Section J41, Subcontracting Plan, has not yet been revised by DESC to reflect the current requirements of FAR 52.219-9(d)(10)(iii)-(iv); and that regardless of the outdated language included in paragraphs (7)(c)-(d), HCWD1 shall comply with the requirements of the FAR.

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HCWD1: The offeror acknowledges that it will be required to comply with the latest FAR requirements for the above listed reference, which will include using the eSRS reporting system.

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The relationship between HCWD1 and other entities (LWC and CH2M HILL), as described in the proposal, is unclear. To evaluate the capabilities of any entity other than the offeror the Government must have a clear understanding of the roles of the entities post-award. If these relationships are not clarified, then the Government will be restricted to evaluating HCWD1’s capabilities alone. The Government requests HCWD1 to clearly define:
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Page 6 of 8
(b) The proposed future relationships between HCWD1, CH2M HILL, and LWC (as they would exist if HCWD1 were awarded any contract).

**HCWD1:** Hardin County Water District No. 1 is the sole prime contractor under the submitted proposal. Louisville Water Company (LWC) will provide water treatment operations, water quality monitoring and expertise and bulk water sales under both the Base and Alternate proposals. This will be done under a sub-contract with HCWD1. CH2M HILL will provide management of the Capital Improvement Program; this will also be accomplished under a separate sub-contract with HCWD1. Both LWC and CH2M will assist HCWD1 throughout the contract with capital project planning, design and administration.

**8) Status with Independent Federal, State, or Local Regulatory Authority**

(a) The Government requests HCWD1 to confirm that the list of Notices of Violation (NOVs) identified in its proposal (and provided below) is a complete list of NOVs received by HCWD1 within the last five (5) years. See page II-7 (Reference RFP L.5).

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**HCWD1:** HCWD1 is providing (attachment A-8), a summary of Notices of Violation for the period from 2003 through present. This includes the 5 years prior to proposal submission date, and any received since the proposal was submitted. These 14 NOV’s are for all three utilities HCWD1 owns. Four (4) of these are administrative or reporting related, ten (10) are related to parameter exceedance or levels. The attachment includes information on:

- Description of the Violation
- Root Cause
- Action Plan
- Status of the Action Plan

**9) Site Visits**

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(taina.rivera@dla.mil or 703-767-8130) or Brian Koessel (brian.koessel@dla.mil or 703-767-1595).

HCWD1: HCWD1 and members of its team will be requesting under separate copy an additional site visit and will coordinate said request through DESC.

(10) Government Responses

This is additional information that was not discussed during the teleconference.

Note that statements indicating that information provided by the Offeror has been “accepted,” “satisfactory,” “acceptable,” etc., or that no further information is requested simply mean that such information answers the Government’s questions, and in no way reflect how that information will be evaluated by the Source Selection Evaluation Team(s) and/or Source Selection Authority.

HCWD1: Acknowledged
### SMALL BUSINESS SUBCONTRACTING PLAN

- Records of outreach efforts to contact:
  1. Trade associations
  2. Business development organizations
  3. Conferences and trade fairs to locate SB/VO SB SD-VOSB HUBZone SDB and VOSB sources
- Records of internal guidance and encouragement provided to buyers through:
  1. Workshops, seminars, training, etc.
  2. Monitoring performance to evaluate compliance with the program's requirements
- On a contract-by-contract basis, supporting information for award data submitted by the contractor to the Government including the name, address, and business size of each subcontractor

### PART 4 – AGREEMENT AND APPROVAL SIGNATURES

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<tr>
<th>A. Offeror's agreement</th>
<th>Jim Bruce, General Manager</th>
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<tbody>
<tr>
<td>Offeror's signature</td>
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<td>B. Reviewed By</td>
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<tr>
<td>Contract Specialist's signature</td>
<td>Date</td>
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<td>C. Contracting Officer's determination of acceptance</td>
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<td>Contracting Officer's signature</td>
<td>Date</td>
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<td>D. Division Chief's approval</td>
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<td>Is SDB goal less than 5%?</td>
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<td>If yes, a Division Chief's signature, one level above Contracting Officer is required</td>
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<td>Deputy's/Director's signature</td>
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<td>E. Small Business Office</td>
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<td>Small Business Specialist's Rationale:</td>
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<tr>
<td>F. Contracting Officer's approval</td>
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<td>Contracting Officer's signature</td>
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</table>
Hardin County Water District No. 1
Serving Radcliff and Hardin County for Over 50 Years

1400 Rogersville Road
Radcliff, KY. 40160

October 29, 2009

Defense Energy Support Center
Ms. Angela Mattox
8725 John J. Kingman Road, Suite 4950
Fort Belvoir, Virginia 22060-6222
ATTN: DESC-EA

SUBJECT: Hardin County Water District No. 1, Responses to Correspondence Number 2 (22Oct09)
Solicitation No.: SP0600-08-R-0803
Privatization of the Potable Water Utility System
Fort Knox Army Installation, Kentucky

Ms. Mattox:

The Hardin County Water District No. 1 (HCWD1) is pleased to submit the attached information in response to the above referenced communication from DESC. We are hopeful this will fully answer the Government’s questions. I certify the answers inserted in the document (blue font) are correct, and that I am authorized to provide the information on behalf on HCWD No.1.

I will remain your primary point of contact for HCWD1 and our Team during the Proposal and bid period, and can be contacted as follows:

Mr. Jim Bruce, General Manager
Hardin County Water District No. 1
1400 Rogersville Road, Radcliff, Kentucky 40160
Telephone: 270.351.3222
Mobile: 270.268.4069
Fax: 270.352.3055
eMail: jbruce@HCWD.com

We look forward to your review of the additional information provided at your request, and I invite you to contact me should you have any questions or need any additional information.

Sincerely,

[Signature]

Mr. Jim Bruce
General Manager
Hardin County Water District No. 1

Encl.

Phone 1-270-351-3222
FAX: 1-270-352-3055

www.HCWD.com
Correspondence Number 2

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Installation     Fort Knox, KY

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                      Telephone:  (703)767-8130
                      Email:    taina.rivera@dla.mil

Previous Correspondence Number 1 (30Jun09)
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Correspondence Number 1 (30Jun09)

DESC is pleased to inform you that, in accordance with FAR 15.306(d), negotiations under solicitation SP0600-08-R-0803, privatization of the potable water utility system at Fort Knox, Kentucky, are now open. DESC will issue Negotiation Message #1 in the coming weeks. Along with the issuance of that message, DESC will also provide a schedule to assist with planning.

The negotiation messages and HCWD1’s responses will occur primarily through written exchanges. DESC intends to conduct at least one session of face to face discussions, if necessary. Further, please be advised that Fort Knox will accommodate site visits from the date of this letter until two weeks prior to the due date for final proposal revisions, if requested. To schedule a site visit, please contact Mr. Brian Koessel at (703) 767-1595 or brian.koessel@dla.mil.

Please feel free to contact me at (703) 767-1348 or angela.mattox@dla.mil if you have any questions or concerns.
Correspondence Number 2 (22Oct09)

A conference call was held on October 21, 2009, with the following people in attendance: Ms. Angela Mattox and Ms. Taina Rivera representing the Government and Mr. Jim Bruce representing HCWDI. The items listed below were discussed during the conference call. DESC requests you consider these items in any revision you may make in HCWDI’s proposal. Government request HCWDI return this document after inserting responses to each concern. The responses incorporated into this document should be sent via email to the following addresses: angela.mattox@dla.mil, taina.rivera@dla.mil, and brian.koessel@dla.mil. Send any questions and/or concerns via email to Ms. Mattox.

(1) Proposals and Negotiation Messages

Offerors are advised that proposals and negotiation messages will not be incorporated by reference into any resultant Contract. Rather, the terms and conditions contained in Sections B through K of the RFP will form the terms and conditions of the Contract, with appropriate modifications to reflect: a) exceptions properly made in accordance with Section L.6.2. of the RFP and accepted by the Contracting Officer; b) agreements reached as a result of negotiations; c) the actual systems awarded; and d) changes in terminology indicating the transition from Offeror/RFP to Contractor/Contract. Only discrete schedules and plans from the successful proposal will be made a part of the contract as attachments (e.g. - Contingency Operations Plan, Section B Pricing Schedule, etc.).

HCWD1: Acknowledged

(2) General Questions

Offerors who have general questions regarding the RFP, the system being conveyed or similar issues not specific to the content of the Offeror's proposal must submit such questions to the Contracting Officer in writing so that the Government can publish the answers to all Offerors. While the Government will conduct discussions during any face to face or telephonic negotiation session, the Government will not discuss these types of general questions. This ensures that sufficient time is allotted for the negotiation sessions and that information is distributed to all Offerors in a consistent manner.

HCWD1: Acknowledged

(3) Assumptions

Assumptions will be considered by the Government solely for evaluation purposes. Unless identified as an exception in accordance with Section L.6.2 and accepted as such by the Contracting Officer, assumptions will not be deemed to be a part of any resulting contract and will not form the basis for any pricing adjustments.

HCWD1: Acknowledged
(4) Alternate Proposals and Exceptions to Terms and Conditions

The Government requests HCWD1 to confirm that it takes no exceptions to the terms and conditions of the RFP. See page III-4 (Reference RFP L.6.2).

HCWD1: Acknowledged

(5) Subcontracting Plan

The DESC Form 19.3, Small Business Subcontracting Plan, submitted by HCWD1 is not signed and therefore incomplete. The Government requests HCWD1 to sign and date its Small Business Subcontracting Plan. Failure to submit a complete subcontracting plan shall make HCWD1 ineligible for a contract award. See page III-5 (Reference RFP I.2, J41, and L.6.3.2).

HCWD1: We are enclosing an original, signed form 19.3 (Attachment A-5) which we had in our copy of original proposal. Apparently, the hard copies submitted to DESC did not include a signed copy.

The Government requests HCWD1 to acknowledge that DESC Form 19.3, Part 3, Paragraphs (7)(c)-(d), included in RFP Section J41, Subcontracting Plan, has not yet been revised by DESC to reflect the current requirements of FAR 52.219-9(d)(10)(iii)-(iv); and that regardless of the outdated language included in paragraphs (7)(c)-(d), HCWD1 shall comply with the requirements of the FAR.

HCWD1: Acknowledged

(6) Socioeconomic Plan

The Government requests HCWD1 to acknowledge the requirements in FAR 52.219-9(d)(10)(iii)-(iv), for it and its subcontractors (with subcontracting plans) to use the Electronic Subcontracting Reporting System (eSRS) to submit the Summary Subcontract Report (SSR), and to revise its proposal accordingly. See page III-10 (Reference RFP I.2 and L.6.3.3).

HCWD1: The offeror acknowledges that it will be required to comply with the latest FAR requirements for the above listed reference, which will include using the eSRS reporting system.

(7) HCWD1’s Subcontractors

The relationship between HCWD1 and other entities (LWC and CH2M HILL), as described in the proposal, is unclear. To evaluate the capabilities of any entity other than the offeror the Government must have a clear understanding of the roles of the entities post-award. If these relationships are not clarified, then the Government will be restricted to evaluating HCWD1’s capabilities alone. The Government requests HCWD1 to clearly define:
(a) The current relationships between HCWD1, CH2M HILL, and LWC. See below for locations in your proposal that mentions HCWD1’s relationship with the other companies.

**Volume I (Technical)**

(i) Page I-13: In any recovery efforts, HCWD1 can call upon the resources of their subcontractor, LWC.

(ii) Page I-85: In addition to HCWD1’s financial strength, we can bring to this contract the financial stability and competence of our two team subcontractors, as described below.

(iii) Attachment 3, Memorandum of Understanding includes a Partnership Agreement between HCWD1 and LWC that establishes terms applicable to the proposal phase of the privatization efforts at Fort Knox.

**Volume II (Past Performance)**

(i) Page II-1: HCWD1, in partnership with Louisville Water Company (LWC) and CH2M HILL, provides the best choice in terms of forming a long-term partnership at Fort Knox.

(ii) Page II-2: Exhibit II-1, Team Subcontractor Projects.

(iii) Page II-4: CH2M HILL is subcontractor to Augusta Utility Department (AUD) in a role similar to that proposed for Fort Knox.

(iv) Page II-6: Exhibit II-4, References for HCWD1 Team Subcontractors.

**Volume III (Contract Documentation)**

(i) Page III-1: HCWD1 will be the prime contractor with two team subcontractors: Louisville Water Company (LWC) and CH2M HILL.

(ii) Page III-7: HCWD1 has named only two team subcontractors, Louisville Water Company and CH2M HILL, for this contract.

**Volume IV (Price)**

(i) Page IV-49: Table IV-10 (Row 2, Col. 2) - The risk will be mitigated by HCWD1’s and its subcontractor, LWC’s, close proximity to Fort Knox.

(ii) Page IV-49: Table IV-10 (Row 7, Col. 2), “HCWD1 and its subcontractors, LWC and CH2M HILL, have developed....”
(b) The proposed future relationships between HCWD1, CH2M HILL, and LWC (as they would exist if HCWD1 were awarded any contract).

**HCWD1**: Hardin County Water District No. 1 is the sole prime contractor under the submitted proposal. Louisville Water Company (LWC) will provide water treatment operations, water quality monitoring and expertise and bulk water sales under both the Base and Alternate proposals. This will be done under a sub-contract with HCWD1. CH2M HILL will provide management of the Capital Improvement Program; this will also be accomplished under a separate sub-contract with HCWD1. Both LWC and CH2M will assist HCWD1 throughout the contract with capital project planning, design and administration.

(8) **Status with Independent Federal, State, or Local Regulatory Authority**

(a) The Government requests HCWD1 to confirm that the list of Notices of Violation (NOVs) identified in its proposal (and provided below) is a complete list of NOVs received by HCWD1 within the last five (5) years. See page II-7 (Reference RFP L.5).

- KPDES permit violations for fecal coliform and TSS, March 2006
- KPDES permit violations for total residual chlorine, July 2006; fecal coliform, August 2005; and total recoverable mercury, July-August 2005
- KPDES permit violation for whole effluent toxicity, October-November 2007

(b) The Government requests HCWD1 to provide a discussion of the identified NOVs (as well as any NOVs that may have occurred since the proposal was submitted) and how each NOV was resolved (or is currently being resolved). If providing this information may be deemed a violation of law, then HCWD1 should make a statement to that effect.

**HCWD1**: HCWD1 is providing (attachment A-8), a summary of Notices of Violation for the period from 2003 through present. This includes the 5 years prior to proposal submission date, and any received since the proposal was submitted. These 14 NOV's are for all three utilities HCWD1 owns. Four (4) of these are administrative or reporting related, ten (10) are related to parameter exceedance or levels. The attachment includes information on:

- Description of the Violation
- Root Cause
- Action Plan
- Status of the Action Plan

(9) **Site Visits**

Fort Knox is willing to accommodate site visits until two weeks prior to the due date for final proposal revisions. To schedule a site visit, please contact either Taina Rivera
(taina.rivera@dla.mil or 703-767-8130) or Brian Koessel (brian.koessel@dla.mil or 703-767-1595).

**HCWD1:** HCWD1 and members of its team will be requesting under separate copy an additional site visit and will coordinate said request through DESC.

(10) **Government Responses**

This is additional information that was not discussed during the teleconference.

Note that statements indicating that information provided by the Offeror has been “accepted,” “satisfactory,” “acceptable,” etc., or that no further information is requested simply mean that such information answers the Government’s questions, and in no way reflect how that information will be evaluated by the Source Selection Evaluation Team(s) and/or Source Selection Authority.

**HCWD1:** Acknowledged
**SMALL BUSINESS SUBCONTRACTING PLAN**

(3) Records of outreach efforts to contact—
   (1) Trade associations
   (2) Business development organizations, and (3) Conferences and trade fairs to locate SB/VOSSB
   SD-VOSB, HUBZone, SDB and WOSB sources
   (e) Records of internal guidance and encouragement provided to buyers through—
   (1) Workshops, seminars, training, etc., and (2) Monitoring performance to evaluate
   compliance with the program's requirements.
   (f) On a contract-by-contract basis, supporting information for award data submitted by the contractor to the
   Government, including the name, address, and business size of each subcontractor.

**PART 4 – AGREEMENT AND APPROVAL SIGNATURES**

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February 3, 2010

Defense Energy Support Center
DESC-EF - Energy Enterprise BU
Ms. Martha Gray
Division Chief / Contracting Officer
8725 John J. Kingman Road, Suite 4950
Fort Belvoir, Virginia 22060-6222
ATTN: DESC-EA

SUBJECT: Response to 24-January-2010 Proposal Extension Request
Solicitation No.: SP0600-08-R-0803
Privatization Water Utility System at Fort Knox Army Installation, Kentucky

Dear Ms. Gray,

We have reviewed your request to extend our proposal and terms until September, 2010. It is our understanding that we would have the opportunity to revise our pricing, if needed, during any final negotiations or future proposal revision process.

At this time, we are in agreement to extend our proposal through September, 2010. This extension is with the understanding and reservation that our pricing included in the proposal, could be modified during final negotiations, or during our final proposal revision process.

We appreciate the further consideration of our proposal and look forward to further negotiations and finalizing a contract in the future. Please do not hesitate to call or email me if you have any questions.

Sincerely,

[Signature]

Jim Bruce, General Manager
Hardin County Water District No. 1

Cf: Mr. Jim Smith, Louisville Water Company
Mr. David Hackworth, P.E., CH2M HILL
Mr. Brett Pyles, HCWD1 Operations Manager
TO:                  Mr. Brian Koessel
                  Branch Chief/Contracting Officer
                  Energy Enterprise BU (DESC-EF)
                  Defense Energy Support Center

FROM:               Hardin County Water District No. 1 (HCWD1)
                  Mr. Jim Bruce, General Manager
                  1400 Rogersville Road
                  Radcliff, KY 40160
                  Telephone: (270) 351-3222
                  Email: jbruce@hcwd.com

RESPONSE DATE:      July 16, 2010

RFP:                SP0600-08-R-0803 – Fort Knox, Kentucky

SUBJECT:            Responses to Negotiation Message – 070110, Dated 1-July-2010

General

1. The attached message is provided for Hardin County Water District No. 1 (HCWD1) to
   review and to provide responses to the issues identified by the Government. The Government
   intends to conduct telephonic and/or face-to-face discussions with HCWD1 as frequently as
   necessary in order to resolve any outstanding issues with HCWD1’s proposal.

2. Note that statements indicating that information provided by the Offeror has been “accepted,”
   is “satisfactory,” “acceptable,” etc., or that no further information is requested simply mean that
   such information answers the Government’s questions, and in no way reflect how that
   information will be evaluated by the Source Selection Evaluation Team(s) and/or Source
   Selection Authority.

3. In accordance with Section M.3, Comparison of Offered Prices with the Government Should-
   Cost Estimate, and 10 U.S.C. § 2688, authority to privatize a utility system is subject to the
   action being in the long-term economic interest of the Government.

4. HCWD1 is requested to carefully review the most recent update to 10 U.S.C. § 2688, which
   includes a new requirement that conveyance of the utility system will reduce the long term cost
   of utility services by 10 % versus the long term cost of utility services performed by the
   Government. Additionally, in order to reduce potentially substantial upfront costs by the Army
   for utilities privatization contracts, it is preferred that Offerors consider amortization of the
   recovery of initial system deficiency corrections (ISDCs) in lieu of receiving lump sum
   payments.

5. To determine whether those criteria in items 3 and 4 above are met, the Government will use
   the CLIN data in Schedule B-1, Schedule B-2, Schedule B-3, or Schedule B-4 to develop a
   projected 50-year cash flow. The present value of the projected cash flow will be calculated and

Source Selection Information
See FAR 2.101 and 3.104
compared to the Government’s present value estimate for a 50-year cash flow for Government ownership and operations and maintenance. Present values will be calculated at the discount rate specified in Appendix C of the Office of Management and Budget (OMB) Circular A-94 that is current at the time proposals are due. The appropriate discount rate may be found at the following hyperlink: http://www.whitehouse.gov/omb/circulars/a094/a94_appx-c.html.

6. HCWD1 is advised that proposals and negotiation messages will not be incorporated by reference into any resultant Contract. Rather, the terms and conditions contained in Sections B through K of the RFP will form the terms and conditions of the Contract, with appropriate modifications to reflect: a) exceptions properly made in accordance with Section L.6.2. of the RFP and accepted by the Contracting Officer (CO); b) agreements reached as a result of negotiations; c) the actual systems awarded; and d) changes in terminology indicating the transition from Offeror/RFP to Contractor/Contract. Only discrete schedules and plans from the successful proposal(s) will be made a part of the contract as attachments (e.g. Contingency Operations Plan, Section B Pricing Schedule, etc.)

7. General questions regarding the RFP, the system being conveyed, or similar issues not specific to the content of the Offeror’s proposal must be submitted to the CO in writing so that the Government can publish the answers to all Offerors. While the Government will conduct discussions during any face to face or telephonic negotiation sessions, the Government will not discuss these types of general questions. This ensures that sufficient time is allotted for the negotiation sessions and that information is distributed to all Offerors in a consistent manner.

8. Assumptions will be considered by the Government solely for evaluation purposes. Unless identified as an exception in accordance with Section L.6.2 and accepted as such by the CO, assumptions will not be deemed to be a part of any resulting contract and will not form the basis for any pricing adjustments.

9. The Government has reviewed HCWD1’s alternate proposal and has decided not to accept it at this time. Thus, the attached message only discusses HCWD1’s base proposal.

10. Responses to this negotiation message are due by COB July 16, 2010. HCWD1 must return this document after inserting responses to each deficiency. The responses incorporated into this document must be sent via email to the following addresses: brian.koessel@dlamil and taina.rivera@dlamil.

11. Fort Knox is willing to accommodate site visits from the date of this message until two weeks prior to the due date for final proposal revisions. To schedule a site visit, contact Taina Rivera at taina.rivera@dlamil or 703-767-8130.

12. The Government requests that CD versions (4 with track changes, 4 with changes accepted) of the Final Proposal Revision (FPR) be submitted by COB July 30, 2010. Hard copies of the FPR shall follow by COB August 4, 2010.

Also be advised that you may call me at 703-767-1595 for any further questions and/or concerns.
Brian Koessel, Contracting Officer, sends…
Hardin County Water District No. 1 – Potable Water Proposal (Base)  
Volume I – Technical Proposal

Factor 1: Technical Capability

1.1 Service Interruption/Contingency Plan

1.1.4 Estimated Response Times
See page I-7 (Reference RFP C.8)

Routine service
See page I-8 (Reference RFP L.4.1, C.9.1 and C.9.2.)

Issue 1: The proposal states, “If an interruption is postponed, the parties will coordinate a mutually acceptable alternate time for the scheduled service interruption.” The Government anticipates that planned service interruptions may occasionally need to be rescheduled with short notice due to adverse affects to Fort Knox’s mission/operations. The Government requests that HCWD1 acknowledge that in the event of such an occurrence, a new, mutually acceptable alternate time will be coordinated with Fort Knox in accordance with RFP J1.3.27, Planned Outages.

HCWD1 Response: HCWD1 acknowledges and agrees that a new and mutually acceptable alternate time will be coordinated with Fort Knox officials, to include the COR, in accordance with RFP J1.3.27, Planned Outages.

Issue 2: The Government requests that HCWD1 acknowledge that non-duty hours and/or weekend work may be necessary when work requiring planned service interruption is difficult to schedule due to constant adverse impacts to Fort Knox’s mission/operations.

HCWD1 Response: HCWD1 acknowledges and agrees that non-duty hours and or weekend work may be necessary when work requiring planned service interruption is difficult to schedule due to constant adverse impacts to Fort Knox’s mission/operations. HCWD1 currently employs the same procedure, at Fort Knox, for the wastewater and storm water systems.

Issue 3: The Government requests that HCWD1 indicate if the service call center is solely for Fort Knox or if it is a regional service center that supports multiple customers.

HCWD1 Response: HCWD1 acknowledges that the service call center will be solely for the Fort Knox water system operation.

Issue 4: The Government requests that HCWD1 state and discuss whether additional costs will be charged to the Government if work requiring a service interruption has to be rescheduled at the last moment due to adverse affects to Fort Knox’s mission/operations.

Source Selection Information
See FAR 2.101 and 3.104
I.1.8.2 Emergency Response Equipment
See page I-12 (Reference RFP L.4.1.)

Issue 5: HCWD1’s technical proposal states that it will have a complete inventory of heavy equipment and keep a copy of the inventory in the Emergency Restoration Plan. The Government requests that HCWD1 address the availability of its vehicle resources along with the process/system that will be implemented to track the operational status of its vehicle fleet. Further, the Government requests HCWD1 to address the accuracy and reliability of the proposed system.

HCWD1 Response: There will be five (5) utility trucks, one (1) backhoe and one (1) backhoe trailer for primary use in the Fort Knox water system. HCWD1’s other 60+ vehicle and equipment resources, includes, but is not limited to, three (3) backhoes, eight (8) various sized trucks, and other miscellaneous equipment will be available for the Fort Knox water system on an as needed basis. Moreover, HCWD1’s future partnership / mutual aid agreement with LWC will allow for use of LWC during emergencies or as needed. As outlined in Volume 1, Subfactor 2, page I-26 of the proposal, HCWD1 will use a CMMS system (Jobs Plus) to track the maintenance of ALL assets, to include vehicles and equipment.

Issue 6: The Government requests that HCWD1 explain the list of equipment included in the qualifications of the equipment operator.

HCWD1 Response: All equipment as outlined in Volume 1, Subfactor 2, page I-35, last paragraph in the “Equipment Operator” section of the proposal.

Issue 7: The Government requests that HCWD1 expand the list to include, and specifically identify, the equipment that would be used in O&M activities.

HCWD1 Response: There will be five (5) utility trucks, one (1) backhoe and one (1) backhoe trailer for primary use in the Fort Knox water system. HCWD1’s other 60+ vehicle and equipment resources, includes, but is not limited to, three (3) backhoes, eight (8) various sized trucks, and other miscellaneous equipment will be available for the Fort Knox water system on an as needed basis. Moreover, HCWD1’s future partnership / mutual aid agreement with LWC will allow for use of LWC during emergencies or as needed.

Issue 8: The Government requests that HCWD1 explain in detail the terms of subcontractor and supplier agreements.

HCWD1 Response: HCWD1 bids all inventory items on an annual basis. There are anticipated quantities for each item. The items and quantities needed for the Fort Knox water system would be added to the annual bid list. Moreover, HCWD1’s future partnership / mutual aid
agreement with LWC will allow for HCWD1 to draw upon the inventory that is currently in LWC’s stock which at end of 2008 was valued at $6.5 million. HCWD1 can and has cooperated with other surrounding utilities, to provide to each other needed materials in emergency situations. If the Fort Knox water system is awarded to HCWD1, then other agreements could be pursued.

**Issue 9:** The Government requests that HCWD1 explain any agreements within, or without, HCWD1 regarding the provision of stockpiled inventory to Fort Knox for emergency response purposes.

**HCWD1 Response:** (See also answer to Issue #8). We do not currently have existing “stand by” agreements with suppliers to provide inventory during an emergency. However, we have and can draw on inventory of LWC and other surrounding water systems, which we have in past when needed.

**Issue 10:** The Government requests that HCWD1 address in detail any agreements with vehicle suppliers or other organizations in order to support disaster/contingency operations.

**HCWD1 Response:** HCWD1 is a special district established under Kentucky Revised Statute (KRS) chapter 74. HCWD1 is eligible to purchase vehicles (and other equipment) under the Kentucky state bid contract. HCWD1 owns four (4) other utilities, two (2) that are operated by Veolia Water North America, and can draw upon their resources as needed, to include but not limited to vehicles. HCWD1 will also be able to borrow equipment from LWC in emergency situations, to include vehicles.

**I.1.11 Catastrophic Loss Plan**
See page I-19, (Reference RFP L.4.1, L.4.5, H.2, H.5)

**Issue 11:** The Government requests that HCWD1 provide additional detail regarding the insurance coverage for critical facilities (including amounts/limits) identified in its proposal.

**HCWD1 Response:** See attached table of current coverages HCWD1 has included in its pricing. HCWD1 is currently in process of reviewing new insurance proposals from four different providers. If awarded the contract, HCWD1 will have in place coverage that meets or exceeds the required insurance coverages in section H.2 of the RFP. From a cost/benefit perspective, HCWD1 could not purchase insurance coverage to recover costs from any type of catastrophic loss which is why HCWD1 would apply for and rely on reimbursement or assistance from county, state and federal government as explained in I.1.1.3 (page I-19) of its proposal.

**I.2 O&M Plan and Quality Management Plan**

**I.2.1.1 Staffing**
See pages I-3, I-20-22 (Reference RFP J1.3.7, J1.3.8)
**Issue 12:** The Government requests that HCWD1 review RFP Sections J1.3.7, *Planning and Programming,* and J1.3.8, *Request for Action (RFA) Process,* and revise its technical proposal to reflect these requirements.

**HCWD1 Response:** HCWD1 acknowledges the government’s request, and will include detailed information in the revised proposal documents, specifically in accordance with RFP Sections J1.3.7, *Planning and Programming,* and J1.3.8, *Request for Action (RFA) Process.*

**Issue 13:** In Exhibit I.2-2, HCWD1 proposed 18.6 FTEs. It is unclear to the Government how HCWD1 proposes to allocate FTEs between its wastewater operations and its water operations at Fort Knox. The Government requests that HCWD1 review its proposed FTEs and provide the revised FTEs for the positions of General Manager, Operations Manager, Safety/Security Officer, and GIS Technician.

**HCWD1 Response:** HCWD1 will update Exhibit I.2-2 in the revised proposal.

**Issue 14:** In Exhibit I.2-2, HCWD1 proposed one (1) General Manager and one (1) Operations Manager for the treatment and distribution of the water system at Fort Knox. On page I-3 of its proposal, HCWD1 shows that these two positions are also responsible for the wastewater treatment system at Fort Knox. The Government requests that HCWD1 review its current wastewater operations and its planned water operations and verify that the allotted hours for one (1) General Manager and one (1) Operations Manager meet the requirements of the Government to efficiently maintain and operate the water system at Fort Knox. Exhibit I.2-2 shall be updated to include the allotted hours.

**HCWD1 Response:** The General Manager (GM) and Operations Manager (OM) costs are recovered through the G&A overhead adder. The actual FTE equivalent will vary by year. Depending on time and efforts spent to oversee the FK Water system, attend meetings, oversee capital construction program and LWG O&M operations. Part of the OM position is also capitalized (currently 75%) as this person is involved in construction projects. This means that portion of his salary is added to each capital project, and is not charged as an O&M expense. The time the GM and OM spend on initial transition and start up has been included in the initial start-up and transition cost charge. For 2010 HCWD1 allocates 0.25 FTE of the GM costs to the FK Sower Utilities and 0.25 FTE of the OM position as well. These FTE allocations (0.25) are expected to be about the same for the FK Water Utility.

**Issue 15:** In Exhibit I.2-1, HCWD1 identified a safety and security position (Safety/Security Officer). However, the number of FTEs required for each position was not identified; please provide this information in Exhibit I.2-2.

**HCWD1 Response:** FTE information was not provided for the Safety/Security Office Position in Exhibit I.2-2 as expenses for this position will only occur during the initial transition period. Expenses for this position were included in the transition expenses listed in Attachment IV-1. The Safety/Security Officer will be responsible for assessing existing safety and security, developing safety and security programs including policies and procedures, compliance monitoring programs, performance metrics, and staff training. Following the transition period,

Source Selection Information
See FAR 2.101 and 3.104
safety and security will be integrated into day to day operations per organizational responsibilities.

**Issue 16:** HCWD1 included one (1) FTE for a GIS Technician position that will be working concurrently on the wastewater system. Therefore, this FTE should not account for a full FTE. The Government requests that HCWD1 revise its proposal to account for the appropriate number of FTEs.

**HCWD1 Response:** HCWD1 acknowledges that the GIS Technician is an FTE for the Fort Knox water system ONLY. This would not be used in the sanitary sewer. HCWD1 has another GIS Technician who would assist in development of the GIS system map, and provide QC of the FK Water GIS Technician, however GIS technician costs were not included in proposal O&M costs.

**1.2.2.8 Process for Implementation of Government-Requested Facility Expansions**

See page I-46 (Reference RFP L.4.2(8), C.11.3)

**Issue 17:** The Government requests that HCWD1 describe its process for receiving, evaluating, and accomplishing requests for new connections and disconnections.

**HCWD1 Response:** Requested new water connections and disconnections process would be much the same as HCWD1 currently uses in the wastewater system at Fort Knox. The requesting entity (Corps of Engineers, DPW, etc.) would include HCWD1 (and the COR) in the planning stages of all projects. It would be determined at that time, the required flow and size of service connection. The KO and/or COR would then send a correspondence (usually an e-mail) authorizing the work to be done. HCWD1 would then work directly with the requesting entity to schedule and coordinate the requested work.

**Issue 18:** The Government requests that HCWD1 acknowledge that new connections and disconnections will have to be reviewed and approved by the Contracting Officer’s Representative and the Contracting Officer.

**HCWD1 Response:** HCWD1 acknowledges and agrees that new connections and disconnections will have to be reviewed and approved by the Contracting Officer’s Representative and the Contracting Officer.

**1.3 Initial System Deficiency Corrections and Initial and Renewals and Replacements Plan**

**1.3.1 Initial System Deficiency Correction Plan**

See page I-58 (Reference RFP C.11, L.4.3, and J1.12)

**Issue 19:** The Government requests that HCWD1 revise its proposal to include the period of performance for each initial system deficiency correction identified by the Government in RFP Section J1.12, as well as the recommended additional upgrades proposed by HCWD1.
HCWD1 Response: HCWD1 will include the period of performance for each initial system deficiency correction identified by the government in RFP Section J.1.12, as well as the recommended additional upgrades proposed by HCWD1 in its revised proposal.

**Issue 20:** The Government requests that HCWD1 revise Exhibit I.3-1 to comply with RFP Section L.4.3(1) by including the info in RFP Section B.7.4 Schedule 3 (without costs).

HCWD1 Response: HCWD1 will update Exhibit I.3-1 in the revised proposal.

**I.4: Operational Transition Plan**

**I.4.1.1 Contract Start Date**
See pages I-76 and I-78 (Reference RFP C.13, F.2, L.4.4, L.4.4.1)

**Issue 21:** The transition period proposed by HCWD1 is inconsistent with the requirements of the RFP. The transition period will begin on contract award and will end with the conveyance of infrastructure to HCWD1. The Government will not issue a separate Notice to Proceed as indicated by HCWD1 on page I-78. The Government requests that HCWD1 remove references to specific dates and propose the length of the transition period in numbers of days.

HCWD1 Response: HCWD1 will remove references to specific dates and propose the length of the transition period in numbers of days in the revised proposal.

**I.4.1.4 Approach and Time Schedule for Obtaining Any Required Operating Permits**
See page I-78 (Reference RFP L.4.4.4)

**Issue 22:** The Government requests that HCWD1 provide the proposed timeline for accomplishing permit transfer. Exhibit I.4-1 Transition Schedule allows 12 days to complete the task named “Contact Regulatory Agencies.” Explain the interconnection between this task and the permit transfer.

HCWD1 Response: Within 12 days of start-up, HCWD1 will formally request a meeting with regulators to initiate necessary processes and procedures for the timely transfer of the applicable permits. Immediately after meeting with regulators, HCWD1 will provide our Army partner with a brief of the meetings and projected schedule to the degree feasible based on the meeting with regulators. After this meeting and initial brief, HCWD1 will provide monthly updates to the government of all milestones and overall progress towards the transfer of permits, and will update schedules accordingly.

**I.4.4 Purchasing**
See page I-81 (Reference RFP L.4.4)

**Issue 23:** Exhibit I.4-1 Transition Schedule allows 19 days for purchasing equipment and material prior to the end of the transition period. The Government requests that HCWD1 explain
the accelerated purchasing schedule that it claims will allow early start of procurement actions in the transition period and will provide adequate time for acquisition of large equipment items.

HCWD1 Response: Exhibit 1.4.1 is not correct. Purchasing would begin much earlier after award and execution of the contract. However, as HCWD1 is considered a Kentucky State entity and thus is able to purchase items (to include large equipment) through the KY State Procurement process. The state of Kentucky bids items annually. This allows entities such as HCWD1 to purchase directly from the list of items and merge the bidding process, which greatly speeds the procurement process for items purchased under state bid.

1.5 Financial Strength
See page I-84 (Reference RFP H.11, L.4.5, L.6.2.1.2)

Issue 24: HCWD1 proposed a purchase price of $1.00. The Government is concerned that if HCWD1 were to purchase the Fort Knox water system at less than fair market value, then that purchase may be treated as a CIAC, and therefore a tax liability. The Government requests that HCWD1 confirm it understands that the Government will have no liability for, nor will it pay, any CIAC tax for which HCWD1 is liable or may become liable.

HCWD1 Response: HCWD1 will update the purchase price in the revised proposal.

Issue 25: The Government requests that HCWD1 explain in greater detail its reasoning for proposing to purchase the Fort Knox water system for $1.00. The Government also requests that HCWD1 consider adjusting the proposed purchase price and purchase price recovery to fair market value and consistent with the approved practices of the Kentucky Public Service Commission (KPSC).

HCWD1 Response: HCWD1 will update the purchase price in the revised proposal.

Issue 26: The Government requests that HCWD1 provide documentation from the KPSC supporting the purchase of the Fort Knox water system for $1.00. The Government does not believe that HCWD1 will be able to recover more than its operation and maintenance expenses at the proposed level of capital investment.

HCWD1 Response: HCWD1 will update the purchase price in the revised proposal.

Source Selection Information
See FAR 2.101 and 3.104
Volume III – Contract Documentation

III.2 Alternate Proposals and Exceptions to Terms and Conditions

III.2.1 Waiver of Applicability of Cost Accounting Standards and Deviations from Specific Parts of Federal Acquisition Regulations (FAR) Part 31

See page III-4 (Reference RFP L.6.2.1.1)

**Issue 1:** While HCWD1 may be exempt from CAS requirements, the Government would like to clarify the probable reasons for the exemption. The CAS exemption specified in 48 C.F.R. 9903.201-1(b)(5), applicable to contracts in which the price is set by law or regulation, would apply, subject to Kentucky PSC approval of the tariff offered by HCWD1, to the Applicable Tariff (CLIN 0001) but not to the ISDCs/Connection Charges (CLIN 0002) or the Transition Period (CLIN 0004).

The ISDCs/Connection Charges and Transition Period costs are negotiated between the Government and HCWD1 at a firm fixed price. The Government believes those items will be exempt from CAS under 48 CFR 9903.201-1(b)(15). Therefore, the Government requests HCWD1 to confirm this understanding and revise its proposal accordingly.

HCWD1 Response: HCWD1 confirms and believes it is exempt from all CAS accounting standards and the KPSC will apply GASB, NARUC and other accounting standards on HCWD1 per KAR and KPS.

Source Selection Information

See FAR 2.101 and 3.104
Volume IV – Price Proposal

Factor 5: Price

Section 2 – Price Proposal, Introduction, and Pricing Assumptions
See page IV-6

O&M Costs
See page IV-6

Issue 1: The Government requests that HCWD1 review Sections J1.3.7 Planning and Programming and J1.3.8 Request for Action (RFA) Process, and revise its pricing proposal to reflect these requirements.

HCWD1 Response: HCWD1 acknowledges reviewing Section J1.3.7 Planning and Programming and J1.3.8 Request for Action and acknowledges the current price proposal is adequate to cover all associated costs.

Issue 2: The Government requests that HCWD1 provide an explanation as to where in its proposal it has included the capital costs associated with vehicles (i.e., pick-up trucks, dump trucks, and heavy equipment), tools, and equipment.

HCWD1 Response: The capital costs associated with vehicles, tools, and equipment were mistakenly omitted from the original proposal. These costs will be included in the revised proposal.

Issue 3: In accordance with the response provided by the Government to Question #14 in the document, Questions & Answers #2, the Government requests that HCWD1 remove the O&M/G&A costs associated with the O&M of the Muldraugh WTP from the O&M component of the Fixed Monthly Charge and include the annual O&M costs for the Muldraugh WTP as five (5) separately identified SDC projects, one each for years 1-5.

HCWD1 Response: HCWD1 acknowledges the government’s request, and will remove all costs associated with operations of the Muldraugh facility from O&M pricing schedules. These costs will be identified and costed in five annual projects, one each for years 1-5 in the revised SDC proposal documents, in accordance with the Government’s request.

R&R Costs
See page IV-14

Issue 4: The Government requests that HCWD1 provide the derivations and backup support for all of the RCN estimates included in Column O of Tab “2 Inv & R&Rs” to the MS Excel Spreadsheet entitled “Proposal—Base_10-1-08.xls”. Additionally, HCWD1 is requested to provide the derivation and backup support for all of the R&R units costs included in Column K of Tab “B.7.3 Schedule 2” to the MS Excel Spreadsheet entitled “Fort Knox Tables and schedules 10 07 08.xls”.

Source Selection Information
See FAR 2.101 and 3.104
HCWD1 Response: The cost estimates were developed using standard cost estimating data bases (RSMean, Timberline) and modified to reflect local regional market conditions based on the estimating bidding experience of Hardin County Water District #1, Louisville Water Company and CHEMMHLL.

Issue 5: The Government requests that HCWD1 provide the rationale and support for the assumed useful life of each system component included in Column O of Tab “2 Inv & R&Rs” to the MS Excel Spreadsheet entitled “Proposal—Base_10-1-08.xls” which differs from the Government’s design life assumptions detailed on Page J1-5 of the Section J1 Attachment.

HCWD1 Response: The government’s suggested useful design life assumptions were modified to reflect the long-term and collective practical knowledge of utility operations by Hardin County Water District #1, Louisville Water Company and CHEMMHLL which will be reflected in our final revised proposal.

ISDC Project Costs
See page IV-36

Issue 6: The Government requests that HCWD1 provide the derivations and backup support for all of the cost estimates included in Column E of Tab “5. ISDCs” to the MS Excel Spreadsheet entitled “Proposal—Base_10-1-08.xls”.

HCWD1 Response: The cost estimates were developed using standard cost estimating data bases (RSMean, Timberline) and modified to reflect local regional market conditions based on the estimating bidding experience of Hardin County Water District #1, Louisville Water Company and CHEMMHLL.

Issue 7: HCWD1 proposed amortizing the SDC projects costs over 60 months at an annual interest rate of 6.2 percent starting in month 1 of the contract. Please note that the Government will not pay for ISDCs until they are completed and in service. Thus, if ISDC #1 is completed and in-service in month 13, the Government will begin payments in month 14; if ISDC #2 is completed and in-service in month 24, the Government will begin payments in month 25; etc. Therefore, the Government requests that HCWD1 revise its proposal accordingly.

HCWD1 Response: In the Government’s response to Negotiation Message 070110, the Government stated that:

“The Government does not object to the principle of creating an Initial System Deficiency Contingency Surcharge. However, before the Government can agree to the surcharge, HCWD1 must provide more details regarding its position on future adjustments to the ISDC Surcharge (e.g., fixed price vs. cost-based, inflation differing site conditions, KPP meetings, etc.).”

Source Selection Information
See FAR 2.101 and 3.104
HCWD1 has contacted the KPSC about this issue. The KPSC has advised that a 3 year surcharge is acceptable. In fact, HCWD1 received approval from the Army and the KPSC for a 24-month surcharge in recovering the cost of wastewater ISDC’s at Ft. Knox in 2003 through 2007.

The proposed surcharge for the water utilities ISDC’s would be a fixed monthly rate for 60 months with the provision for revision in the amount of the surcharge if conditions from those projected today. Given that neither the Government nor HCWD1 can predict the future, the provision for change reduces the risks for which HCWD1 would otherwise need to be compensated if the rate were fixed without possibility of revision. The allowance for revision therefore keeps the cost to the Government lower than would otherwise need to be proposed. As the Government noted in its comment, changed conditions could reflect changes in actual inflation rates compared to the Government specified rate of 1.75% per year and changes in site conditions from those assumed in the parameters values used to prepare our cost estimates, among other changes from those HCWD1 is able to project today. In order to increase the ISDC Surcharge, HCWD1 would need to be demonstrate to the KPSC that higher costs were prudently incurred because of changed conditions. HCWD1 will update the impact of using this inflation rate in the revised proposal.

**Total Contract Costs**

See page IV-36

**Issue 8:** The Government does not agree with HCWD1’s proposed accelerated recovery of its investments in utility plant. For example, HCWD1 plans to collect $14,547 million ($242,455 * 60 months = $14,547,300) in R&R related charges from the Government over the initial 5 years of the contract, while only investing roughly $4,667 million ($441,150 in year 1, $0 in year 2, $259,500 in year 3, $0 in year 4 and $3,966,427 in year 5) in R&R related projects. It appears that HCWD1 has combined the levelized R&R methodology from the fixed price with prospective price redetermination proposal type with the regulated tariff proposal type. It is the Government’s position that normal regulatory practice dictates that the recovery of the costs associated with R&R related projects only begins when the specific R&R projects are completed and placed into service. The Government requests HCWD1 to revise its proposal so that it is in compliance with standard regulatory practices as approved by the KPSC.

HCWD1 Response: HCWD1 has contacted KPSC about this issue. The KPSC will allow the R&R charge to be included as part of the monthly charge as stated in the original proposal. HCWD1 will request a letter from the KPSC supporting this communication and allowance and submit said letter if provided, with its final revised proposal.

Source Selection Information

See FAR 2.101 and 3.104
**Exceptions / Assumptions:**

**Exceptions**

HCWD1 did not submit any exceptions to the RFP; therefore none are addressed in this negotiation message.

**Assumptions**

The following assumptions were identified in Volume I – Technical Proposal, Attachment 1: Technical Assumptions.

**General**

**Assumption #1:** Water system components and services are currently in compliance with all federal, state, and local laws, and environmental, OSHA, and applicable utility regulatory requirements, and will continue to be in compliance at the time of transition.

**Government Response:** The system(s) is being sold “as is, where is,” and without warranty. The Government cannot make blanket representations regarding past system operation. One of the main purposes of privatization is to bring the system up to industry standards. The Section Js and technical library typically contain information about whether notices of violation have been received, but the government cannot warrant that the system is currently in compliance with all applicable statutes and regulations.

HCWD1 Response: HCWD1 retracts Assumption #1.

**Assumption #2:** The installed dates for system components are accurate as provided in the RFP or in answers to questions provided during the proposal solicitation.

**Government Response:** This is incorrect. The Government cannot guarantee the installed dates for all system components. In some instances average dates of installation were used. Please refer to Table 5, Fixed Inventory, in RFP Section J1.2.1.4, Inventory, which notes that the year of construction may not be known for all infrastructures.

HCWD1 Response: HCWD1 retracts Assumption #2.

**Assumption #3:** Ownership of the utility will be transferred to HCWD1 between January 1, 2009, and January 1, 2010.

**Government Response:** This is incorrect; conveyance of the utility system will occur once transition has been completed. Please revise this assumption to reflect current conditions.

Source Selection Information
See FAR 2.101 and 3.104
Assumption #4: Components are in condition that will last as long as design life estimated by HCWD1.

Government Response: This is incorrect. The Government cannot guarantee the useful life of system components. HCWD1 is requested to review RFP Section J1.2.1.4, Inventory. The Fort Knox water system will be sold in an “as-is, where-is” condition. If necessary, please arrange for additional site visits.

Assumption #5: The facilities visited during the site tour are representative of the condition of all facilities in the system. All other components of the water distribution system are in the condition stated in the Army’s data.

Government Response: The government cannot concur. HCWD1 is requested to review RFP Section J1.2.1.4, Inventory. Although the government has tried to provide all information in its possession about the condition of the system, the Fort Knox water system will be sold in an “as-is, where-is” condition. If necessary, please arrange for additional site visits.

Assumption #6: A Vulnerability Assessment has already been completed. Current security measures at pump stations, storage tanks, and other utility service points are adequate and compliant.

Government Response: The most current Vulnerability Assessment was completed in April 2003. It determined that current security measures are adequate for utility services/facilities located inside post gates, however those facilities (Otter Creek Pump Station, well field, etc.) located outside the gates are not considered to be adequately protected. Most of the protection measures are fencing around the facility, video cameras, water monitoring, and security patrols at the facility. Non-classified information included in the Vulnerability Assessment is available for HCWD1 to review onsite at Fort Knox.

Assumption #7: Soil conditions of all underground facilities satisfactorily meet design requirements of the facilities.

Government Response: Design requirements were adequate based on soil conditions at time of construction.
Assumption #8: The American Federation of Government Employees will not raise any significant issues affecting the cost of providing water utility services.

HCWD1 Response: HCWD1 retracts Assumption #8

Government Response: The Government requests that HCWD1 provide details regarding the potential impacts that this assumption might have on its proposal. The Government does not have any reason to believe that the AFGE will raise any issues but the Government does not control the AFGE.

Assumption #9: For purposes of pricing, HCWD1 assumes that growth at Fort Knox is negligible and will result in no increase in costs.

Government Response: The Government cannot concur. Future growth over a 50 year contract period at Fort Knox is unknown; however, if expansion of the system, or a change in service requirements, is required, then HCWD1 may request an adjustment in accordance with FAR 52.243-1, Changes - Fixed Price, Alternate I, or 52.241-7, Change in Rates or Terms and Conditions of Service for Regulated Services, whichever is determined to be applicable at the time of the request. Please state whether HCWD1 is satisfied with these terms and conditions.

HCWD1 Response: HCWD1 retracts Assumption #9

Assumption #10: Air permitting for new and existing generators will be under the Fort Knox Title V permit.

Government Response: Air permitting will be covered under the Fort Knox permit, under a separate section.

HCWD1 Response: No comment.

Assumption #11: Once ownership of the utility systems has been transferred, access to the systems components will be granted without any legal or other cost to HCWD1.

Government Response: The Government plans on granting the successful offeror, if any, an easement providing access to the infrastructure but it cannot guarantee access will be granted with no legal or other costs to HCWD1. HCWD1 is requested to define and provide examples of what it means by “other costs.” HCWD1 is also urged to perform all due diligence necessary to determine whether access to the system will result in costs.

HCWD1 Response: HCWD1 retracts Assumption #11.

Assumption #12: Any generators to be installed will be emergency generators, which are exempt sources under Clean Air Act Title V regulations. All pumps will be electric and will not require amendment of permits.

Source Selection Information
See FAR 2.101 and 3.104
Government Response: Emergency Generators are not exempt sources from permitting if they are part of a currently major source for criteria pollutants, as is the case at Fort Knox. Sections 40 C.F.R. 60 Subpart IIII, JJJJ, or ZZZZ are all applicable depending on generator size or type. Future new generators exclusively serving the water system would be installed by the owner of the water system at that time. The same owner will be responsible for coordinating with Fort Knox for all needed permits.

HCWD1 Response: No comment.

Assumption #13: No existing exclusive water easements will require maintenance by HCWD1.

Government Response: Non-concur. If the water system, as transferred, has exclusive easements, HCWD1 will be required to maintain them. However, if any exclusive easements are identified after contract award, HCWD1 may request an adjustment in accordance with FAR 52.243-1, Changes - Fixed Price, Alternate I, or 52.241-7, Change in Rates or Terms and Conditions of Service for Regulated Services, whichever is determined to be applicable at the time of the request.

HCWD1 Response: HCWD1 retracts Assumption #13.

Assumption #14: The Army will maintain all access roads to and from pump stations, storage tanks, treatment plants, lagoons, and other system locations. HCWD1 will not be responsible for maintaining any on-base roads.

Government Response: The Government does not concur. If the access road is strictly for access to a water tower, it is HCWD1’s responsibility to maintain. This only occurs at water towers 5, 7, 8, and the HCWD1 water tower. These are the only access roads that HCWD1 will be required to maintain.

HCWD1 Response: HCWD1 retracts Assumption #14.

Assumption #15: If previously unknown differences are discovered between the Army-provided inventory and the actual water system and appurtenances, HCWD1 will be allowed during the post-selection process to adjust its purchase price and the projects and associated costs in its ISDC and R&R Plans.

Government Response: Please see RFP Section C.11.1, Due Diligence Adjustment and indicate whether that language addresses your concerns.

HCWD1 Response: We have reviewed RFP Section C.11.1 and it addressed our concerns and assumption and therefore retract Assumption #15

Assumption #16: HCWD1 will be allowed to adjust its utility service charge if previously unknown inventory and system differences are identified that lead to additional labor or other operating costs.

Source Selection Information
See FAR 2.101 and 3.104
Government Response: Please see RFP Section C.11.1, Due Diligence Adjustment.

HCWD1 Response: We have reviewed RFP Section C.11.1 and it addressed our concerns and assumption and therefore retract Assumption #16.

Assumption #17: Land, space, or both will be available at no cost to HCWD1 for on-base offices and storage, as identified in the proposal, specifically for the Fort Knox operations base.

Government Response: HCWD1 is requested to provide more information regarding its plans for an O&M Depot. Please see RFP Sections C.5.1.4, Contractor Facilities and J1.3.1, On-Site Contractor Facility.

HCWD1 Response: HCWD1 retracts Assumption #17.

Assumption #18: Temporary space will be available at each respective construction location for construction trailers and lay down areas to support construction of renewal, upgrade, and enhancement projects.

Government Response: Non-concur. Temporary space may be provided at each site if available; however, that may not be the case for every project. Space may be made available at a location remote from the project site. Please reference RFP Section J1.3.2, Temporary Contractor Facility.

HCWD1 Response: HCWD1 retracts Assumption #18.

Assumption #19: Employees will not organize; but if they do, the collective bargaining agreement labor rates will be the basis for an adjustment during the following price redetermination.

Government Response: The government cannot concur. It is the Government’s understanding that HCWD1 submitted a Regulated Tariff Rate proposal. Please clarify, and provide additional information regarding this assumption. The Government cannot predict the actions of future employees.

HCWD1 Response: HCWD1 retracts Assumption #19.

Assumption #20: Given adequate notice and coordination, Army management, engineering, and operations personnel will be available for interview during site characterization regarding utility system operations, prior contamination, and environmental status.

Government Response: The Government concurs with HCWD1’s assumption.

HCWD1 Response: No Comment.

Source Selection Information
See FAR 2.101 and 3.104
Assumption #21: Given adequate notice and coordination, the Army will provide all existing water utility information that may be reasonably requested by HCWD1. All applicable reports, correspondence, maps, drawings, and any other documentation related to the utility systems or the environmental condition of the property will be readily available to HCWD1 for review during site characterization.

Government Response: If the data is readily available at the time of such requests, Fort Knox will provide HCWD1 with access to that information.

HCWD1 Response: No Comment.

Assumption #22: We assume that Fort Knox has exclusive legislative jurisdiction.

Government Response: The Fort Knox military reservation is principally located in an area of exclusive federal jurisdiction, with the exception of several public roadways and a few small parcels of property. The water treatment and distribution systems currently employed at Fort Knox are in an area of exclusive jurisdiction. The Government requests HCWD1 to indicate how having exclusive legislative jurisdiction would affect its performance.

HCWD1 Response: HCWD1 retracts Assumption #22.

Assumption #23: All water valve locations are known, mapped, and are readily accessible.

Government Response: The Government does not concur. The Government cannot guarantee that all water valve locations are known, properly mapped, or readily accessible. HCWD1 shall base its proposal on the information identified in RFP Section J1.

HCWD1 Response: HCWD1 retracts Assumption #23.

Assumption #24: All Federal taxes will be removed from our proposal for purposes of the evaluation of benefit to the Government.

Government Response: HCWD1 should ensure that all relevant costs are covered by its proposal. However, it is the Government's understanding (reference HCWD1 Proposal, Volume IV, Page IV-4, and Table IV-8) that, “as a public agency, HCWD1 does not pay any Federal income taxes.”

If HCWD1 believes it will be a non-taxable entity, it should state so accordingly. However, if HCWD1 anticipates any Federal taxes, those taxes should be clearly and separately identified in its proposal with explanation. The applicable taxes would be excluded by the Government in its evaluation.

HCWD1 Response: HCWD1 retracts Assumption #24.

Assumption #25: We assume that access to utility systems will be granted with no legal or other cost to HCWD1.

**Source Selection Information**

See FAR 2.101 and 3.104
**Government Response:** Non-concur. Please see Government’s response to Assumption #11.

**HCWD1 Response:** HCWD1 retracts Assumption #25.

**Assumption #26:** For proposal purposes, we assume that system renovation and upgrade projects, as identified in the RFP, are still required by the Government.

**Government Response:** The ISDCs identified in the RFP are still currently required (see Amendment 0002). If additional changes occur, they will be included in an amendment to the RFP.

**HCWD1 Response:** No Comment.

**Assumption #27:** We assume that no special requirements will be necessary for UXO identification/removal during excavation of utility systems.

**Government Response:** This is incorrect. Currently, Fort Knox is unaware of any UXO near the utility system. However, please see RFP Section H.9, *Hazardous Substances*, which states, “Any unexploded ordnance [UXO] discovered on government property by the contractor is the responsibility of the Government and will not be disturbed by the contractor but, upon discovery, shall be immediately reported to Installation Security and the Contracting Officer’s Representative.”

**HCWD1 Response:** HCWD1 retracts Assumption #27.

**Assumption #28:** Capital improvements proposed by HCWD1 will be included in the Government “should cost.”

**Government Response:** At the Government’s discretion, additional ISDCs may or may not be included in the GSCE.

**HCWD1 Response:** No Comment.

**Assumption #29:** The Government “should cost” will reflect industry standards for operation, maintenance, and recapitalization of the water system.

**Government Response:** The GSCE reflects the costs that the Government *should* expend to meet the industry standards. Please see RFP Section M.3 *Comparison of Offered Prices with the Government Should Cost Estimate*.

**HCWD1 Response:** No Comment.

**Assumption #30:** The current Governmental exemption for property taxes will be extended to HCWD1 for all transferred assets.

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**Source Selection Information**

See FAR 2.101 and 3.104
Government Response: The government can neither confirm nor deny this statement. HCWD1 is solely responsible for including all necessary taxes, including property taxes, within its submitted prices to the extent applicable. DESC has not made any assumptions concerning tax liability and award of this contract will not be contingent upon HCWD1’s interpretations of its tax liability. DESC makes no representations as to the applicability of the taxes mentioned by HCWD1 nor can it confirm or deny HCWD1’s interpretation of its own tax liability. HCWD1 is responsible for making its own determination on the applicability of property taxes, but if HCWD1 determines it will be exempt from property taxes the government asks that HCWD1 provide the basis for this determination.

Please also review FAR 52.229-3 Federal, State, and Local Taxes. If HCWD1 incorrectly assumes that there are no property taxes and this is later determined to be incorrect, the Government will not approve an adjustment in contract pricing for this purpose. Payment of property taxes, if determined to be applicable, shall be included in HCWD1’s price proposal.

HCWD1 Response: HCWD1 retracts Assumption #30.

Assumption #31: Annual/periodic studies will begin after Year 1.

Government Response: The Government requests clarification regarding HCWD1’s definition for “Year 1.” Does “Year 1” refer to the first twelve months of the performance period or to the first twelve months following contract award?

HCWD1 Response: Annual/periodic studies will begin after the first twelve months of the performance period.

Assumption #32: The Army will be responsible for any agreements with Government and non-Government tenants. HCWD1 will hold no separate agreements with current or future tenants.

Government Response: Non-concur. HCWD1 may be required to hold separate agreements with future tenants. No separate agreements would be currently required for HCWD1.

HCWD1 Response: HCWD1 retracts Assumption #32.

Assumption #33: HCWD1 will submit a single, monthly bill for all charges directly to the Army. The Army will bill tenants for utility charges based on monthly meter readings by HCWD1, where applicable. All charges will be paid within 30 days of invoice. Any payment delay will result in interest charges at HCWD1’s normal rate of interest for late payment.

Government Response: HCWD1 shall submit invoices in accordance with RFP Section G.2, Submission and Payment of Invoices. Please provide additional details on HCWD1’s normal rate of interest for late payment.

HCWD1 Response: HCWD1 will accept the Government’s procedure for delayed payment of invoices.
**Assumption #34:** Utilities, such as electricity and water that are supplied to HCWD1 by the Government or a Government contractor will be paid directly by the Government.

**Government Response:** Please review RFP Section J1.3.28, *Cost of Supporting Utilities.*

**HCWD1 Response:** No comment.

**Assumption #35:** A new facility for HCWD1 O&M staff will be constructed and the cost shall be reimbursed by the Government.

**Government Response:** This is incorrect. The Government will not reimburse HCWD1 for the construction of a new building since such project and derived costs were not identified in the proposal. If HCWD1 believes that such a facility is necessary, it should include those costs in its proposal, so that the Government may properly evaluate them.

**HCWD1 Response:** The cost for the new facility is included in Volume IV Price Proposal, Table IV.2, titled “Renewal and Replacement Schedule (2008+),” page IV.14

**Assumption #36:** HCWD1 will recover, and the Army will pay for, uninsured property losses or that portion of insurance claims that exceed limits required by the utility service contract between HCWD1 and the Army.

**Government Response:** This is incorrect. The Government will not pay for uninsured property losses or the portion of insurance claims that exceeds the limits required in any future contract. Please refer to RFP Section H.2.3 *General* and confirm your removal of this assumption.

**HCWD1 Response:** HCWD1 retracts Assumption #36

**Assumption #37:** The Army will maintain an ongoing water conservation program.

**Government Response:** See Section C.3.4 *Energy and Water Efficiencies and Conservation,* and Section J1.7, *Energy Saving Projects,* of the RFP. Fort Knox has a water conservation plan and will make it available upon request.

**HCWD1 Response:** No comment.

**Assumption #38:** The Army will be responsible, at no cost to or regulatory effort by HCWD1, for the disposal of any contaminated soil or groundwater encountered during excavations.

**Government Response:** In accordance with RFP Section C.10.6, *Environmental Response,* the contractor may be required to perform, but shall not be responsible for the cost of remediation for preexisting environmental conditions. Please note that HCWD1 would be responsible for remediating any contamination it causes. Please confirm your acceptance of the Government’s response.

**HCWD1 Response:** HCWD1 confirms that we accept the Government’s response.

---

**Source Selection Information**

See FAR 2.101 and 3.104
**Assumption #39:** HCWD1 will not be considered in default of contract should response times be impacted/exceeded due to limited or restricted access to the installation. Should unforeseen installation closure occur, HCWD1 will be allowed to reschedule routine work for accomplishment on any day requested by HCWD1 and approved by the Government; however, emergency work will be continued.

**Government Response:** Please review RFP Sections C.6.2, *Easement*, and J1.3.4, *Limited Access* and state whether those sections address your concerns.

**HCWD1 Response:** HCWD1 retracts Assumption #39.

**Assumption #40:** All water system components planned for completion or replacement by the Army between the date of this proposal and the date the water utility system is transferred to HCWD1 will in fact be completed or replaced and transferred to HCWD1 with other utility system assets. The scope of these projects will be as assumed in the Technical Proposal.

**Government Response:** HCWD1 is requested to explain what it means by, “The scope of these projects will be as assumed in the Technical Proposal.”

**HCWD1 Response:** HCWD1 retracts Assumption #40.

**Water System**

**Assumption #41:** We assume that the elevated water tanks originally installed in the 1990s are OSHA compliant and lead abatement on the tanks will not be required.

**Government Response:** Non-concur. Tests should be performed to determine whether or not the tanks have lead paint. We have four (4) old tanks that need testing, two (2) by building 1174, one at Brave Rifles, and one (1) at Van Voorhis; the remaining tanks were installed in the 1990s or later and have not been tested. All available information regarding the tanks is part of the technical library. The tanks are compliant with OSHA regulations that were in effect at the time of construction, and Fort Knox has not received any notices from OSHA that the tanks are not OSHA-compliant.

**HCWD1 Response:** HCWD1 retracts Assumption #41.

**Assumption #42:** HCWD1 assumes that there are no issues of noncompliance in any of the water systems (not identified in the RFP), or that any current violations/noncompliance will be corrected prior to contract start.

**Government Response:** The Government has provided all information available pertaining to outstanding NOVs. However, HCWD1 is reminded that the utility system is being sold to the successful Offeror in an “as-is” condition as referenced in RFP Section J1.2.1.4 Inventory. The Government makes no definitive claims as to the actual condition of the system. HCWD1 should base its proposal on the information available in the solicitation, the technical library,
thorough site visits, and reasonable due diligence. If any differences are discovered between the
information provided and actual conditions, these differences may be handled, as applicable, in
accordance with RFP Section H.12, *Differing Site Conditions* (FAR 52.236-2) or as an equitable
adjustment in accordance with FAR 52.243-1. The installation has not received any NOVs
during the past 2-3 years for the water system.

**HCWD1 Response:** No Comment

**Assumption #43:** HCWD1 assumes the Government-provided inventory is accurate, unless
otherwise indicated in our proposal.

**Government Response:** HCWD1 should base its proposal on the inventory listed in the RFP
Section J1. Please also see RFP Section C.11.1, *Due Diligence Adjustment.* HCWD1 would
have an obligation to identify any inventory discrepancies discovered during its due diligence.

**HCWD1 Response:** HCWD1 retracts Assumption #43.

**Assumption #44:** Adequate flow records and level of detail are available to reasonably estimate
demand, peaking factors, and system needs.

**Government Response:** Copies of the monthly operating reports for Jan-Dec 2005, Jan-Dec
2006, Jan-Dec 2007, Jan 2008 and Feb 2008 were included in the technical library. Copies of
more recent monthly operating reports will be available to view during a site visit, if requested.

**HCWD1 Response:** No Comment

**Assumption #45:** Under the terms of this privatization, HCWD1 will have no responsibility for
the water source beyond monitoring and testing quality and capacity, and making
recommendations regarding protection, expansion, and use of the water resource.

**Government Response:** The Government concurs with HCWD1’s assumption.

**HCWD1 Response:** No Comment

**Assumption #46:** No cathodic protection system currently exists on the water system, other
than the water tanks.

**Government Response:** The Government concurs with HCWD1’s assumption.

**HCWD1 Response:** No Comment

**Environmental Baseline Study**

**Assumption #47:** The EBS will be provided to the HCWD1 by the Government during
transition.

---

**Source Selection Information**

*See FAR 2.101 and 3.104*
**Government Response:** Environmental Baseline Surveys will be included as part of the Easement from information provided by Fort Knox Environmental Office.

**HCWD1 Response:** No Comment.

**Assumption #48:** No EBS will be conducted by HCWD1, unless specifically requested by the Government. Compensation will be in accordance with the Price Proposal.

**Government Response:** Non-concur. Future Environmental Surveys and/or Assessments will be the responsibility of HCWD1 if required for the execution of project or construction activities and should be included in your proposal. All Environmental actions will need to be coordinated with the Fort Knox Environmental Office. Please refer to RFP Section C.10.4, *Environmental Impact Assessments*, which states: “Modification of the utility system(s) on Government installations may require an environmental impact assessment in accordance with environmental impact analysis process applicable to the Installation. The Contractor shall be responsible for preparing all documents necessary for conducting this assessment in coordination with the Government.”

**HCWD1 Response:** HCWD1 retracts Assumption #48

**Assumption #49:** All pre-existing environmental conditions will remain the responsibility of the Government, and the Government will retain any liability for such conditions whether known or discovered in the future.

**Government Response:** In accordance with RFP Section C.10.6, *Environmental Response*, the contractor may be required to perform, but shall not be responsible for the cost of remediation for *pre-existing* environmental conditions.

**HCWD1 Response:** No Comment

**Assumption #50:** No asbestos exists in any water facilities except for the asbestos cement pipe.

**Government Response:** Non-concur. The possibility exists that asbestos floor tile, insulation or other forms of asbestos may be present.

**HCWD1 Response:** HCWD1 retracts Assumption #48

**Assumption #51:** Documented restrictions on activities in areas near endangered species, streams, wetlands, etc., will be provided to HCWD1 during transition.

**Government Response:** Concur. Due to the potential for harm to the Federally Endangered Indiana Bat, removal of trees 6-inches in diameter at breast height must be accomplished between October 15 and March 31. The contractor must coordinate with the Natural Resources Branch, Environmental Management Division, prior to removal of trees during any time of the
year. If the contractor encounters bats, bats are not to be molested or disturbed and the Natural Resources Branch must be notified.

HCWD1 Response: No Comment.

**Assumption #52**: SWMUs will remain the responsibility of the Government, and actions with regard to water activities in the vicinity of SWMUs will be negotiated with the Government.

**Government Response**: Solid Waste Management Units (SWMUs) will remain the responsibility of the Government. Any actions with regard to water activities in the vicinity of SWMUs must be coordinated with Fort Knox prior to beginning any such work. Please explain what is meant by “actions...will be negotiated with the Government.”

HCWD1 Response: HCWD1 retracts Assumption #48.

**Environmental Assessment (EA)**

**Assumption #53**: For proposal purposes, no EAs will be required for the transfer of utility system assets to HCWD1 as the New Owner.

**Government Response**: Concur. The Government will prepare the EA for the transfer of utility system assets. The EA is required to be completed 90 days prior to transfer of the utility system.

HCWD1 Response: No Comment.

**Environmental Impact Statement (EIS)**

**Assumption #54**: For proposal purposes, no EIS will be required for the transfer of utility system assets to HCWD1 as the New Owner.

**Government Response**: Concur. No HCWD1-produced EIS will be required for the transfer of the water system.

HCWD1 Response: No Comment.

**Staffing**

**Assumption #55**: HCWD1 will maintain only the grounds and facilities enclosed by the fences at the storage tanks, treatment facilities, and pump stations.

**Government Response**: Non-concur. If the water system, as transferred, has exclusive easements, HCWD1 will be required to maintain them.

Source Selection Information
See FAR 2.101 and 3.104
Assumption #56: The sizes of the identified meters, pressure-reducing stations, pressure-reducing valves, and backflow preventers are unknown and will be determined during site characterization.

Government Response: The Government provided sizes in Table 5 of the Section J1 where known, but expects that HCWD1 would confirm sizes during joint inventory. Please describe what HCWD1 means by “site characterization” and when this would occur. Is this part of the transition phase?

Assumption #57: No shut-off valves (demarcation) will be required to be installed at facilities.

Government Response: HCWD1 is responsible to determine the requirements and any costs associated with those requirements should be included in its proposal. Currently, there are no legal or regulatory requirements to install shut-off valves at facilities. However, in the event of a change in service requirements, HCWD1 may request an adjustment in accordance with FAR 52.243-1, Changes - Fixed Price, Alternate I, or 52.241-7, Change in Rates or Terms and Conditions of Service for Regulated Services, whichever is determined to be applicable at the time of the request.

Assumption #58: The Government will be responsible for any costs associated with security clearance for HCWD1 staff at Fort Knox.

Government Response: Fort Knox will not charge HCWD1 for security clearance documents or processing, however, the Government cannot guarantee that HCWD1 would not have any other costs associated with security clearances.

Assumption #59: Escorts to secure areas will be provided by the Government at no additional cost to HCWD1.

Government Response: The Government will not charge HCWD1 for escort service into secure areas; however, HCWD1 is expected to minimize escort requirements by dispatching workers that have the proper security clearance.

Key Pricing Assumptions

The following assumptions were identified in Volume IV - Price Proposal (see page IV-41):

Source Selection Information
See FAR 2.101 and 3.104
Assumption 1: Water requirements for Fort Knox are 1.08 billion gallons per year.

Government Response: The Government concurs with HCWD1’s assumption, however, current water requirements are subject to change. Please refer to RFP Section J1.4, Current Service Arrangement.

HCWD1 Response: No Comment

Assumption 2: Future general price inflation will average 2.5 percent per year.

Government Response: Please provide HCWD1’s 50-year projections of its “tariff rates” in nominal dollars based upon a projected inflation rate of 1.752678 percent utilizing the attached Schedule B-1. If possible, HCWD1’s tariff rate projection model should be structured to provide revised tariff rates when the assumed inflation rate assumption is revised and/or updated.

HCWD1 response: HCWD1 will revise updated proposal based on inflation rate provided by government.

Assumption 3: HCWD1 will be able to borrow construction funds at an “all-in total interest cost” of 6.2 percent per year.

Government Response: Please provide the updated “all-in total interest cost” as well as the source / backup support for this proposed rate.

HCWD1 response: HCWD1 will revise updated proposal based on current “all-in total interest cost.”

Assumption 4: HCWD1 will be able to invest reserve funds at an annual yield of 3.5 percent per year.

Government Response: Please provide the updated “reserve fund rates” as well as the source / backup support for this proposed rate.

HCWD1 response: HCWD1 will revise updated proposal based on current “reserve fund rates.”

Assumption 5: Construction will be done on a competitive-bid basis and the construction contractor will have a reasonable amount of time to complete the work.

Government Response: The Government concurs with HCWD1’s assumption on performing competitive-bid basis but cannot guarantee that what would be considered a commercially “reasonable” amount of time will be available to complete every project. As an operating military installation, Fort Knox may require that the successful contractor complete work on a more expedited basis.

HCWD1 Response: No Comment

Source Selection Information
See FAR 2.101 and 3.104
Assumption 6: All construction contracts will be delivered according to a reasonable project schedule with no mandatory overtime, constructed under a single contract, and with no liquidated damages clauses or penalties.

**Government Response:** No further information is requested.

**HCWD1 Response:** No Comment.

Assumption 7: Fabricated equipment will be shipped from the mainland United States.

**Government Response:** No further information is requested.

**HCWD1 Response:** No Comment.

Assumption 8: Pipe trench select fill will be for pipe bed only.

**Government Response:** The Government concurs with HCWD1’s assumption.

**HCWD1 Response:** No Comment.

Assumption 9: Water main piping will have fill cover of 3 feet over top of pipe.

**Government Response:** The Government concurs with HCWD1’s assumption.

**HCWD1 Response:** No Comment.

Assumption 10: #12 tracer wire will be installed with all new PVC piping.

**Government Response:** The Government concurs with HCWD1’s assumption.

**HCWD1 Response:** No Comment.

Assumption 11: Restrainer glands will be on all MJ fittings (valves and hydrants included).

**Government Response:** Restrainer glands will be required on all new MJ fittings. Fort Knox does not know if all existing MJ fittings have restrainer glands.

**HCWD1 Response:** No Comment.

Assumption 12: All fittings will be bagged (polyethylene encasement) prior to thrust block pour.

**Government Response:** The Government concurs with HCWD1’s assumption.

**HCWD1 Response:** No Comment.
Assumption 13: Dewatering for trenching will be minimal.

Government Response: Yes, minimal dewatering usually is required on Fort Knox.

HCWD1 Response: No Comment

Assumption 14: Pipe installation will be adjacent to roadways; site restoration will be limited to back filling and compacting. There will be no need for asphalt or concrete cover and there will be no landscaping requirements.

Government Response: Non-concur. Pipe installation may not always be possible in areas adjacent to roadways; thus site restoration may not always be limited to back filling and compacting. HCWD1 is requested to reconsider this assumption and make a more realistic assumption.

HCWD1 Response: HCWD1 retracts assumption #14.

Assumption 15: Comparable size presumptions were made for equipment components where complete information was not available.

Government Response: The Government requests that HCWD1 identify the sections of its proposal that include these presumptions.

HCWD1 Response: HCWD1 retracts assumption #15.

Assumption 16: The cost for the water facilities were based on a parametric type of estimate with assemblies and systems grouping including multiple trades and disciplines of work into a single unit based on the production rate of the system.

Government Response: The Government cannot concur or non-concur until HCWD1 provides the derivations and backup support for all of the RCN estimates included in Column O of Tab “2 Inv & R&Rs” to the MS Excel Spreadsheet entitled “Proposal—Base_10-1-08.xls.

HCWD1 Response: The cost estimates were developed using standard cost estimating data bases (RSMeans, Timberline) and modified to reflect local regional market conditions based on the estimating bidding experience of Hardin County Water District #1, Louisville Water Company and CH2MHILL.
ATTACHMENT J1

Fort Knox Potable Water Utility System

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J1 Fort Knox Potable Water Utility System

J1.1 Fort Knox Overview

The U.S. Army Garrison at Fort Knox is located roughly 36 miles southwest of Louisville and 14 miles northwest of Elizabethtown, Kentucky. The Army’s main cantonment and range areas cover over 109,000 acres spread across Hardin, Bullitt and Nelson counties. The Federal government acquired the initial portion of the Installation in 1903 for the purpose of conducting Army maneuvers. Named for Major General Henry Knox, the first Secretary of War, Camp Knox was established in 1918 as an artillery training center to provide military training to personnel in response to the US involvement in World War I. Camp Knox was later designated Fort Knox in 1933.

In 1936 the U.S. Treasury Department began construction of the U.S. Bullion Depository and the Gold Vault opened in January 1937. During World War II, the U.S. Bullion Depository continued to operate at Fort Knox, receiving more and more shipments of the country's gold reserves. The Gold Vault was also used to store and to safeguard the English crown jewels and the Magna Carta, along with the gold reserves of several of the countries of occupied Europe. In December 1941, the Gold Vault also received the original documents of the Constitution, the Bill of Rights, and the Declaration of Independence for safekeeping. These historic documents left Fort Knox on Oct 1, 1944, and were returned to Washington DC for public display.

The Army created its first armored force at Fort Knox in 1940 and as a result the Installation is often referred to as “the Home of Armor”. During World War II, four combat armored divisions were trained at Installation. Since first established in 1918, Fort Knox has played a key role in the development of military tactics, doctrine, and equipment, and has been an integral part of the training establishment for the active Army and Army Reserve.

Today, the Armor Center and School is the largest organization on Fort Knox and performs the mission of training all armor Soldiers and Marines. The Army Recruiting Command headquarters conducts the mission of bringing men and women into the U.S. Army. Additionally, the Eastern Region of the ROTC is headquartered at Fort Knox. The Army Accessions Command has personnel on post and will relocate the headquarters here as a result of the BRAC decisions of 2005. Units located on Fort Knox are considered “Partners in Excellence” and include active duty Army organizations, Army Reserve, National Guard and the U.S. Marine Corps.

According to current information published by Fort Knox (http://www.knox.army.mil), the Installation supports a total population of over 23,000 Soldiers, family members and civilians.

J1.1.1 Army Family Housing

Fort Knox recently privatized the Army Family Housing on Post to Knox Hills, a partnership between Fort Knox and Actus Lend Lease. This Residential Community Initiative (RCI) transfers ownership and maintenance responsibility of all of the housing units to a private contractor. Under this RCI agreement, Knox Hills will also remodel, renovate, demolish some structures and build new units in multiple phases over the initial years of the 50-year contract term. It should be pointed out that this RCI initiative does not involve the transfer of land nor does it include the transfer of
the existing potable water utility system components within the housing areas. The existing distribution system components in the housing areas which have not been renovated have been retained by the Government and are, therefore, included as part of this UP action. The ownership of the new potable water utility system components in the housing areas will be transferred from Knox Hills to Fort Knox for ownership, operation and maintenance and will also be part of the utility privatization action. It is important to note that the RCI process will result in some reconfiguration of the remaining housing areas with resultant changes in the utility systems serving those neighborhoods. The utility system owner should expect to be very much involved in these future changes.

**J1.2 Potable Water Utility System Description**

**J1.2.1 Potable Water Utility System Fixed Equipment Inventory**

Fort Knox’s potable water utility system consists of all appurtenances physically connected to the system from the point in which the Government ownership currently starts to the point of demarcation defined by the real estate instruments. Generally, the point of demarcation will be the building footprint. The system may include, but is not limited to, the raw water wells, the surface water intake structures at the dams, the low lift pump station (LLPS), the water treatment plants (WTP), the clear wells, the high lift pump stations (HLPS), the booster pump station (BPS), the elevated water storage tanks and the distribution lines including raw water and finished water transmission lines and the service laterals. The following description and inventory is included to provide the Offeror with a general understanding of the size and configuration of the potable water utility system. The Offeror shall base the proposal on site inspections, information in the bidders’ library, other pertinent information, and to a lesser degree the following description.

Ownership of the potable water system utility components including, but not limited to, the raw water wells, the surface water intake structures at the dams, the LLPS, the WTP facilities, the clear wells, the HLPSs, the BPS, the elevated water storage tanks and the distribution lines including raw water and finished water transmission lines and the service laterals will be transferred to the Utility Privatization (UP) Contractor. There are currently no plans to transfer any land ownership inside the main cantonment area. An easement will be provided for the land on which the potable water system structures are located (i.e., the pump stations, the water storage tanks, etc.). Fort Knox will retain all its water rights. All structures transferred must comply with the Installation’s fire protection and security standards.

Specifically excluded from the potable water utility system privatization package:

- The Army-owned dams and impoundment structures at McCracken Spring and Otter Creek
- Raw water intake structures which are contained within the dams
- Golf course / landscaping irrigation systems
- Swimming pool facilities
- Wash rack facilities
The following description and inventory is included to provide the Offeror with a general understanding of the size and configuration of the potable water utility system. The description and inventory were developed based on the best available data.

The Offeror shall base its proposal on site inspections, information in the technical library, and other pertinent information, as well as the following description and inventory. If after award the Offeror identifies additional inventory not listed in Paragraph J1.2.1.4, the Offeror may submit to the Contracting Officer a request for an equitable adjustment. If the Offeror determines that the inventory listed in Paragraph J1.2.1.4 is overstatement, the Offeror shall report the extent of the overstatement to the Contracting Officer, in accordance with C.11.1, Due Diligence Adjustment.

Generally, the Government uses the following useful lives in determining the value of the potable water utility system to be privatized:

<table>
<thead>
<tr>
<th>Component</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw water wells – structures</td>
<td>75 Years</td>
</tr>
<tr>
<td>Raw water wells – pumps / control systems</td>
<td>25 Years</td>
</tr>
<tr>
<td>WTP – Structures</td>
<td>75 years</td>
</tr>
<tr>
<td>WTP - Pumps / Control Systems</td>
<td>25 years</td>
</tr>
<tr>
<td>Pipe and services</td>
<td>50 years</td>
</tr>
<tr>
<td>Meters, main valves and hydrants</td>
<td>25 years</td>
</tr>
<tr>
<td>Water storage tanks</td>
<td>75 years</td>
</tr>
<tr>
<td>Pump Station – Structure</td>
<td>75 years</td>
</tr>
<tr>
<td>Pump Station - Pumps / Control Systems</td>
<td>25 years</td>
</tr>
<tr>
<td>SCADA and Cathodic Protection</td>
<td>25 years</td>
</tr>
</tbody>
</table>

J1.2.1.1 System Description

Fort Knox’s potable water utility system includes 13 groundwater wells, two raw water intake structures at the dams, a low-lift pumping station, 48,700 linear feet (LF) (9.2 miles) of raw water line, two WTP facilities, three clear wells, two high lift pump stations, one booster pump station, eight elevated storage tanks, the main cantonment area’s potable water distribution system which includes roughly 810,329 LF (153.5 miles) of potable water distribution pipe and the range areas’ potable water distribution systems which include roughly 48,397 LF (9.2 miles).

For the purposes of this document, Fort Knox’s potable water system has been divided into the following four components: (1) raw water supply sources, (2) the WTP facilities, (3) the main cantonment area’s water distribution and storage and (4) the range areas’ water distribution systems. The schematic diagram of Fort Knox’s potable water utility system is included in the Offeror’s Technical Library.

Raw Water Supply Sources

The raw water is taken from four primary sources: the Otter Creek, the McCracken Spring, 13 Army-owned ground water wells and 3 leased ground water wells. The Otter Creek and McCracken Spring facilities, located southwest of the main cantonment area, are the primary sources of water to the Central WTP. Raw water from the West Point well field located north of
the main cantonment area along the Ohio River can also be pumped to the Muldraugh WTP via a 24-inch cast iron line or a 14-inch ductile iron line leased by the Army from Hardin County Water District No. 1 (HCWD No. 1) to the Central WTP. The Army’s 13 ground water wells and the 3 leased wells are the primary sources of raw water to the Muldraugh WTP.

A small impoundment and concrete dam structure below the McCracken Spring provides surface water to the Otter Creek pumping station (PS), via a gravity feed 16-inch case iron line. A small impoundment and concrete dam structure on the Otter Creek also provides surface water to the Otter Creek pumping station (Facility No. 9213). The small impoundment and dam structures were constructed in the late 1930s and have been dredged periodically over the subsequent years. The Otter Creek PS pumps the surface water withdrawn from the McCracken Spring and the Otter Creek to the Central WTP. The pumping station includes an intake structure with mechanical screens, pump controls and telemetry, one 1,200 gpm (1.728 MGD) 150 HP, pump and two 2,100 gpm (3.024 MGD) pumps (one pump is 230 HP pump whereas the second pump is 250 HP), and a 550 kilowatt (kW) diesel emergency / standby generator. Originally constructed in 1936, the Otter Creek’s mechanical screens, sluice gates, pump controls and telemetry and pumps have been replaced over the years. The 1,200 gpm and 2,100 gpm (230 HP) pumps were installed in 1983 and the other 2,100 gpm pump was installed in 2008.

Although the physical structure of the LLPS appears to be in relatively good condition given its age, the roof, doors and windows of the LLPS are in need of repair or replacement. The back side of the PS near the raw water intake on the Otter Creek is also in need of repair. The raw water lines from McCracken Spring to the Otter Creek PS and from the Otter Creek PS to the Central WTP are over 70 years old and may need to be considered for replacement in the next few years.

The Government’s 13 ground water wells and the 3 ground water wells leased by Fort Knox from HCWD No.1 are located in the West Point well field, north of the main cantonment area along the Ohio River, on land either owned by or leased by the Army. The well field is a naturally formed alluvial aquifer bounded by the Ohio River, the Salt River and the inland hills. The raw water wells utilized either vertical turbine pumps on top of the wells or submersible pumps located with the well. 12 wells have pumps rated at 750 gpm (1.080 MGD), 125 HP and one of wells is rated at 500 gpm (0.720 MGD), 75 HP.

Table 1 summarizes the facility numbers, well numbers, locations, dates of original installation and upgrades, well depth, and the rated capacity of the wells in gallons per minute (gpm) and in MGD. The table also includes the relevant information for three raw water wells leased by Fort Knox from Hardin County Water District No. 1 in the West Point well field.
### TABLE 1
Raw Water Wells

*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Facility No.</th>
<th>Well</th>
<th>Location</th>
<th>Dates Installed/Upgraded</th>
<th>Estimated Depth</th>
<th>Rated Capacity (gpm)</th>
<th>Rated Capacity (MGD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8001</td>
<td>No. 1</td>
<td>West Point Well Field</td>
<td>1998</td>
<td>82 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8003</td>
<td>No. 2</td>
<td>West Point Well Field</td>
<td>2004</td>
<td>121 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8005</td>
<td>No. 3</td>
<td>West Point Well Field</td>
<td>2004</td>
<td>134 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8022</td>
<td>No. 5</td>
<td>West Point Well Field</td>
<td>2002</td>
<td>114 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8011</td>
<td>No. 6</td>
<td>West Point Well Field</td>
<td>2000</td>
<td>107 feet</td>
<td>500</td>
<td>0.720</td>
</tr>
<tr>
<td>8025</td>
<td>No. 7</td>
<td>West Point Well Field</td>
<td>1970</td>
<td>106 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8028</td>
<td>No. 8</td>
<td>West Point Well Field</td>
<td>1998</td>
<td>116 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8030</td>
<td>No. 9</td>
<td>West Point Well Field</td>
<td>1998</td>
<td>125 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8033</td>
<td>No. 10</td>
<td>West Point Well Field</td>
<td>1999</td>
<td>134 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8036</td>
<td>No. 11</td>
<td>West Point Well Field</td>
<td>2000</td>
<td>132 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8038</td>
<td>No. 12A</td>
<td>West Point Well Field</td>
<td>1985</td>
<td>113 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8001</td>
<td>No. 12B</td>
<td>West Point Well Field</td>
<td>2003</td>
<td>113 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8003</td>
<td>No. 13</td>
<td>West Point Well Field</td>
<td>1992</td>
<td>--</td>
<td>750</td>
<td>1.080</td>
</tr>
</tbody>
</table>

**Total Fort Knox Wells**

|                  | 8,750 | 12.600 |

**Hardin County Water District No. 1 (Leased Wells)**

<table>
<thead>
<tr>
<th></th>
<th>1,000</th>
<th>1.440</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. 4</td>
<td>West Point Well Field</td>
<td>--</td>
</tr>
<tr>
<td>No. 5</td>
<td>West Point Well Field</td>
<td>--</td>
</tr>
<tr>
<td>No. 6</td>
<td>West Point Well Field</td>
<td>--</td>
</tr>
</tbody>
</table>

**Total Leased Wells**

|                  | 3,000 | 4.320  |

**Total Wells**

|                  | 11,750 | 16.920 |

Although the wells are routinely cleaned and maintained by Fort Knox, many of the wells are producing raw water with elevated chloride levels. It is believed that the sources of the chloride into the aquifer are from abandoned natural gas and oil wells in the nearby area which were not properly sealed and capped. The raw water from the high chloride wells is brought down to acceptable levels by combining this production with the wells with lower chloride levels. The 24-inch raw water line from the West Point well field to the Muldraugh WTP is over 70 years old and may need to be considered for replacement in the next few years.

The Army has also notified the HCWD No. 1 that it intends to terminate the lease of the three wells and the 14-inch raw line, effective in September 2010. Upon termination of the lease, the three wells and 14-inch line will revert back to HCWD No. 1. As a result, these system components will not be included in the privatization action.

**Water Treatment Facilities**

As previously noted, Fort Knox has two WTP facilities: the Central WTP facility and the Muldraugh WTP facility. As the name indicates, the Central WTP is located in the central area of the main cantonment area. The Muldraugh WTP is located on the northwestern side of the Installation, near the town of Muldraugh, Kentucky.
The Central WTP facility (Facility No. 1205) was initially constructed in 1937, and has been partially upgraded numerous times over the years. The primary source of raw water to the 3.5 MGD Central WTP is the surface water from the Otter Creek and McCracken Spring facilities, located southwest of the main cantonment area. When surface water is not desirable for treatment, the ground water is pumped from the West Point well field to the main cantonment area on to the Central WTP via the leased 14-inch ductile iron line.

The Central WTP facility is a combination water softening and WTP facility. As detailed in the monthly operating reports, the facility continues to produce a good quality finished-water. Although the Central WTP has historically been staffed over 24 hours, the WTP facility is currently only operated roughly 6-12 hours per day. The Central WTP is currently operated to produce finished water with chlorine residual reading in the range of 1.8 to 2.9 TAP, pH reading in the range of 8.4 to 8.8 TAP, hardness reading in the range of 100 to 110 parts per million (ppm) and fluoride in the range of 1.0 to 1.2 ppm. Should the potable water utility system be privatized, the UP Contractor will be required to operate the Central WTP in a manner that the finished water meets these levels.

The plant was originally designed to treat surface water using lime and aluminum sulfate for pH adjustment, coagulation and sedimentation prior to filtration. Today, the treatment process includes aeration, flocculation, sedimentation, filtration and chlorination before the water is pumped into the distribution system. Both pre-chlorination and post-chlorination are used. The filter media (anthracite and sand) within the three mixed media filters was recently replaced in 2008. Reinforced concrete construction was used throughout the plant with liberal use of tile and marble for interior walls and flooring. The building is sound and is an excellent example of art-nouveau architecture.

The sludge from the treatment process at the Central WTP is trucked to sludge lagoons near the landfill on the Installation where the sludge is dried and disposed of in the landfill. If the Fort Knox system is privatized, the sludge from the Central WTP will be disposed of by the UP Contractor and may be trucked to the Muldraugh WTP’s sludge lagoons for dewatering or off Post for complete disposal, at the UP Contractor’s discretion. The sludge lagoons located at the landfill are not included in this privatization action.

From the mixed media filters, the finished water flows into either the 2.0 million gallon (MG) clear well or the 500,000 gallon clear well located in the east side of the WTP facility. The finished water is then pumped to the distribution system via the HLPS located within the Central WTP facility. The HLPS includes pump controls and telemetry, one 4,850 gpm (6.984 MGD) 250 HP pump, one 1,000 gpm (1.440 MGD) 70 HP pump and one 1,400 gpm (2.016 MGD) 60 HP pump, and a 750 kilowatt (kW) diesel emergency / standby generator. The HLPS also houses a 5,400 gpm pump which is used to backwash the three mixed media filters in the Central WTP facility.

The mechanical systems and overflow weirs in one of the primary clarifiers at the Central WTP facility are currently being replaced. New hand rails around the top of the clarifiers and sedimentation basins are also being installed. Although the Central WTP facility is generally in good condition considering the age of the facility, the 2.0 MG clear well is in need of immediate repair or replacement. The exterior / above ground portion of the concrete tank is spalling in several areas, the structural integrity of the roof of the tank is in question and the clear well appears to leaking underground. The Installation is planning to study the potential repair /
replacement of the clear well. One alternative under consideration involves the removal / 
replacement of the roof at a lower elevation below grade and the lining of the interior of the tank.

The Muldraugh WTP facility (Facility No. 3009) was initially constructed in 1941, and has been 
partially upgraded numerous times over the years. The primary source of raw water to the 7.0 
MGD Muldraugh WTP is the ground water pumped from the Army’s 13 wells and the three 
leased wells in the West Point well field, located north along the Ohio River. The ground water 
from the wells is pumped roughly 3 miles to the Muldraugh WTP via a 24-inch case iron line.

The Muldraugh WTP facility is also a combination water softening and WTP. As detailed in the 
monthly operating reports, the facility continues to produce a good quality finished-water, in 
spite of the deteriorating equipment and facility. This is likely due to the fact that the Muldraugh 
WTP is generally operated at roughly 2.5 MGD, or 36 percent of the WTP’s design capacity of 
7.0 MGD. The Muldraugh WTP is operated and staffed 24 hours per day / 365 days per year. 
The Muldraugh WTP is also currently operated to produce finished water with chlorine residual 
reading in the range of 1.8 to 2.9 TAP, pH reading in the range of 8.4 to 8.8 TAP, hardness 
reading in the range of 100 to 110 ppm and fluoride in the range of 1.0 to 1.2 ppm. Should the 
portable water utility system be privatized and the Muldraugh WTP still be in operation, the UP 
Contractor will be required to operate the WTP facility in a manner that the finished water meets 
these levels.

The plant was originally designed to treat surface water using lime and aluminum sulfate for pH 
adjustment, coagulation and sedimentation prior to filtration. Today, the treatment process 
includes aeration, flocculation, sedimentation, filtration and chlorination before the water is 
pumped into the distribution system. Both pre-chlorination and post-chlorination are used in the 
treatment process. The Muldraugh WTP facility is a “semi-permanent” structure. The 
foundations, filters, settling basins, floors and the underground clear well are of reinforced 
concrete construction. The walls of the above ground structure are constructed of concrete brick 
construction.

After flowing into the 1.0 MG clear well located on the east side of the WTP facility, the finished 
water is pumped through a 24-inch case iron line that connects the WTP facility to the 
distribution system via the Muldraugh HLPS (Facility No. 3008). The HLPS is located within 
fenced area of the Muldraugh WTP facility. The HLPS includes pump controls and telemetry, 
one 3,500 gpm (5.040 MGD) 250 HP pump, one 4,850 gpm (6.984 MGD) 350 HP pump and one 
2,200 gpm (3.168 MGD) 150 HP pump, and a 600 kW diesel emergency / standby generator. 
The HLPS also houses a 5,400 gpm pump used to backwash the seven filters.

There are two SCADA systems with monitoring and control equipment located at the Muldraugh 
WTP. Both of the systems are antiquated by today’s industry standards and are approaching the 
end of their respective design life. Although the SCADA information on the wells, tank level, 
and pumps is transmitted to the Central WTP, the wells and high lift pumps can only be 
controlled remotely at the Muldraugh WTP facility.

The sludge from the treatment process in the Muldraugh WTP is pumped into one of four sludge 
lagoons located northeast of the WTP facility. Three of the sludge lagoons are filled to capacity 
and are no longer operational. The fourth sludge lagoon was recently cleaned and the solids were 
trucked to the Installation’s landfill. The UP Contractor will be responsible for the four sludge 
lagoons and its operation.
Although the Muldraugh WTP facility is currently operating at an acceptable level, the WTP facility has not been maintained to the same level as that of the Central WTP facility. The filter controls and valves and the pump and controls are well beyond its respective design life. The pipe bolts, valves and other controls located in the filter pipe gallery are in poor condition. Many of the pipe connection bolts are corroded and need to be replaced; most of the valves appeared to be original and have failed or are starting to fail; and the outside of the pipe was corroded and in need of cleaning and painting. Most of the exterior doors, windows and the roofs of the WTP facility’s structures are failing and in need of replacement. The filter media within the seven rapid sand filters was last replaced in 1997. The 24-inch finished water line from the Muldraugh WTP to the connection with the main cantonment distribution system is over 65 years old and may also need to be considered for replacement in the next few years.

Given the high levels of chlorides in the raw water coupled with the age and relatively poor condition of the Muldraugh WTP facility, the Army is currently looking at purchasing potable water from a local municipality to replace the potable water capacity at the Muldraugh WTP facility. As a result, the Army does not plan to expend any significant amount of funding at the Muldraugh WTP facility other than to demolish WTP once the facility is permanently taken out of service. The UP Contractor will be required to own, operate and maintain the Muldraugh WTP until an alternate potable water source is provided within the next 5 years.

**Main Cantonment’s Potable Water Distribution and Storage System**

The water distribution system transports the finished water from the two WTP facilities to the various facilities located throughout the Installation. The system provides domestic, industrial and fire protection throughout the Installation. The distribution system consists of pipes, valves, meters, fire hydrants, water storage tanks and the BPS. The distribution system piping which includes mains, service lines and fire lines with known sizes ranging from less than 6-inch to 24 inches in diameter. The distribution pipe includes polyvinyl chloride, cast iron, ductile iron, and asbestos concrete. Since the majority of the water distribution pipe was installed prior to 1950, the Installation plans to replace most of the distribution lines over the next 20 years.

Fort Knox’s potable water utility system includes one BPS located in the Van Voorhis Housing area. Constructed in 1995, the Van Voorhis BPS (Facility No. 5898) includes three 175 gpm, 10 HP pumps and one diesel driven 2,000 gpm, 125 HP fire protection pump.

Eight elevated storage tanks are located throughout the system support Fort Knox’s potable water distribution system. The combined capacity of the storage tanks is approximately 3,550 million gallons. The type, location, manufacturer, date of fabrication and the capacity of each tank are summarized in Table 2.
TABLE 2
Potable Water Storage Tanks
Potable Water Utility System, Fort Knox, Kentucky

<table>
<thead>
<tr>
<th>Facility No.</th>
<th>Tank No.</th>
<th>Type</th>
<th>Location</th>
<th>Installed/Upgrade</th>
<th>Capacity  (gallons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1190</td>
<td>WT001</td>
<td>Elevated</td>
<td>Education Center # 1, Dixie Street</td>
<td>1935/2004</td>
<td>250,000</td>
</tr>
<tr>
<td>1191</td>
<td>WT002</td>
<td>Elevated</td>
<td>Education Center # 2, Dixie Street</td>
<td>1937/2004</td>
<td>500,000</td>
</tr>
<tr>
<td>7100</td>
<td>WT003</td>
<td>Elevated</td>
<td>Near WWTP, Ninth Street</td>
<td>1941/2009</td>
<td>500,000</td>
</tr>
<tr>
<td>2911</td>
<td>WT004</td>
<td>Elevated</td>
<td>Old Ironsides, Brave Rifles Ave.</td>
<td>1941/2002</td>
<td>500,000</td>
</tr>
<tr>
<td>5899</td>
<td>WT005</td>
<td>Elevated</td>
<td>Van Voorhis Housing</td>
<td>1958/1994</td>
<td>300,000</td>
</tr>
<tr>
<td>2797</td>
<td>WT006</td>
<td>Elevated</td>
<td>Frazier-Wilson</td>
<td>1995</td>
<td>500,000</td>
</tr>
<tr>
<td>7561</td>
<td>WT007</td>
<td>Elevated</td>
<td>Fort Knox High School, Dixie Street</td>
<td>1997</td>
<td>500,000</td>
</tr>
<tr>
<td>4773</td>
<td>WT008</td>
<td>Elevated</td>
<td>Pritchard Housing</td>
<td>1997</td>
<td>500,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,550,000</td>
</tr>
</tbody>
</table>

Note: The tank upgrades included removal of lead paint, recoating of the tank interior, repainting of the exterior, replacement of anodes and rectifier, and replacement of altitude valve.

Tank Nos. 3–5, 6, 7 and 8 are in need of some immediate attention. The Tanks require complete renovation to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.

**Range Areas' Water Distribution Systems**

There are three relatively small potable water distribution systems located in the Zussman Range, Yano Range and Basham’s Corner areas, with routine environmental testing and reporting performed by the water providers.

The potable water distribution system serving the Zussman Range area, located near the Mount Eden, includes roughly 30,287 LF of PVC pipe constructed in 1997; 443 LF of PVC pipe constructed in 2002; and, 14,779 LF of polyethylene (PE) pipe installed in 2002. The potable water, supplied to this system, is purchased from the City of Louisville.

The potable water distribution system serving the Yano Range area includes roughly 2,500 LF of PVC pipe. The Yano Range distribution system was initially constructed in the 1950s and was renovated in mid-1990s with additional. The potable water, supplied to this system, is purchased from the Hardin County Water District No. 2 (HCWD No. 2).

The potable water distribution system serving the Basham’s Corner area, located Highway 60 and Highway 1882, includes roughly 388 LF of PVC pipe constructed in 2004. The potable water, supplied to this system, is purchased from the Meade County Water District.

**J1.2.1.2 Points of Demarcation**

Fort Knox’s potable water utility system consists of all components from the supply points to the points where water is supplied to end-users. The point of demarcation for each end user is defined as the point or component on the distribution system where ownership changes from the utility owner to the building owner. In most cases the point of demarcation is the first upstream
component (e.g., meter, valve, regulator, etc.) of the system located outside of the facility footprint. However, in situations where the facility water meter is located within the facility, the point of demarcation will be inside the facility and the Contractor will be required to coordinate his work within the facility. The technical library contains a list of facilities where the point of demarcation is located within the facility.

Table 3 identifies the type of service and general location of the point of demarcation with respect to each building served by the distribution system.

**TABLE 3**
Points of Demarcation
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Point of Demarcation</th>
<th>Applicable Scenario</th>
<th>Sketch</th>
</tr>
</thead>
<tbody>
<tr>
<td>The point of demarcation is downstream of the water meter, backflow device, or valve (closest apparatus to the exterior of the structure) within five feet of the face of the structure. If greater than five feet from the face of the structure, the demarcation point is five feet from the face of the structure.</td>
<td>Water meter, backflow device, or cutoff valve is located on the service line entering the structure within five feet of the exterior of the structure.</td>
<td><img src="image1.png" alt="Sketch 1" /></td>
</tr>
<tr>
<td>Point of demarcation is the downstream side of the first water valve located downstream of the meter and / or of the main backflow prevention device.</td>
<td>Non-residential service line or dedicated fire line enters a mechanical room and a water meter and / or a main backflow prevention device is located in the mechanical room.</td>
<td><img src="image2.png" alt="Sketch 2" /></td>
</tr>
<tr>
<td>The point of demarcation is five feet from the face of the structure where the service line enters the structure for either potable water or fire protection service.</td>
<td>No water meter, backflow device, or cutoff valve exists on the service line entering the structure.</td>
<td><img src="image3.png" alt="Sketch 3" /></td>
</tr>
<tr>
<td>No point of demarcation exists; the utility service contractor will own all exterior fire suppression infrastructure, up to and including fire hydrants.</td>
<td>Exterior fire protection exists at the installation.</td>
<td><img src="image4.png" alt="Sketch 4" /></td>
</tr>
</tbody>
</table>

Table 4 identifies the unique points of demarcation.
<table>
<thead>
<tr>
<th>Point of Demarcation</th>
<th>Applicable Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Water Intakes at the McCracken and Otter Creek Dams</td>
<td>The upstream side of the valve or sluice gate to the raw water intake structure.</td>
</tr>
<tr>
<td>Interconnects for the Purchase of Water for the Range Areas</td>
<td>The downstream side of the potable water supplier’s meter.</td>
</tr>
<tr>
<td>Interconnects for Sale of Water to HCWD No. 1</td>
<td>1.) The downstream side of the valve on the 12-inch main connects to the Pritchard Elevated Water Storage Tank (WT008).</td>
</tr>
<tr>
<td></td>
<td>2.) Near the intersection of Estrada and Bennett streets where the HCWD No. 1’s 10-inch water main (connected to HCWD No. 1’s booster pump station) taps Fort Knox’s 12-inch water main.</td>
</tr>
<tr>
<td>Interconnects for Sale of Water to the City of Muldraugh</td>
<td>1.) The downstream side of the meter located at U.S. Highway 31W, on the north end of Fort Knox’s 10-inch water main.</td>
</tr>
<tr>
<td></td>
<td>2.) The downstream side of the 12-inch valve connected to Fort Knox’s 24-inch water main near Watts Street.</td>
</tr>
<tr>
<td>Golf course / landscaping irrigation systems</td>
<td>The downstream side of the meter or main service valve.</td>
</tr>
</tbody>
</table>

J1.2.1.3 Condition Assessment

The water pipes at Fort Knox are reported to be generally in poor condition. Currently, there are some dead end lines that are flushed periodically to ensure water quality. The water valves are generally in average condition. There are an adequate number of fire hydrants located throughout the system. The hydrants are exercised over a three year period and are generally in good condition with adequate water pressure. There are service lines that do not have isolation valves on them.

J1.2.1.4 Inventory

The property being sold in this action will be as described in Table 5 of this utility specific attachment of the solicitation. The system will be sold in an “as is, where is” condition without any warranties, representations, or obligations on the part of the Government to make any alterations, repairs, or improvements. Any proposal that offers an alternative description of the property being sold may be deemed technically unacceptable.

Ancillary equipment attached to, and necessary for, operating the system, though not specifically mentioned herein, is considered part of the purchased utility.

Table 5 identifies the inventory of the Fort Knox potable water utility system. When not specifically identified by system geographic information system (GIS) drawings and databases, the size and type of system components were estimated based on the size of the piping the component was connected to. Additionally, when the year of construction was not known, it was estimated based on the age of the piping or the age of the facility served.
# TABLE 5
Fixed Inventory
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Component</th>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
<th>Average Year of Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RAW WATER SOURCES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>McCracken Spring Intake</td>
<td></td>
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<td>1958</td>
<td></td>
</tr>
<tr>
<td>1.5&quot;</td>
<td>51</td>
<td>Each</td>
<td>1935</td>
<td></td>
</tr>
<tr>
<td>1.5&quot;</td>
<td>65</td>
<td>Each</td>
<td>2005</td>
<td></td>
</tr>
<tr>
<td>2&quot;</td>
<td>137</td>
<td>Each</td>
<td>1935</td>
<td></td>
</tr>
<tr>
<td>2&quot;</td>
<td>33</td>
<td>Each</td>
<td>1958</td>
<td></td>
</tr>
<tr>
<td>2&quot;</td>
<td>1</td>
<td>Each</td>
<td>2007</td>
<td></td>
</tr>
<tr>
<td>2&quot;</td>
<td>13</td>
<td>Each</td>
<td>2008</td>
<td></td>
</tr>
<tr>
<td>2.5&quot;</td>
<td>15</td>
<td>Each</td>
<td>1935</td>
<td></td>
</tr>
<tr>
<td>3&quot;</td>
<td>81</td>
<td>Each</td>
<td>1935</td>
<td></td>
</tr>
<tr>
<td>3&quot;</td>
<td>2</td>
<td>Each</td>
<td>2007</td>
<td></td>
</tr>
<tr>
<td>Component</td>
<td>Size</td>
<td>Quantity</td>
<td>Unit</td>
<td>Average Year of Construction</td>
</tr>
<tr>
<td>----------------------</td>
<td>------</td>
<td>----------</td>
<td>------</td>
<td>------------------------------</td>
</tr>
<tr>
<td></td>
<td>4&quot;</td>
<td>76</td>
<td>Each</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>4&quot;</td>
<td>2</td>
<td>Each</td>
<td>1994</td>
</tr>
<tr>
<td></td>
<td>4&quot;</td>
<td>2</td>
<td>Each</td>
<td>2007</td>
</tr>
<tr>
<td></td>
<td>4&quot;</td>
<td>15</td>
<td>Each</td>
<td>2008</td>
</tr>
<tr>
<td></td>
<td>5&quot;</td>
<td>2</td>
<td>Each</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>6&quot;</td>
<td>592</td>
<td>Each</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>6&quot;</td>
<td>63</td>
<td>Each</td>
<td>1958</td>
</tr>
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<td></td>
<td>6&quot;</td>
<td>5</td>
<td>Each</td>
<td>2003</td>
</tr>
<tr>
<td></td>
<td>6&quot;</td>
<td>3</td>
<td>Each</td>
<td>2007</td>
</tr>
<tr>
<td></td>
<td>6&quot;</td>
<td>13</td>
<td>Each</td>
<td>2008</td>
</tr>
<tr>
<td></td>
<td>8&quot;</td>
<td>381</td>
<td>Each</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>8&quot;</td>
<td>39</td>
<td>Each</td>
<td>1958</td>
</tr>
<tr>
<td></td>
<td>8&quot;</td>
<td>4</td>
<td>Each</td>
<td>1994</td>
</tr>
<tr>
<td></td>
<td>8&quot;</td>
<td>32</td>
<td>Each</td>
<td>1997</td>
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<td></td>
<td>8&quot;</td>
<td>9</td>
<td>Each</td>
<td>2008</td>
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<tr>
<td></td>
<td>10&quot;</td>
<td>108</td>
<td>Each</td>
<td>1935</td>
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<td></td>
<td>10&quot;</td>
<td>10</td>
<td>Each</td>
<td>1958</td>
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<tr>
<td></td>
<td>10&quot;</td>
<td>1</td>
<td>Each</td>
<td>2007</td>
</tr>
<tr>
<td></td>
<td>12&quot;</td>
<td>52</td>
<td>Each</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>12&quot;</td>
<td>5</td>
<td>Each</td>
<td>1958</td>
</tr>
<tr>
<td></td>
<td>12&quot;</td>
<td>2</td>
<td>Each</td>
<td>1994</td>
</tr>
<tr>
<td></td>
<td>14&quot;</td>
<td>21</td>
<td>Each</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>16&quot;</td>
<td>15</td>
<td>Each</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>20&quot;</td>
<td>6</td>
<td>Each</td>
<td>1998</td>
</tr>
<tr>
<td></td>
<td>24&quot;</td>
<td>1</td>
<td>Each</td>
<td>1935</td>
</tr>
<tr>
<td>Fire Hydrants</td>
<td></td>
<td>722</td>
<td>Each</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td></td>
<td>83</td>
<td>Each</td>
<td>1958</td>
</tr>
<tr>
<td></td>
<td></td>
<td>14</td>
<td>Each</td>
<td>1997</td>
</tr>
<tr>
<td></td>
<td></td>
<td>54</td>
<td>Each</td>
<td>2005</td>
</tr>
<tr>
<td>Meters</td>
<td></td>
<td>50</td>
<td>Each</td>
<td>Assume 1998</td>
</tr>
<tr>
<td>Pressure Reducing Station</td>
<td>1</td>
<td>Each</td>
<td>2003</td>
<td></td>
</tr>
<tr>
<td>SCADA</td>
<td></td>
<td>2</td>
<td>Each</td>
<td>1995</td>
</tr>
<tr>
<td>Well Control System</td>
<td></td>
<td>1</td>
<td>Each</td>
<td>1995</td>
</tr>
<tr>
<td>Van Voorhis BPS</td>
<td></td>
<td>Structure</td>
<td>NA</td>
<td>SF</td>
</tr>
<tr>
<td>(Facility No. 5898)</td>
<td></td>
<td></td>
<td></td>
<td>1995</td>
</tr>
<tr>
<td>Component</td>
<td>Size</td>
<td>Quantity</td>
<td>Unit</td>
<td>Average Year of Construction</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>---------------</td>
<td>----------</td>
<td>-------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Pump No. 1 &amp; pressure tank</td>
<td>175 gpm, 10 HP</td>
<td>1</td>
<td>Each</td>
<td>1995</td>
</tr>
<tr>
<td>Pump No. 2 &amp; pressure tank</td>
<td>175 gpm, 10 HP</td>
<td>1</td>
<td>Each</td>
<td>1995</td>
</tr>
<tr>
<td>Pump No. 3 &amp; pressure tank</td>
<td>175 gpm, 10 HP</td>
<td>1</td>
<td>Each</td>
<td>1995</td>
</tr>
<tr>
<td>Fire protection (diesel fueled)</td>
<td>2,000 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>1995</td>
</tr>
</tbody>
</table>

**Elevated Storage Tanks (Steel)**

<table>
<thead>
<tr>
<th>Component</th>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
<th>Average Year of Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tank No. 1 &amp; cathodic protection</td>
<td>250,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1935/2004</td>
</tr>
<tr>
<td>Tank No. 2 &amp; cathodic protection</td>
<td>500,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1937/2004</td>
</tr>
<tr>
<td>Tank No. 3 &amp; cathodic protection</td>
<td>500,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1941/2009</td>
</tr>
<tr>
<td>Tank No. 4 &amp; cathodic protection</td>
<td>500,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1941/2002</td>
</tr>
<tr>
<td>Tank No. 5 &amp; cathodic protection</td>
<td>300,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1958/1994</td>
</tr>
<tr>
<td>Tank No. 6 &amp; cathodic protection</td>
<td>500,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1995</td>
</tr>
<tr>
<td>Tank No. 7 &amp; cathodic protection</td>
<td>500,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1997</td>
</tr>
<tr>
<td>Tank No. 8 &amp; cathodic protection</td>
<td>500,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1997</td>
</tr>
</tbody>
</table>

**ZUSSMAN RANGE (MT. EDEN)**

**Distribution Pipe**

<table>
<thead>
<tr>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>PVC</td>
<td>1&quot;</td>
<td>110 Linear Feet</td>
<td>1997</td>
</tr>
<tr>
<td>PVC</td>
<td>1&quot;</td>
<td>383 Linear Feet</td>
<td>2002</td>
</tr>
<tr>
<td>PVC</td>
<td>1.5&quot;</td>
<td>60 Linear Feet</td>
<td>2002</td>
</tr>
<tr>
<td>PVC</td>
<td>4&quot;</td>
<td>30,177 Linear Feet</td>
<td>1997</td>
</tr>
<tr>
<td><strong>Total PVC Pipe</strong></td>
<td>30,730 Linear Feet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PE</td>
<td>1&quot;</td>
<td>1,111 Linear Feet</td>
<td>2002</td>
</tr>
<tr>
<td>PE</td>
<td>4&quot;</td>
<td>13,668 Linear Feet</td>
<td>2002</td>
</tr>
<tr>
<td><strong>Total PE Pipe</strong></td>
<td>14,779 Linear Feet</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Valves**

<table>
<thead>
<tr>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&quot;</td>
<td>4</td>
<td>Each</td>
</tr>
<tr>
<td>1&quot;</td>
<td>2</td>
<td>Each</td>
</tr>
<tr>
<td>1.5&quot;</td>
<td>1</td>
<td>Each</td>
</tr>
<tr>
<td>4&quot;</td>
<td>2</td>
<td>Each</td>
</tr>
<tr>
<td>4&quot;</td>
<td>13</td>
<td>Each</td>
</tr>
</tbody>
</table>

**YANO RANGE**

**Distribution Pipe**

<table>
<thead>
<tr>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>PVC</td>
<td>2&quot;</td>
<td>2,500 Linear Feet</td>
</tr>
</tbody>
</table>

**Valves**

<table>
<thead>
<tr>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2&quot;</td>
<td>2</td>
<td>Each</td>
</tr>
</tbody>
</table>

**Pressure Reducing Valves**

<table>
<thead>
<tr>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2</td>
<td>Each</td>
</tr>
<tr>
<td>Component</td>
<td>Size</td>
<td>Quantity</td>
</tr>
<tr>
<td>----------------------</td>
<td>------</td>
<td>----------</td>
</tr>
<tr>
<td><strong>Flush Hydrant</strong></td>
<td>2&quot;</td>
<td>1</td>
</tr>
<tr>
<td><strong>BASHAM’S CORNER</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Distribution Pipe</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PVC</td>
<td>1.25&quot;</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td>2&quot;</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>6&quot;</td>
<td>256</td>
</tr>
<tr>
<td>Total PVC Pipe</td>
<td></td>
<td>388</td>
</tr>
<tr>
<td><strong>Valves</strong></td>
<td>1.25&quot;</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>6&quot;</td>
<td>2</td>
</tr>
<tr>
<td><strong>Flush Hydrant</strong></td>
<td>2&quot;</td>
<td>1</td>
</tr>
<tr>
<td><strong>Fire Hydrants</strong></td>
<td>1</td>
<td>Each</td>
</tr>
<tr>
<td><strong>Meters</strong></td>
<td>2</td>
<td>Each</td>
</tr>
<tr>
<td><strong>Backflow Preventers</strong></td>
<td>2</td>
<td>Each</td>
</tr>
</tbody>
</table>

Note:
Service lateral lengths are included in the overall distribution pipe lengths.
Service valve counts are included in the valve counts.

### J1.2.2 Potable Water Utility System Non-Fixed Equipment and Specialized Tools

Table 6 lists other ancillary equipment (spare parts), and Table 7 lists specialized vehicles and tools included in the purchase. Offerors shall field verify all equipment, vehicles, and tools prior to submitting a proposal. Offerors shall make their own determination of the adequacy of all equipment, vehicles, and tools.

**TABLE 6**
Spare Parts
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Item</th>
<th>Make/Model</th>
<th>Description</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No spare parts are included with the Fort Knox Potable Water Utility System.</td>
</tr>
</tbody>
</table>
TABLE 7
Specialized Vehicles and Tools
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Item</th>
<th>Make/Model</th>
<th>Description</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>No specialized vehicles or tools are included with the Fort Knox Potable Water Utility System.</td>
<td></td>
</tr>
</tbody>
</table>

**J1.2.3 Potable Water Utility System Manuals, Drawings, and Records**

Table 8 lists the manuals, drawings, and records that will be transferred with the system.

**TABLE 8**
Manuals, Drawings, and Records
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Item</th>
<th>Description</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Fort Knox maintains a limited collection of technical manuals, SCADA operational manual, drawings, and records on the installed components of the Potable Water Utility System. This information will be transferred to the Contractor during the transition period. System maps will be available in the Offeror’s Technical Library.</td>
<td></td>
</tr>
</tbody>
</table>

**J1.3 Specific Service Requirements**

The service requirements for the Fort Knox potable water system are as defined in Section C, Description/Specifications/Work Statement. The following requirements are specific to the Fort Knox utility system and are additive to those found in Section C. If there is a conflict between requirements described below and Section C, the requirements listed below take precedence over those found in Section C.

**J1.3.1 On-Site Contractor Facility**

The Contractor may establish an on-site facility in order to meet response time requirements and participate in Government meetings as necessary. This location will be determined and provided by the Installation. Should the Contractor choose to construct a facility, the Contractor will immediately acquire and install a temporary facility followed by construction of a permanent, Installation Design Guide (IDG) compatible facility. This facility will be manned with an individual that is capable of representing the Contractor at Government meetings. The Contractor will be responsible for maintaining the grounds around the facility and those areas which are fenced in for Contractor use only.

In lieu of having an on-site facility, the Offeror must explain in their proposal how they will meet the Fort Knox response time requirements.

**J1.3.2 Temporary Contractor Facilities**

Temporary facilities may be placed on post for construction projects. Approval from the Contracting Officer (KO) / Contracting Officer’s Representative (COR) and appropriate staff personnel is required prior to the Contractor locating a construction trailer on post. The approval will be for a term commensurate with the construction period and will provide for termination of the approval upon completion of the work. Construction, use, duration of use, removal, and
clean-up associated with these temporary facilities will be negotiated with the Government on a project-specific basis.

**J1.3.3 Restricted Access Areas**

The areas listed below generally require more intensive security procedures to access. The Contractor will be required to obtain separate badges to access these areas:

- The U.S. Department of Treasury’s Gold Bullion Depository.
- AMMO Storage Area

The Contractor will be restricted in secure areas and during times when the post is secured due to threat or alert. The Government may limit or restrict the right of access granted for any reason considered to be necessary (e.g., national security, public safety).

**J1.3.4 Limited Access**

Fort Knox is a closed post and access may be limited at times with controlled gate openings and closures. Gate operating times and procedures are published by the Provost Marshal’s Office. Unscheduled gate closures by the Military Police may occur at any time, and personnel entering or exiting Fort Knox may experience a delay due to vehicle inspection, registrations, wearing of seat belts, etc. When an unforeseen closure of Fort Knox occurs during normal duty hours, the Contractor shall reschedule the work. The exact date and time will be coordinated with the COR. Emergency work shall continue regardless of closure of Fort Knox.

**J1.3.5 Vehicles**

The Contractor and Contractor employees shall register vehicles with Fort Knox Provost Marshal within 5 working days from date of employment and renew registration annually thereafter. The registrant shall remove the registration decal from the registered vehicle upon termination of employment or sale of vehicle. Personnel operating vehicles on government property shall possess a valid Kentucky or other state driver’s license. This registration procedure is established to facilitate access to the Installation. The Contractor shall not fuel and/or maintain personal or Contractor owned vehicles in Government-furnished facilities. However, the Contractor may use AAFES stations to fuel vehicles that remain on post at all times.

**J1.3.6 Coordination Requirements Prior to Performing Work**

The Contractor will coordinate vehicle parking areas, work staging areas, vegetative disturbance, landscaping disturbance and customer notification with the Contracting Officer’s Representative and appropriate staff personnel prior to performing this work.

**J1.3.7 Planning and Programming**

In order to function as a partner with the Fort Knox DPW, the Contractor must be fully engaged in planning and programming activities for projects that may impact the utility system(s). Costs associated with planning / programming shall be included in the Contractor’s O&M costs as part of normal operations. The following listing generally describes activities in which the UP contractor may be asked to assist the DPW:
The Contractor will assist in the development of Requests for Action (RFAs) (See Section J1.3.8). This may include providing detailed information to support scopes of work, budget estimates, etc. for any necessary changes to the utility system and/or services provided.

The Contractor will be invited to and participate in meetings for projects impacting the utility system(s) such as, but not limited to, DD1391's development of Statement of Work (SOW) for Military Construction (MILCON) projects, planning charrette for MILCON projects, Real Property Master Planning Boards, Fort Knox and SOW Line Item Reviews. As required by the Government Project Manager, the Contractor will attend the pre-design meeting, design charrette, pre-construction meetings, site visits, partnering meetings, etc.

The installation anticipates that it will experience significant growth and expansion during the Contract period that will necessitate new and/or upgraded facilities. Therefore, as part of its regular utility services under the monthly utility service charge, the Contractor must maintain capability to prepare and provide in a timely manner complete designs for such facilities, including site maps, sketches, and/or drawings.

The Contractor shall respond to requests from the Government for new/upgraded facilities and/or demolition of existing facilities. The Contractor will coordinate the design and construction of such facilities with the Government, A/E, and construction contractors.

The Contractor shall identify future project requirements as well as system deficiencies. The Contractor will identify the specific utility requirement for each project and prepare designs and project cost proposals.

The Contractor shall participate in strategic planning and propose long-term initiatives.

The Contractor shall provide supporting information to assist the Government in developing budget estimates for unfunded projects.

The Contractor shall respond to customer questions.

**J1.3.8 Request for Action (RFA) Process**

The following language GENERALLY describes the process for an RFA and may not be all inclusive. It is provided for informational purposes only, and the Government is not binding itself to follow these steps. Nonetheless, the current process is as follows: *(Abbreviations: PM – DPW Project Manager; KO – Contracting Officer; COR - Contracting Officer’s Representative; UP – Utility Privatization Contractor.)*

**STEP 1:** The PM prepares Work Orders and provides to the COR. The COR then forwards to the KO and the KO contacts the UP contractor regarding the potential project.

**STEP 2:** The PM develops independent government estimates (IGE) and provides to COR and KO.

**STEP 3:** The UP Contractor identifies specific utility system requirements for the project, develops a scope of work, detailed cost estimate, sketch, period of performance, and project schedule. The UP Contractor should also identify any applicable increase/decrease to the O&M/R&R.

**STEP 4:** The KO, COR, and PM review the UP contractor’s proposal.
**STEP 5:** UP Contractor, KO, COR, and PM discuss and agree on price and schedule.

**STEP 6:** The PM provides the COR with funds and work order.

**STEP 7:** Funds are provided to the KO.

**STEP 8:** KO issues modification.

**STEP 9:** The PM and/or general contractor coordinates with the UP Contractor regarding schedule.

**STEP 10:** The UP contractor completes Quality Assurance/Quality Control (QA/QC) and Inspections.

**STEP 11:** The UP contractor invoices for the project.

**STEP 12:** Modify the UP contract to include O&M and R&R for the added assets.

### J1.3.9 Mapping Requirements

Maps shall be prepared according to the following specifications:

a. A single map of the entire site shall be prepared indicating the existing site conditions and required demolitions.

b. A single map indicating proposed utilities and other constructions to include the footprint of structures, paving (including curbing), sidewalks, and other relevant planimetric features.


d. Due north on the map will be as viewed from the bottom of the map. Rotation and translation of coordinate systems will not be allowed nor will orientation to Magnetic North. The Magnetic North orientation view may be rotated for plotting purposes but the orientation of the map must be geographically correct when selecting 'top view'.

e. The map will contain a labeled coordinate grid with spacing appropriate to the map extents. For instance, a map scale of 1"=30’ will have coordinates labeled at 100’ intervals north/south and east/west.

f. All utilities on the map will be clearly labeled as to size and material.

### J1.3.10 Updated Utility Maps

The Contractor is required to submit to the Installation updates to utility maps within 30 days after completion of any changes and updated utility maps annually with the Capital Plan or upon request of the Government. The Contractor is responsible for coordinating with and updating the Installation’s GIS. GIS information must be in acceptable DoD format and compatible with existing Fort Knox GIS System.
J1.3.11 Disposition of Removed or Salvaged Materials

Disposition of facilities and material removed from a system shall be the responsibility of the Contractor. If the cost structure is dependent upon in-place value, the salvage value of equipment removed from service prior to the end of its useful life shall be deducted from the in-place value of the system.

J1.3.12 Component Replacement

Infrastructure unutilized after construction can be abandoned in place, provided the abandoned infrastructure poses no immediate or future health, safety, operational, or environmental risks in compliance with industry standards. However, unsightly abandoned infrastructure may be required to be removed and disposed of properly as may be practical or common practice, such as gas metering when units have been converted to total electric. Generally, above-ground infrastructure may require demolition and removal. Abandoned infrastructure must be clearly marked on the utility maps.

J1.3.13 Excavation Marking Process

J1.3.13.1 Contractor-Provided Markings

Contractor shall subscribe to the regional process (one-call dispatch center) for notification and marking of underground utilities. The Contractor shall endeavor to mark all utilities in the time windows defined by this process. In some cases, where non-metallic lines do not have tracer wires, it may take longer to locate the lines. In these cases, the Contractor will make necessary notifications about a possible delay in the marking process. Contractor shall be responsible for all repairs, costs, and damages due to excavations by others for which he did not properly mark his utilities as part of the utility marking process.

J1.3.13.2 Notification Prior to Digging

The UP Contractor shall notify the regional Before You Dig (BUD) dispatch center of his digging requirement. The UP Contractor shall be responsible for all repairs, costs, and damages due to his excavations, including excavations extending beyond areas that have been permitted for excavation.

J1.3.14 System Survey and Assessment / Utility Record Drawings

The Contractor shall initiate a comprehensive survey of the system to identify components not shown on record drawings and identify errors on existing record drawings. Production and maintenance of record drawings shall be in accordance with RFP Paragraph C.5.1.5, Record Drawings, and all work shall conform to the latest release of the software the Government is using compatible with the latest versions of Spatial Data Standards. The Contractor will provide georeferenced data in a format that can be readily used in GIS (geographic information system) (widely used by DoD and external agencies). All maps and associated data must comply with the latest version of Spatial Data Standards for Facilities, Infrastructure and Environment (SDSFIE) available from the CADD/GIS Technology Center at http://tsc.wes.army.mil/products/TSSDS-TSF-MS.tssds.html. The project must be completed not later than one year after the contract start date. Effort will include a comprehensive record search, will also require physical survey work, and may include some excavation to ascertain line location, type, and condition.
The Contractor will also develop and maintain an accurate computerized model of the utility system. The model should reflect major system components and attributes. It is envisioned that this model will be used for briefing, planning activities, contingency applications, long-range plans, analyzing system faults, and addition or deletion of new flow. The Installation is familiar with and would prefer that the UP Contractor utilize the Kentucky Pipe Model 2006. (See the Technical Library for the current model being used.)

J1.3.15 Installation Design Guide

The Contractor will follow the Fort Knox Installation Design Guide (IDG) and the respective environmental guide specifications for all work. The Contractor shall provide updates to the IDG with his applicable construction standards and specifications within 45 days after the contract start date.

J1.3.16 Supervisory Control and Data Acquisition System

The Contractor shall install and maintain a new Supervisory Control and Data Acquisition (SCADA) system to fully integrate system tank level signals, pump controls, and monitor and remotely read the advanced metering device once they are installed per the Army's Metering Program (AMP) (See J1.5 for AMP discussion). As a minimum, the system will enable the controller to regulate tank levels, monitor system pressure, and monitor various critical water quality parameters.

J1.3.17 Fire Control and Safety

In all cases, the Contractor shall abide by Fort Knox fire protection requirements. Should the Contractor choose to construct an on-site facility to locate office space, warehouse, etc., the Contractor shall permit Fire Department personnel access to their facility to perform fire inspections and emergency response. Where required by federal, state or local regulation, the Contractor shall maintain the fire alarm system for all facilities owned and operated by the Contractor.

Changes to O&M processes and procedures will be coordinated with DPW and the Fire Department.

J1.3.18 Fire Flow

In keeping with RFP Paragraph L.4.2, the Contractor shall perform flow testing and marking of fire hydrants IAW National Fire Protection Association standards/recommended practices. The Contractor will perform the services during the late spring each year and coordinate the services with Fire/Emergency Services of Fort Knox. The annual inspection shall be documented on a written report and a copy sent to Fire Prevention Section. The Contractor shall update numbers and locations of hydrants on the Installation's water distribution maps.

*Exception on marking the fire hydrants* – the numbers shall be ½” in height, placed on the back side of the bonnet, black in color. The rim of the bonnet will have reflective paint of the capacity of the fire hydrants using the color code in NFPA 291.

The Contractor shall own, operate, maintain, and test the Post water system IAW Kentucky Department of Environmental Protection, Frankfort Division of Water (Division of Water)
standards. The Contractor shall provide the Contracting Officer, COR, and DPW with copies of any and all testing information and reports submitted to the Division of Water.

The Contractor shall coordinate any changes to the potable water utility system that may affect fire flow capabilities with the DPW and the Fort Knox Fire Department.

**J1.3.19 Environmental Issues**

The Contractor shall follow all environmental rules and regulations IAW with RFP Section C.10, *Environmental Compliance*.

Trees in which the Indiana Brown Bat reside cannot be cut during the summer months. The Contractor shall notify EMD prior to cutting trees.

**J1.3.20 Required Regulatory Reports**

The Contractor shall be responsible for any reporting required by local, State and Federal regulatory bodies. The Contractor shall provide the COR with information as directed that may be necessary and in the timeframe requested to support reports required by the Department of the Army and other appropriate agencies.

**J1.3.21 Official Inspections**

The Contractor shall immediately inform the COR, Post Safety Office or Environmental Management Division (EMD), Directorate of Public Works, Fort Knox through the KO or COR when the United States Environmental Protection Agency (EPA), the Kentucky Department of Environmental Protection, Frankfort Division of Water, the County Department of Health, the MEDDAC, the Public Service Commission, or OSHA, following notification of any scheduled or unscheduled inspector visits to the Installation for an official inspection.

**J1.3.22 First Response Investigation**

Restoration of utility service is extremely important to DoD installations and expectations are generally covered well throughout this RFP. However, occasions do arise where it may not be immediately apparent who the responsible repair agency is. This frequently occurs where an apparent fault (e.g., line break, leak, etc.) is located near a point of demarcation. In these situations, someone may have to excavate to the actual fault to determine the precise location of the fault and who the appropriate repair agency is. The Contractor must plan to perform this type of “first response investigation”. This may involve pumping water and excavation. In these situations, the Contractor should proceed toward fixing the problem until such time it is determined that repair responsibility is with someone else.

**J1.3.23 Response to Service Requests**

The Contractor shall respond only to the service requests (service calls). The Contractor shall have a telephone manned 24 hours/day, 365 days/year that the customers may call to report utility system problems. There shall be only one phone number, active during duty hours and non-duty hours, for the Government to call to report system problems. For all response times, the Contractor shall respond within the allotted time, take necessary corrective actions, order necessary materials, and schedule additional repairs. The Contractor shall develop procedures for notification of utility outage to necessary personnel during the transition period.

J1-27
J1.3.24 Utility Outage

Because of the critical nature of many Fort Knox mission requirements, response to utility emergencies in and around the Cantonment area must be immediate. The Contractor will respond with a knowledgeable individual to emergency utility problems within 30 minutes of notification during duty hours (0700-1700, Monday – Friday) and within 1 hour during non-duty hours. Additionally, repair crews must be on scene within one hour during duty hours and within two hours during non-duty hours. In the Zussman Range, Yano Range and Basham’s Corner areas, response times shall be 1½ hours during normal duty hours and 2 hours during non-duty hours. Work shall be continued until the problem is corrected. The above response times do not apply to conditions where inclement weather (tornadoes, ice/snow storms, major lightning storms, floods) prevents normal operation. It is recognized that extraordinary conditions will cause the response times to vary proportionally to the number and expanse of system outages, and the priority of service restoration.

The type of service request, priority and minimum response time for various service requests are furnished below.

EMERGENCY:

Emergency - Life or Death – Respond Immediately

“Life or Death” emergencies will typically be handled by Fort Knox Emergency Response agencies, like the Military Police or Fire Department. These agencies or DPW will contact the Contractor. The Contractor shall respond immediately.

Priority 1 - Emergency - Not Life or Death - Respond Same Day IAW previous paragraph

Priority 1 requests arise due to situations that, if left uncorrected, will cause significant damage to a facility, or compromise security or safety, or negatively affect productivity for an entire operation or group. The Contractor shall respond to Priority 1 request as appropriate and reduce the severity of the situation within 1 hour. The Contractor shall complete the service orders within 24 hours unless there is a delay from the Government or the Contractor cannot procure the material.

URGENT:

Priority 2 – “Health & Welfare” – Respond within 3 Working Days

Priority 2 requests arise due to situations that, if left uncorrected will measurably reduce productivity, cause discomfort or inconvenience to the customer, waste resources, or create the need for additional minor repairs. The Contractor shall respond to Priority 2 request within three working days. The Contractor shall complete the service orders within 7 business days unless there is a delay from the Government or the Contractor cannot procure the material.

ROUTINE:

Priority 3 – “Productivity Inhibitor” – Respond within 5 days

Priority 3 requests arise due to situations that, if left uncorrected, will cause measurable discomfort or inconvenience to the customer, waste resources or create the need for additional minor repairs, is esthetically unpleasant or inconvenient. The Contractor shall respond to Priority 3 request within five working days. The Contractor shall complete the service orders within 10 business days unless there is a delay from the Government or the Contractor cannot procure the material.
J1.3.25 Emergency Operations

The Contractor shall have an emergency plan in place for such occurrences. If the damage from a storm or disaster is widespread and affects the Contractor’s other customers (off the Fort Knox installation), Fort Knox’s DPW personnel must be informed of the Installation’s restoration priority. The Contractor shall notify Fort Knox’s DPW personnel of each situation/priority as soon as possible. The Contractor will provide an emergency operations plan, updated on an annual basis. The Contractor shall develop and document an emergency operations plan that addresses all aspects of the contractor’s response to emergency conditions including but not limited to system failures due to acts of God, breakdown, or demand spikes. The Government requires first priority response for service restoration to mission critical facilities during national emergencies, deployments, and alerts. The priority response will take into consideration the Contractor’s other critical civilian priorities (life-safety priorities such as hospitals). In no case will equipment and/or personnel normally used in the support of Fort Knox’s utility system be pulled to serve the Contractor’s external customers if utility service to Fort Knox is experiencing an outage that requires their service. Some personnel assigned to Fort Knox may be pulled to assist in the restoration of service to customers external to Fort Knox if the Fort Knox’s system is not experiencing an outage. A minimal staff shall remain in service to Fort Knox at all times. The priority of restoration is:

1. Medical Facilities
2. Command and Control Facilities
3. Schools
4. Food Services and Shopping
5. Barracks and Housing

J1.3.26 Temporary Service

Temporary service will be coordinated with Fort Knox’s DPW and the affected customer(s) if temporary service is required. The Contractor must make all possible preparation and coordination prior to actual outage. It is the responsibility of the Contractor to limit the length of an outage to minimum requirements.

J1.3.27 Planned Outages

The Contractor must coordinate any planned outages for construction or maintenance with the DPW and affected customers. For outages requiring 4 or more hours of interruption to service, work should be planned during off hours, such as, in the evening or weekends or holidays depending on the customers affected. In rare cases, the Contractor may be required to provide temporary or emergency services for the length of the planned outage.

J1.3.28 Cost of Supporting Utilities

The Contractor may consume reasonable quantities of supporting utilities at no charge. However, Contractor shall fully cooperate with the Government with respect to energy / water conservation measures as described in Section C.3.4, Energy and Water Efficiency and Conservation. The UP Contractor’s usage may be separately metered to provide the Army with the capability to monitor the contractor’s use of these services and to ensure that the UP contractor is practicing energy
conservation measures as prescribed by the Army through their Army Energy and Water Campaign Plan (AEWCP).

**J1.3.29 Equipment Mounted on Water Storage Tanks**

The Contractor shall allow the Government access to operate and maintain any communication equipment, obstruction lights, emergency warning equipment, public address equipment, and other Government equipment on water storage tanks being privatized at no additional cost to the Government. The Contractor shall develop a procedure for granting the Government access. This procedure shall be submitted to the Contracting Officer for approval.

Further, the installation considers cellular telephone antennas to be mission essential. Therefore, as noted in RFP section C.4.2.2.2, the Contractor will take ownership of the water storage tanks subject to any cellular telephone antenna leases. In addition to retaining the right to locate existing antennas on water storage tanks and to continue to accrue revenue from existing contracts leases, the installation will retain the right to locate additional antennas on privatized water storage tanks and to retain all revenue from future contracts leases.

**J1.3.30 Cultural Resources**

Transfer of ownership of certain historic properties necessitates Government compliance with federal laws and regulations to meet historic preservation requirements. The final transfer documents will include an easement or covenant that includes adequate and legally enforceable restrictions or conditions to ensure long-term preservation of historic properties to meet these preservation requirements. As a result of this easement or covenant, the Contractor will likely be required to preserve and maintain transferred historic properties in accordance with Secretary of the Interior’s Standards for the Treatment of Historic Properties (36 CFR 68).

The Contractor shall not remove or disturb any historical, archaeological, architectural or other cultural artifacts, relics, remains, or objects of antiquity.

Activities involving ground disturbance, construction, demolition, landscape modification, or alteration of the exterior or interior of a historic building has the potential to adversely affect cultural resources. Historic districts, buildings, landscape features, or archaeological sites considered eligible for the National Register of Historic Places that may be identified in the future shall be subject to the terms of this section. With regard to the historic building / facilities to be transferred as part of the utility privatization action, please see the Offeror’s Technical Library.

The Contractor will coordinate projects that may affect cultural resources listed on the Installation Cultural Resources Management Plan as reviewed with the Contracting Officer’s Representative (COR). The COR will coordinate with the Fort Knox Cultural Resources Program to determine if consultation with the Department of Environmental Protection is required per 36 CFR 800. For non-emergency work, the COR will respond to the Contractor within 10 working days. Initial SHPO review requires 30 days and additional consultation may be required to avoid, minimize or mitigate any adverse effect. The Contractor shall not start work until notified by the COR.

In emergency situations, the Contractor is not required to consult with Fort Knox in advance of actions to repair the utility distribution system. The Contractor will notify Fort Knox, who will notify the Department of Environmental Protection, following execution of all emergency measures affecting historic properties. The emergency exception contained in this paragraph will
only apply to undertakings initiated within 10 days of the emergency. For emergency work, the Contractor may take steps to safeguard life and property, and restore service, but shall minimize impact to the site.

In the event archaeological materials are inadvertently encountered during construction or excavation activities, the activity must stop and the Contractor shall immediately notify the COR.

Costs for mitigation of damage to cultural resources (restoration, repair, or replacement) due to the Contractor’s failure to comply with historical and cultural preservation laws, regulations, or programs, that relate or may arise under performance of this contract may be deducted or offset by the Government from any monies due the Contractor, and with respect to the nature and severity of the damage. The Contractor will take any corrective or remedial actions as directed by the Contracting Officer.

J1.3.31 Standards and Regulations

The Contractor will provide the Installation with three hard copies and one electronic copy of the Contractor’s standards and regulations within 45 days after contract start date.

J1.3.32 Network Access Requirements

- Information Assurance (IA): Contractor personnel requiring access to U.S. Government Information Systems to fulfill their duties shall possess the required favorable security investigation, security clearance, formal access approval, and “need-to-know” prior to being granted access to any Government computer or computer network.

- Information Technology (IT)-I Level of Security Access is required for contractor personnel in IA positions working with infrastructure devices, IDSs, routers, System Administration or Network Administration, with privileged-level access to control, manage, or configure IA tools or devices, individual information systems, networks, and enclaves. At a minimum, such contractor personnel shall require a favorably completed NAC, initiation of SSBI, completion of Forms SF85P, SF86, and Supplemental Questionnaire.

- IT-II Level of Security Access is required for contractor personnel in IA positions required to work with operating systems administration of common applications or enclaves, or back-up operators with limited privileged level access to control, manage, or configure information systems or devices. At a minimum, such contractor personnel shall require a favorable review of local personnel, base / military, medical, and other security records as appropriate, initiation of a NALC, and completion of Forms SF85P or SF86 and Supplemental Questionnaire.

- IT-III Level of Security Access is required for Contractor personnel in positions as normal users, power user on individual systems for configuration with non-privileged level of access to information systems and devices. At a minimum, such contractor personnel shall require a favorable review of local personnel, base / military, medical, and other security records as appropriate, initiation of a NAC, and completion of Form SF85P and the Supplemental Questionnaire.
- Contractor personnel shall not be granted access to any Government computer systems or networks until proof of compliance to the IA clearance requirements.

- Once Contractor personnel have complied with the IA requirements as reflected above, they will be granted the appropriate IT level of security access.

- Contractor personnel shall personally pick-up and sign for Government network user identification and password at the Information Assurance Office.

- Contractor employee(s) shall be solely responsible for the safeguarding of user passwords and shall immediately report any suspected compromise or loss of the password to the Information Assurance Office.

- The Contractor is responsible for notifying the Contract Officer Representative (COR) and also the Information Assurance Office of any changes to their status or their personnel status.

**J1.4 Current Service Arrangement**

Fort Knox collects and treats the raw surface water and ground water and distributes the finished water throughout the Installation. **Table 9** summarizes the annual volume of raw water treated and/or used by Fort Knox over the last three calendar years.

**TABLE 9**

Annual Volume of Raw Water Treated or Used

*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Location</th>
<th>CY2005 (MG)</th>
<th>CY2006 (MG)</th>
<th>CY2007 (MG)</th>
<th>3-Year Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muldraugh WTP</td>
<td>842.364</td>
<td>950.172</td>
<td>903.378</td>
<td>898.638</td>
</tr>
<tr>
<td>Central WTP</td>
<td>245.598</td>
<td>140.950</td>
<td>145.844</td>
<td>177.464</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,087.962</td>
<td>1,091.122</td>
<td>1,049.222</td>
<td>1,076.102</td>
</tr>
</tbody>
</table>

**Table 10** summarizes the peak day volumes of raw water treated and/or used by Fort Knox over the last three calendar years.

**TABLE 10**

Peak Day Volumes of Raw Water Treated or Used

*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Location</th>
<th>CY2005 (MGD)</th>
<th>CY2006 (MGD)</th>
<th>CY2007 (MGD)</th>
<th>3-Year Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muldraugh WTP</td>
<td>3.580</td>
<td>4.400</td>
<td>4.060</td>
<td>4.013</td>
</tr>
<tr>
<td>Central WTP</td>
<td>2.473</td>
<td>2.741</td>
<td>1.453</td>
<td>2.222</td>
</tr>
</tbody>
</table>
In addition to the potable water supplied by the Muldraugh and Central WTPs, Fort Knox also purchases potable water from the City of Louisville for the Zussman Range, from the Meade County Water District for Basham’s Corner area, and from HCWD No. 2 for Yano Range.

Fort Knox also sells potable water to the City of Muldraugh and the HCWD No. 1. All potable water or raw water sales agreements will be negotiated, reviewed and approved by Fort Knox and the Department of Army, and coordinated with the UP Contractor.

## J1.5 Secondary Metering

Between the raw water supply points and the end-user points of demarcation, the Contractor shall own, operate and maintain the existing meters at locations throughout the Installation, as directed by the Contracting Officer in keeping with the guidance in Section C.3.3, Sub-Metering.

The Army intends to pay for the installation of new meters under the Army’s Metering Program (AMP). The Contractor shall closely work with the Army and the Army’s Contactors to facilitate the installation of advanced metering equipment on the existing meters, the installation of new meters with advanced metering capability and the integration of the advanced metering capability consistent with the AMP. (For additional information on the AMP, please see the information included in the Offeror’s technical library.) It is the Army’s intent to transfer the new meters to the UP Contractor under the utility privatization contract. Subject to the change provisions of the contract, an equitable adjustment will negotiated between the KO and the UP Contractor for the ownership, operation and maintenance for the new meters.

### J1.5.1 Existing Meters

Table 11 list the existing meters (at the time of contract award) that will be transferred to the Contractor and for which the Contractor shall provide meter readings IAW Paragraph C.3.3, Sub-Metering, and J1.6, Monthly Submittals.

<table>
<thead>
<tr>
<th>Meter No.</th>
<th>Tenant Organization</th>
<th>Group No.</th>
<th>Building Served / Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000259</td>
<td>81st RSC</td>
<td>2271</td>
<td>Building No. 5901 - Vehicle Maintenance Shop GS</td>
</tr>
<tr>
<td>1000405</td>
<td>Anderson Guest House</td>
<td>918</td>
<td>Building No. 7961 - Anderson Guest House</td>
</tr>
<tr>
<td>1000009</td>
<td>Armed Forces Bank</td>
<td>552</td>
<td>Building No. 1507 - Armed Forces Branch Bank</td>
</tr>
<tr>
<td>421880</td>
<td>City of Muldraugh (20J D9SC)</td>
<td>587</td>
<td>Muldraugh North Meter</td>
</tr>
<tr>
<td>1200583</td>
<td>City of Muldraugh (20J D9SC)</td>
<td>587</td>
<td>--</td>
</tr>
<tr>
<td>17979192</td>
<td>City of Muldraugh (20J D9SC)</td>
<td>587</td>
<td>Muldraugh South Meter</td>
</tr>
<tr>
<td>19799193</td>
<td>City of Muldraugh (20J D9SC)</td>
<td>587</td>
<td>South Meter Low</td>
</tr>
<tr>
<td>3955284</td>
<td>Commissary</td>
<td>507</td>
<td>Building No. 121 - Commissary B</td>
</tr>
<tr>
<td>6236457</td>
<td>Commissary</td>
<td>507</td>
<td>Building No. 121 - Commissary A</td>
</tr>
<tr>
<td>2559422</td>
<td>Credit Union</td>
<td>557</td>
<td>Building No. 133 - Fort Knox Credit Union Branch</td>
</tr>
<tr>
<td>6245695</td>
<td>DRMO</td>
<td>511</td>
<td>Building No. 2962 - DRMO</td>
</tr>
<tr>
<td>1000002</td>
<td>Fort Knox Exchange</td>
<td>253</td>
<td>Building No. 51 - PX Maintenance Warehouse</td>
</tr>
<tr>
<td>Meter No.</td>
<td>Tenant Organization</td>
<td>Group No.</td>
<td>Building Served / Description</td>
</tr>
<tr>
<td>----------</td>
<td>------------------------------</td>
<td>-----------</td>
<td>------------------------------------------------------------------</td>
</tr>
<tr>
<td>1017909</td>
<td>Fort Knox Exchange</td>
<td>253</td>
<td>Building No. 52 - PX Warehouse Storage</td>
</tr>
<tr>
<td>1184647</td>
<td>Fort Knox Exchange</td>
<td>253</td>
<td>Building No. 2012 - PX Burger King</td>
</tr>
<tr>
<td>6678679</td>
<td>Fort Knox Exchange</td>
<td>253</td>
<td>Building No. 1608 - AAFES Car Wash</td>
</tr>
<tr>
<td>1000016</td>
<td>Gold Vault</td>
<td>515</td>
<td>Gold Vault</td>
</tr>
<tr>
<td>1000019</td>
<td>Hardin Co Water Dist #1</td>
<td>256</td>
<td>Wilson Avenue Booster</td>
</tr>
<tr>
<td>1543329</td>
<td>Hardin Co Water Dist #2</td>
<td>256</td>
<td>Carpenter Test Road</td>
</tr>
<tr>
<td>1000441</td>
<td>Hardin Co Water Dist #3</td>
<td>256</td>
<td>Prichard Pump Station</td>
</tr>
<tr>
<td>1000008</td>
<td>Knox Post Base Line Data</td>
<td>1297</td>
<td>Building No. 1377 - Armed Forces Bank – Main</td>
</tr>
<tr>
<td>1000102</td>
<td>Knox Post Base Line Data</td>
<td>1297</td>
<td>Building No. 853 - Little Meter</td>
</tr>
<tr>
<td>1000108</td>
<td>Knox Post Base Line Data</td>
<td>1297</td>
<td>Building No. 853 - Big Meter</td>
</tr>
<tr>
<td>1000267</td>
<td>Knox Post Base Line Data</td>
<td>1297</td>
<td>Building No. 1492 - Kuma Dining</td>
</tr>
<tr>
<td>7823023</td>
<td>Knox Post Base Line Data</td>
<td>1297</td>
<td>Building No. 28 - Medical Warehouse</td>
</tr>
<tr>
<td>1000061</td>
<td>Lindsey Golf Course</td>
<td>3612</td>
<td>Building No. 4024 - Golf Course Club House</td>
</tr>
<tr>
<td>4055089</td>
<td>Lindsey Golf Course</td>
<td>3612</td>
<td>Building No. 4127 - Lindsey Green</td>
</tr>
<tr>
<td>1000155</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 2724 - Small Meter</td>
</tr>
<tr>
<td>1000156</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 2724 – Big Meter</td>
</tr>
<tr>
<td>2081713</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 860</td>
</tr>
<tr>
<td>5408309</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 851 – Clinic</td>
</tr>
<tr>
<td>5586008</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 851 – Kitchen</td>
</tr>
<tr>
<td>7823053</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 5949 – Troop Medical</td>
</tr>
<tr>
<td>7824306</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 1003</td>
</tr>
<tr>
<td>7824307</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 1022 - Optical Bal</td>
</tr>
<tr>
<td>7824308</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 6289</td>
</tr>
<tr>
<td>7824309</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 865 - Inside Meter</td>
</tr>
<tr>
<td>7824310</td>
<td>MEDDAC Facilities</td>
<td>1338</td>
<td>Building No. 6585</td>
</tr>
<tr>
<td>7824311</td>
<td>MEDDAC Facilities</td>
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<td>Building No. 6586 - Reception Medical</td>
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<td>Building No. 1068 - Vet Facility</td>
</tr>
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<td>Building No. 1006</td>
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<td>Building No. 7711 - Vet Facility</td>
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<td>Building No. 6597 - Wickham Guest</td>
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<td>Navy Seals Special Boat GP</td>
<td>1196</td>
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<td>Hudson Street Trailer #2</td>
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<td>1623</td>
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<td>US Army Reserves</td>
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<td>Building No. 2327 - US Army Reserve</td>
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<tr>
<td>5471368</td>
<td>Youth Challenge</td>
<td>695</td>
<td>Building No. 2377 - A Enlisted Barracks - 35,760 SF</td>
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J1.6 Monthly Submittals

The Contractor shall provide the Government monthly submittals for the following:

1. **Invoice** (IAW Paragraph G.2, *Submission and Payment of Invoices*). The Contractor’s monthly invoice shall be presented in a format proposed by the Contractor and accepted by the Contracting Officer (Form DD250). The Contractor’s monthly invoice shall include segregated costs IAW with each CLIN. The Contractor shall provide sufficient supporting documentation with each monthly invoice to substantiate all costs included in the invoice for each CLIN as approved by the Contracting officer. The proposed system of accounts shall be made available in electronic format as directed by the Contracting Officer. Invoices shall be submitted by the 20th of each month for the previous month. Invoices shall be submitted to:

   **Name:** TBD
   
   **Address:** Directorate of Public Works
   Fort Knox, KY
   
   **Phone number:** 502-__-____
   
   **E-mail:**

2. **Outage Report.** The Contractor’s monthly outage report will be prepared in the format proposed by the Contractor and accepted by the Contracting Officer. Outage reports shall be submitted by the 25th of each month for the previous month. Outage reports shall be submitted to:

   **Name:** TBD
   
   **Address:** Directorate of Public Works
   Fort Knox, KY
   
   **Phone number:** 502-__-____
   
   **E-mail:**

3. **Meter Reading Report.** The monthly meter reading report shall show the current and previous month’s readings for all secondary meters. The Contractor’s monthly meter reading report will be prepared in the format proposed by the Contractor and accepted by the Contracting Officer. Meter reading reports shall be submitted by the 10th of each month for the previous month. Meter reading reports shall be submitted to:

   **Name:** TBD
   
   **Address:** Directorate of Public Works
   Fort Knox, KY
   
   **Phone number:** 502-__-____
   
   **E-mail:**

4. **Monthly Operating Report.** Copies of the monthly operating reports, the bacteriological analysis reports and the water main reports submitted to the State of Kentucky shall be submitted to:

   **Name:** TBD
   
   **Address:** Directorate of Public Works
   Fort Knox, KY
   
   **Phone number:** 502-__-____
   
   **E-mail:**
5. **Monthly Water Withdrawal Permit Report.** Copies of the monthly water withdrawal permit reports submitted to the State of Kentucky shall be submitted to:

   **Name:** TBD
   
   **Address:** Directorate of Public Works
   Fort Knox, KY
   
   **Phone number:** 502-__-____
   
   **E-mail:**

6. **Monthly Discharge Monitoring Reports.** Copies of the monthly discharge monitoring reports submitted to the State of Kentucky shall be submitted to:

   **Name:** TBD
   
   **Address:** Directorate of Public Works
   Fort Knox, KY
   
   **Phone number:** 502-__-____
   
   **E-mail:**

**J1.7 Energy Saving Projects**

In keeping with Paragraph C.3.4, *Energy and Water Efficiency and Conservation*, any projects that should be implemented or continued would be listed here.

- Although there are no projects identified at this time, any future pump motor replacements shall be in compliance with Army Energy conservation policy.

**J1.8 Service Area**

IAW Clause C.4, *Service Area*, the service area is defined as all areas within the Fort Knox boundaries.

**J1.9 Off-Installation Sites**

Fort Knox provides water services to the following off-Installation sites:

1) City of Muldraugh
2) Hardin County Water District No. 1
J1.10 Turning Utility Services On and Off

The Contractor will turn on and turn off water services as requested by the Government at no additional cost. Requests of this type are routine calls that include, but are not limited to, allowing maintenance on equipment beyond the point of demarcation, new or upgrading a service, and demolition of an existing service. There will be a substantial number of this type of request for turn on / turn offs over the next several years associated with intense new construction activity.

J1.11 Special Transition Requirements

IAW Paragraph C.13, *Transition Plan*, there are no known required specific transition requirements at this time.

J1.12 Government Recognized System Deficiencies

Table 12 provides a list of Government recognized deficiencies, the Government’s approach to remedy the deficiency, and the time frame in which the deficiency should be remedied. The deficiencies listed may be physical deficiencies, functional deficiencies, or operational in nature. If the utility system is sold, the Government will not accomplish a remedy for the recognized deficiencies listed. In some cases, these requirements have not been quantified, nor are there project numbers assigned. They are provided to generally acquaint the Contractor with system needs, from the Government’s perspective, that should be addressed over the next few years. The Contractor should propose his approach (which must be IAW industry standards) to correct the recognized deficiencies, which may or may not be similar to the Government’s approach.

**TABLE 12**
Government Recognized System Deficiencies
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>System Component</th>
<th>Recognized Deficiencies and the Government’s Approach to Remedy</th>
<th>Year to be Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Survey / Assessment and Re–Map the Utility Systems</td>
<td>Conduct a system survey / assessment and re-map the potable water distribution system with GIS coordinates. This project also includes the development of an accurate computerized model of the system.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Leak Detection Survey</td>
<td>Conduct a leak detection survey of the entire potable water system lines including the raw water lines and the potable water distribution lines within the main cantonment area and the range areas.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Hydraulic Model</td>
<td>Develop a hydraulic model of the entire potable water utility system. This model will be invaluable during the design and replacement of the existing potable water distribution system.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>System Component</td>
<td>Recognized Deficiencies and the Government’s Approach to Remedy</td>
<td>Year to be Completed</td>
</tr>
<tr>
<td>------------------</td>
<td>---------------------------------------------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>Master Flow Meters at the WTPs</td>
<td>The finished water master meter at the Muldraugh WTP pump house needs to be replaced, the meter is well beyond its design life. The finished master water meters at the Muldraugh and Central WTPs need to be calibrated.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>20-inch Valves</td>
<td>Replace the 20-inch valves on 24-inch CI Line from the West Point well fields to the Muldraugh WTP. The valves are the original valves and are not operable.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>New Raw Water from the Muldraugh WTP to 16-inch Raw Water Line Between Otter Creek PS &amp; Central WTP</td>
<td>Install a new 16-inch raw water line (roughly 15,840 LF) from the Muldraugh WTP to the raw line connecting the Otter Creek PS to the Central WTP. This line is critical since the raw water from the West Point well field is utilized when the raw water from McCracken Spring and Otter Creek is not suitable to treat at the Central WTP. Fort Knox has indicated that its lease of the three wells and the 14-inch line from HCWD No. 1 will terminate once Fort Knox’s potable water utility system is privatized.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Otter Creek PS</td>
<td>Repair the creek side of the Otter Creek PS where the bank of the creek has been severely eroded. Install new windows and doors and replace the roof.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Muldraugh HLPS</td>
<td>Install new windows and doors, paint the exterior face of the concrete block facade and replace the roof.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Central WTP</td>
<td>Replace the roof of the Central WTP.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Central WTP Clear Well</td>
<td>Replace the roof and coat the interior of the 2.0 MG clear well located at the Central WTP. The size of the clear well may be reduced to accommodate the lowering of the roof below grade to protect the concrete surfaces.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Fire Hydrants</td>
<td>Replace roughly 600 fire hydrants identified by the Fort Knox Fire Department.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Water Storage Tank-No. 3</td>
<td>Tank No. 3 requires complete renovation to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Water Storage Tank No. 5</td>
<td>Tank No. 5 requires complete renovation to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>System Component</td>
<td>Recognized Deficiencies and the Government's Approach to Remedy</td>
<td>Year to be Completed</td>
</tr>
<tr>
<td>------------------</td>
<td>---------------------------------------------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>Automatic Transfer Switches</td>
<td>Install automatic transfer switches at the Otter Creek PS, the Central WTP facility and the Muldraugh HLPS. Tie the switches into the new SCADA system.</td>
<td>Within 2nd year of the contract start date</td>
</tr>
<tr>
<td>Line Between Otter Creek PS &amp; Central WTP</td>
<td>Replace roughly 14,437 LF of 16-inch cast iron raw water line between the Otter Creek WTP and the Central WTP facility.</td>
<td>Within 2nd year of the contract start date</td>
</tr>
<tr>
<td>Water Storage Tank No. 6</td>
<td>Tank No. 6 requires complete renovation to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.</td>
<td>Within 2nd year of the contract start date</td>
</tr>
<tr>
<td>Water Storage Tank No. 8</td>
<td>Tank No. 8 requires complete renovation to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.</td>
<td>Within 2nd year of the contract start date</td>
</tr>
<tr>
<td>Water Storage Tank No. 7</td>
<td>Tank No. 7 requires complete renovation to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.</td>
<td>Within 3rd year of the contract start date</td>
</tr>
<tr>
<td>SCADA System</td>
<td>Install a comprehensive SCADA system to assist the UP Contractor in monitoring and controlling the utility water system components, i.e. raw water wells, pumps, etc. The UP Contractor should coordinate the design and installation of the SCADA system with the Government to ensure that the new meters can also be integrated to the extent possible with the SCADA system.</td>
<td>Within 3rd year of the contract start date</td>
</tr>
</tbody>
</table>
| Distribution Pipe & Valves | Replace transite pipe in the North Dietz Housing area of the following approximate amounts:  
- 834 LF of 1-inch  
- 1,988 LF of 1.5-inch  
- 3,726 of 2-inch  
- 284 LF of 3-inch  
- 4,231 LF of 6-inch  
- 6,472 LF of 8-inch  
- 5,927 LF of 10-inch  | Within 3rd year of the contract start date |
<table>
<thead>
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<th>System Component</th>
<th>Recognized Deficiencies and the Government’s Approach to Remedy</th>
<th>Year to be Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution Pipe &amp; Valves</td>
<td>Replace ductile iron pipe in the Van Voorhis Housing area of the following approximate amounts:</td>
<td>Within 3rd year of the contract start date</td>
</tr>
<tr>
<td></td>
<td>• 180 LF of 1-inch</td>
<td></td>
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<tr>
<td></td>
<td>• 7,076 LF of 1.25-inch</td>
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</tr>
<tr>
<td></td>
<td>• 4,293 LF of 1.5-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 11,436 LF of 2-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 1,115 LF of 3-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 25,835 LF of 6-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 18,034 LF of 8-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 4,677 LF of 10-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 897 LF of 12-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 192 LF of 14-inch</td>
<td></td>
</tr>
<tr>
<td>Distribution Pipe &amp; Valves</td>
<td>Replace roughly 4,237 LF of 8-inch pipe which surrounds the site of the new Human Resource Center</td>
<td>Within 3rd year of the contract start date</td>
</tr>
<tr>
<td></td>
<td>Replace the following approximate amounts of pipe under Phase I of the distribution pipe replacement program:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 994 LF of 1-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 29 LF of 1.25-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 759 LF of 1.5-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 3,720 LF of 2-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 483 LF of 2.5-inch</td>
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</tr>
<tr>
<td></td>
<td>• 4,280 LF of 3-inch</td>
<td>Within 4th year of the contract start date</td>
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<tr>
<td></td>
<td>• 3,754 LF of 4-inch</td>
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<tr>
<td></td>
<td>• 61,582 LF of 6-inch</td>
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<td></td>
<td>• 38,255 LF of 8-inch</td>
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<td></td>
<td>• 17,066 LF of 10-inch</td>
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</tr>
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<td></td>
<td>• 4,153 LF of 12-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 1,665 LF of 14-inch</td>
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Fort Knox Potable Water Utility System

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J1 Fort Knox Potable Water Utility System

J1.1 Fort Knox Overview

The U.S. Army Garrison at Fort Knox is located roughly 36 miles southwest of Louisville and 14 miles northwest of Elizabethtown, Kentucky. The Army’s main cantonment and range areas cover over 109,000 acres spread across Hardin, Bullitt and Nelson counties. The Federal government acquired the initial portion of the Installation in 1903 for the purpose of conducting Army maneuvers. Named for Major General Henry Knox, the first Secretary of War, Camp Knox was established in 1918 as an artillery training center to provide military training to personnel in response to the US involvement in World War I. Camp Knox was later designated Fort Knox in 1933.

In 1936 the U.S. Treasury Department began construction of the U.S. Bullion Depository and the Gold Vault opened in January 1937. During World War II, the U.S. Bullion Depository continued to operate at Fort Knox, receiving more and more shipments of the country's gold reserves. The Gold Vault was also used to store and to safeguard the English crown jewels and the Magna Carta, along with the gold reserves of several of the countries of occupied Europe. In December 1941, the Gold Vault also received the original documents of the Constitution, the Bill of Rights, and the Declaration of Independence for safekeeping. These historic documents left Fort Knox on Oct 1, 1944, and were returned to Washington DC for public display.

The Army created its first armored force at Fort Knox in 1940 and as a result the Installation is often referred to as “the Home of Armor”. During World War II, four combat armored divisions were trained at Installation. Since first established in 1918, Fort Knox has played a key role in the development of military tactics, doctrine, and equipment, and has been an integral part of the training establishment for the active Army and Army Reserve.

Today, the Armor Center and School is the largest organization on Fort Knox and performs the mission of training all armor Soldiers and Marines. The Army Recruiting Command headquarters conducts the mission of bringing men and women into the U.S. Army. Additionally, the Eastern Region of the ROTC is headquartered at Fort Knox. The Army Accessions Command has personnel on post and will relocate the headquarters here as a result of the BRAC decisions of 2005. Units located on Fort Knox are considered “Partners in Excellence” and include active duty Army organizations, Army Reserve, National Guard and the U.S. Marine Corps.

According to current information published by Fort Knox (http://www.knox.army.mil), the Installation supports a total population of over 23,000 Soldiers, family members and civilians.

J1.1.1 Army Family Housing

Fort Knox recently privatized the Army Family Housing on Post to Knox Hills, a partnership between Fort Knox and Actus Lend Lease. This Residential Community Initiative (RCI) transfers ownership and maintenance responsibility of all of the housing units to a private contractor. Under this RCI agreement, Knox Hills will also remodel, renovate, demolish some structures and build new units in multiple phases over the initial years of the 50-year contract term. It should be pointed out that this RCI initiative does not involve the transfer of land nor does it include the transfer of
the existing potable water utility system components within the housing areas. The existing distribution system components in the housing areas which have not been renovated have been retained by the Government and are, therefore, included as part of this UP action. The ownership of the new potable water utility system components in the housing areas will be transferred from Knox Hills to Fort Knox for ownership, operation and maintenance and will also be part of the utility privatization action. It is important to note that the RCI process will result in some reconfiguration of the remaining housing areas with resultant changes in the utility systems serving those neighborhoods. The utility system owner should expect to be very much involved in these future changes.

J1.2 Potable Water Utility System Description

J1.2.1 Potable Water Utility System Fixed Equipment Inventory

Fort Knox’s potable water utility system consists of all appurtenances physically connected to the system from the point in which the Government ownership currently starts to the point of demarcation defined by the real estate instruments. Generally, the point of demarcation will be the building footprint. The system may include, but is not limited to, the raw water wells, the surface water intake structures at the dams, the low lift pump station (LLPS), the water treatment plants (WTP), the clear wells, the high lift pump stations (HLPS), the booster pump station (BPS), the elevated water storage tanks and the distribution lines including raw water and finished water transmission lines and the service laterals. The following description and inventory is included to provide the Offeror with a general understanding of the size and configuration of the potable water utility system. The Offeror shall base the proposal on site inspections, information in the bidders’ library, other pertinent information, and to a lesser degree the following description.

Ownership of the potable water system utility components including, but not limited to, the raw water wells, the surface water intake structures at the dams, the LLPS, the WTP facilities, the clear wells, the HLPSs, the BPS, the elevated water storage tanks and the distribution lines including raw water and finished water transmission lines and the service laterals will be transferred to the Utility Privatization (UP) Contractor. There are currently no plans to transfer any land ownership inside the main cantonment area. An easement will be provided for the land on which the potable water system structures are located (i.e., the pump stations, the water storage tanks, etc.). Fort Knox will retain all its water rights. All structures transferred must comply with the Installation’s fire protection and security standards.

Specifically excluded from the potable water utility system privatization package:

- The Army-owned dams and impoundment structures at McCracken Spring and Otter Creek
- Raw water intake structures which are contained within the dams
- Golf course / landscaping irrigation systems
- Swimming pool facilities
- Wash rack facilities
The following description and inventory is included to provide the Offeror with a general understanding of the size and configuration of the potable water utility system. The description and inventory were developed based on the best available data.

The Offeror shall base its proposal on site inspections, information in the technical library, and other pertinent information, as well as the following description and inventory. If, after award, the Offeror identifies additional inventory not listed in Paragraph J1.2.1.4, the Offeror may submit to the Contracting Officer a request for an equitable adjustment. If the Offeror determines that the inventory listed in Paragraph J1.2.1.4 is overstated, the Offeror shall report the extent of the overstatement to the Contracting Officer, in accordance with C.11.1, *Due Diligence Adjustment.*

Generally, the Government uses the following useful lives in determining the value of the potable water utility system to be privatized:

<table>
<thead>
<tr>
<th>Component</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw water wells – structures</td>
<td>75 Years</td>
</tr>
<tr>
<td>Raw water wells – pumps / control systems</td>
<td>25 Years</td>
</tr>
<tr>
<td>WTP – Structures</td>
<td>75 years</td>
</tr>
<tr>
<td>WTP - Pumps / Control Systems</td>
<td>25 years</td>
</tr>
<tr>
<td>Pipe and services</td>
<td>50 years</td>
</tr>
<tr>
<td>Meters, main valves and hydrants</td>
<td>25 years</td>
</tr>
<tr>
<td>Water storage tanks</td>
<td>75 years</td>
</tr>
<tr>
<td>Pump Station – Structure</td>
<td>75 years</td>
</tr>
<tr>
<td>Pump Station - Pumps / Control Systems</td>
<td>25 years</td>
</tr>
<tr>
<td>SCADA and Cathodic Protection</td>
<td>25 years</td>
</tr>
</tbody>
</table>

**J1.2.1.1 System Description**

Fort Knox’s potable water utility system includes 13 groundwater wells, two raw water intake structures at the dams, a low-lift pumping station, 48,700 linear feet (LF) (9.2 miles) of raw water line, two WTP facilities, three clear wells, two high lift pump stations, one booster pump station, eight elevated storage tanks, the main cantonment area’s potable water distribution system which includes roughly 810,329 LF (153.5 miles) of potable water distribution pipe and the range areas’ potable water distribution systems which include roughly 48,397 LF (9.2 miles).

For the purposes of this document, Fort Knox’s potable water system has been divided into the following four components: (1) raw water supply sources, (2) the WTP facilities, (3) the main cantonment area’s water distribution and storage and (4) the range areas’ water distribution systems. The schematic diagram of Fort Knox’s potable water utility system is included in the Offeror’s Technical Library.

**Raw Water Supply Sources**

The raw water is taken from four primary sources: the Otter Creek, the McCracken Spring, 13 Army-owned ground water wells and 3 leased ground water wells. The Otter Creek and McCracken Spring facilities, located southwest of the main cantonment area, are the primary sources of water to the Central WTP. Raw water from the West Point well field located north of
the main cantonment area along the Ohio River can also be pumped to the Muldraugh WTP via a 24-inch cast iron line or a 14-inch ductile iron line leased by the Army from Hardin County Water District No. 1 (HCWD No. 1) to the Central WTP. The Army’s 13 ground water wells and the 3 leased wells are the primary sources of raw water to the Muldraugh WTP.

A small impoundment and concrete dam structure below the McCracken Spring provides surface water to the Otter Creek pumping station (PS), via a gravity feed 16-inch case iron line. A small impoundment and concrete dam structure on the Otter Creek also provides surface water to the Otter Creek pumping station (Facility No. 9213). The small impoundment and dam structures were constructed in the late 1930s and have been dredged periodically over the subsequent years. The Otter Creek PS pumps the surface water withdrawn from the McCracken Spring and the Otter Creek to the Central WTP. The pumping station includes an intake structure with mechanical screens, pump controls and telemetry, one 1,200 gpm (1.728 MGD) 150 HP, pump and two 2,100 gpm (3.024 MGD) pumps (one pump is 230 HP pump whereas the second pump is 250 HP), and a 550 kilowatt (kW) diesel emergency / standby generator. Originally constructed in 1936, the Otter Creek’s mechanical screens, sluice gates, pump controls and telemetry and pumps have been replaced over the years. The 1,200 gpm and 2,100 gpm (230 HP) pumps were installed in 1983 and the other 2,100 gpm pump was installed in 2008.

Although the physical structure of the LLPS appears to be in relatively good condition given its age, the roof, doors and windows of the LLPS are in need of repair or replacement. The back side of the PS near the raw water intake on the Otter Creek is also in need of repair. The raw water lines from McCracken Spring to the Otter Creek PS and from the Otter Creek PS to the Central WTP are over 70 years old and may need to be considered for replacement in the next few years.

The Government’s 13 ground water wells and the 3 ground water wells leased by Fort Knox from HCWD No.1 are located in the West Point well field, north of the main cantonment area along the Ohio River, on land either owned by or leased by the Army. The well field is a naturally formed alluvial aquifer bounded by the Ohio River, the Salt River and the inland hills. The raw water wells utilized either vertical turbine pumps on top of the wells or submersible pumps located with the well. 12 wells have pumps rated at 750 gpm (1.080 MGD), 125 HP and one of wells is rated at 500 gpm (0.720 MGD), 75 HP.

**Table 1** summarizes the facility numbers, well numbers, locations, dates of original installation and upgrades, well depth, and the rated capacity of the wells in gallons per minute (gpm) and in MGD. The table also includes the relevant information for three raw water wells leased by Fort Knox from Hardin County Water District No. 1 in the West Point well field.
### TABLE 1
Raw Water Wells
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Facility No.</th>
<th>Well</th>
<th>Location</th>
<th>Dates Installed/Upgraded</th>
<th>Estimated Depth</th>
<th>Rated Capacity (gpm)</th>
<th>Rated Capacity (MGD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8001</td>
<td>No. 1</td>
<td>West Point Well Field</td>
<td>1998</td>
<td>82 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8003</td>
<td>No. 2</td>
<td>West Point Well Field</td>
<td>2004</td>
<td>121 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8005</td>
<td>No. 3</td>
<td>West Point Well Field</td>
<td>2004</td>
<td>134 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8022</td>
<td>No. 5</td>
<td>West Point Well Field</td>
<td>2002</td>
<td>114 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8011</td>
<td>No. 6</td>
<td>West Point Well Field</td>
<td>2000</td>
<td>107 feet</td>
<td>500</td>
<td>0.720</td>
</tr>
<tr>
<td>8025</td>
<td>No. 7</td>
<td>West Point Well Field</td>
<td>1970</td>
<td>106 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8028</td>
<td>No. 8</td>
<td>West Point Well Field</td>
<td>1998</td>
<td>116 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8030</td>
<td>No. 9</td>
<td>West Point Well Field</td>
<td>1998</td>
<td>125 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8033</td>
<td>No. 10</td>
<td>West Point Well Field</td>
<td>1999</td>
<td>134 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8036</td>
<td>No. 11</td>
<td>West Point Well Field</td>
<td>2000</td>
<td>132 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8038</td>
<td>No. 12A</td>
<td>West Point Well Field</td>
<td>1985</td>
<td>113 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8001</td>
<td>No. 12B</td>
<td>West Point Well Field</td>
<td>2003</td>
<td>113 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8003</td>
<td>No. 13</td>
<td>West Point Well Field</td>
<td>1992</td>
<td>--</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td><strong>Total Fort Knox Wells</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>8,750</strong></td>
<td><strong>12.600</strong></td>
</tr>
</tbody>
</table>

**Hardin County Water District No. 1 (Leased Wells)**

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>--</td>
<td>No. 4</td>
<td>West Point Well Field</td>
<td>--</td>
<td>--</td>
<td>1,000</td>
<td>1.440</td>
</tr>
<tr>
<td>--</td>
<td>No. 5</td>
<td>West Point Well Field</td>
<td>--</td>
<td>--</td>
<td>1,000</td>
<td>1.440</td>
</tr>
<tr>
<td>--</td>
<td>No. 6</td>
<td>West Point Well Field</td>
<td>--</td>
<td>--</td>
<td>1,000</td>
<td>1.440</td>
</tr>
</tbody>
</table>

**Total Leased Wells**

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Leased Wells</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>3,000</strong></td>
<td><strong>4.320</strong></td>
</tr>
</tbody>
</table>

**Total Wells**

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Wells</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>11,750</strong></td>
<td><strong>16.920</strong></td>
</tr>
</tbody>
</table>

Although the wells are routinely cleaned and maintained by Fort Knox, many of the wells are producing raw water with elevated chloride levels. It is believed that the sources of the chloride into the aquifer are from abandoned natural gas and oil wells in the nearby area which were not properly sealed and capped. The raw water from the high chloride wells is brought down to acceptable levels by combining this production with the wells with lower chloride levels. The 24-inch raw water line from the West Point well field to the Muldraugh WTP is over 70 years old and may need to be considered for replacement in the next few years.

The Army has also notified the HCWD No. 1 that it intends to terminate the lease of the three wells and the 14-inch raw line, effective in September 2010. Upon termination of the lease, the three wells and 14-inch line will revert back to HCWD No.1. As a result, these system components will not be included in the privatization action.

**Water Treatment Facilities**

As previously noted, Fort Knox has two WTP facilities: the Central WTP facility and the Muldraugh WTP facility. As the name indicates, the Central WTP is located in the central area of the main cantonment area. The Muldraugh WTP is located on the northwestern side of the Installation, near the town of Muldraugh, Kentucky.
The Central WTP facility (Facility No. 1205) was initially constructed in 1937, and has been partially upgraded numerous times over the years. The primary source of raw water to the 3.5 MGD Central WTP is the surface water from the Otter Creek and McCracken Spring facilities, located southwest of the main cantonment area. When surface water is not desirable for treatment, the ground water is pumped from the West Point well field to the main cantonment area on to the Central WTP via the leased 14-inch ductile iron line.

The Central WTP facility is a combination water softening and WTP facility. As detailed in the monthly operating reports, the facility continues to produce a good quality finished-water. Although the Central WTP has historically been staffed over 24 hours, the WTP facility is currently only operated roughly 6-12 hours per day. The Central WTP is currently operated to produce finished water with chlorine residual reading in the range of 1.8 to 2.9 TAP, pH reading in the range of 8.4 to 8.8 TAP, hardness reading in the range of 100 to 110 parts per million (ppm) and fluoride in the range of 1.0 to 1.2 ppm. Should the potable water utility system be privatized, the UP Contractor will be required to operate the Central WTP in a manner that the finished water meets these levels.

The plant was originally designed to treat surface water using lime and aluminum sulfate for pH adjustment, coagulation and sedimentation prior to filtration. Today, the treatment process includes aeration, flocculation, sedimentation, filtration and chlorination before the water is pumped into the distribution system. Both pre-chlorination and post-chlorination are used. The filter media (anthracite and sand) within the three mixed media filters was recently replaced in 2008. Reinforced concrete construction was used throughout the plant with liberal use of tile and marble for interior walls and flooring. The building is sound and is an excellent example of art nouveau architecture.

The sludge from the treatment process at the Central WTP is trucked to sludge lagoons near the landfill on the Installation where the sludge is dried and disposed of in the landfill. If the Fort Knox system is privatized, the sludge from the Central WTP will be disposed of by the UP Contractor and may be trucked to the Muldraugh WTP’s sludge lagoons for dewatering or off Post for complete disposal, at the UP Contractor’s discretion. The sludge lagoons located at the landfill are not included in this privatization action.

From the mixed media filters, the finished water flows into either the 2.0 million gallon (MG) clear well or the 500,000 gallon clear well located in the east side of the WTP facility. The finished water is then pumped to the distribution system via the HLPS located within the Central WTP facility. The HLPS includes pump controls and telemetry, one 4,850 gpm (6.984 MGD) 250 HP pump, one 1,000 gpm (1.440 MGD) 70 HP pump and one 1,400 gpm (2.016 MGD) 60 HP pump, and a 750 kilowatt (kW) diesel emergency / standby generator. The HLPS also houses a 5,400 gpm pump which is used to backwash the three mixed media filters in the Central WTP facility.

The mechanical systems and overflow weirs in one of the primary clarifiers at the Central WTP facility are currently being replaced. New hand rails around the top of the clarifiers and sedimentation basins are also being installed. Although the Central WTP facility is generally in good condition considering the age of the facility, the 2.0 MG clear well is in need of immediate repair or replacement. The exterior / above ground portion of the concrete tank is spalling in several areas, the structural integrity of the roof of the tank is in question and the clear well appears to leaking underground. The Installation is planning to study the potential repair /
replacement of the clear well. One alternative under consideration involves the removal / replacement of the roof at a lower elevation below grade and the lining of the interior of the tank.

The Muldraugh WTP facility (Facility No. 3009) was initially constructed in 1941, and has been partially upgraded numerous times over the years. The primary source of raw water to the 7.0 MGD Muldraugh WTP is the ground water pumped from the Army’s 13 wells and the three leased wells in the West Point well field, located north along the Ohio River. The ground water from the wells is pumped roughly 3 miles to the Muldraugh WTP via a 24-inch case iron line.

The Muldraugh WTP facility is also a combination water softening and WTP. As detailed in the monthly operating reports, the facility continues to produce a good quality finished-water, in spite of the deteriorating equipment and facility. This is likely due to the fact that the Muldraugh WTP is generally operated at roughly 2.5 MGD, or 36 percent of the WTP’s design capacity of 7.0 MGD. The Muldraugh WTP is operated and staffed 24 hours per day / 365 days per year. The Muldraugh WTP is also currently operated to produce finished water with chlorine residual reading in the range of 1.8 to 2.9 TAP, pH reading in the range of 8.4 to 8.8 TAP, hardness reading in the range of 100 to 110 ppm and fluoride in the range of 1.0 to 1.2 ppm. **Should the potable water utility system be privatized and the Muldraugh WTP still be in operation, the UP Contractor will be required to operate the WTP facility in a manner that the finished water meets these levels.**

The plant was originally designed to treat surface water using lime and aluminum sulfate for pH adjustment, coagulation and sedimentation prior to filtration. Today, the treatment process includes aeration, flocculation, sedimentation, filtration and chlorination before the water is pumped into the distribution system. Both pre-chlorination and post-chlorination are used in the treatment process. The Muldraugh WTP facility is a “semi-permanent” structure. The foundations, filters, settling basins, floors and the underground clear well are of reinforced concrete construction. The walls of the above ground structure are constructed of concrete brick construction.

After flowing into the 1.0 MG clear well located on the east side of the WTP facility, the finished water is pumped through a 24-inch case iron line that connects the WTP facility to the distribution system via the Muldraugh HLPS (Facility No. 3008). The HLPS is located within fenced area of the Muldraugh WTP facility. The HLPS includes pump controls and telemetry, one 3,500 gpm (5.040 MGD) 250 HP pump, one 4,850 gpm (6.984 MGD) 350 HP pump and one 2,200 gpm (3.168 MGD) 150 HP pump, and a 600 kW diesel emergency / standby generator. The HLPS also houses a 5,400 gpm pump used to backwash the seven filters.

There are two SCADA systems with monitoring and control equipment located at the Muldraugh WTP. Both of the systems are antiquated by today’s industry standards and are approaching the end of their respective design life. Although the SCADA information on the wells, tank level, and pumps is transmitted to the Central WTP, the wells and high lift pumps can only be controlled remotely at the Muldraugh WTP facility.

The sludge from the treatment process in the Muldraugh WTP is pumped into one of four sludge lagoons located northeast of the WTP facility. Three of the sludge lagoons are filled to capacity and are no longer operational. The fourth sludge lagoon was recently cleaned and the solids were trucked to the Installation’s landfill. The UP Contractor will be responsible for the four sludge lagoons and its operation.
Although the Muldraugh WTP facility is currently operating at an acceptable level, the WTP facility has not been maintained to the same level as that of the Central WTP facility. The filter controls and valves and the pump and controls are well beyond its respective design life. The pipe bolts, valves and other controls located in the filter pipe gallery are in poor condition. Many of the pipe connection bolts are corroded and need to be replaced; most of the valves appeared to be original and have failed or are starting to fail; and the outside of the pipe was corroded and in need of cleaning and painting. Most of the exterior doors, windows and the roofs of the WTP facility’s structures are failing and in need of replacement. The filter media within the seven rapid sand filters was last replaced in 1997. The 24-inch finished water line from the Muldraugh WTP to the connection with the main cantonment distribution system is over 65 years old and may also need to be considered for replacement in the next few years.

Given the high levels of chlorides in the raw water coupled with the age and relatively poor condition of the Muldraugh WTP facility, the Army is currently looking at purchasing potable water from a local municipality to replace the potable water capacity at the Muldraugh WTP facility. As a result, the Army does not plan to expend any significant amount of funding at the Muldraugh WTP facility other than to demolish WTP once the facility is permanently taken out of service. The UP Contractor will be required to own, operate and maintain the Muldraugh WTP until an alternate potable water source is provided within the next 5 years.

**Main Cantonment’s Potable Water Distribution and Storage System**

The water distribution system transports the finished water from the two WTP facilities to the various facilities located throughout the Installation. The system provides domestic, industrial and fire protection throughout the Installation. The distribution system consists of pipes, valves, meters, fire hydrants, water storage tanks and the BPS. The distribution system piping which includes mains, service lines and fire lines with known sizes ranging from less than 6-inch to 24 inches in diameter. The distribution pipe includes polyvinyl chloride, cast iron, ductile iron, and asbestos concrete. Since the majority of the water distribution pipe was installed prior to 1950, the Installation plans to replace most of the distribution lines over the next 20 years.

Fort Knox’s potable water utility system includes one BPS located in the Van Voorhis Housing area. Constructed in 1995, the Van Voorhis BPS (Facility No. 5898) includes three 175 gpm, 10 HP pumps and one diesel driven 2,000 gpm, 125 HP fire protection pump.

Eight elevated storage tanks are located throughout the system support Fort Knox’s potable water distribution system. The combined capacity of the storage tanks is approximately 3,550 million gallons. The type, location, manufacturer, date of fabrication and the capacity of each tank are summarized in Table 2.
### TABLE 2
Potable Water Storage Tanks
_Potent Water Utility System, Fort Knox, Kentucky_

<table>
<thead>
<tr>
<th>Facility No.</th>
<th>Tank No.</th>
<th>Type</th>
<th>Location</th>
<th>Installed/Upgrade</th>
<th>Capacity (gallons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1190</td>
<td>WT001</td>
<td>Elevated</td>
<td>Education Center # 1, Dixie Street</td>
<td>1935/2004</td>
<td>250,000</td>
</tr>
<tr>
<td>1191</td>
<td>WT002</td>
<td>Elevated</td>
<td>Education Center # 2, Dixie Street</td>
<td>1937/2004</td>
<td>500,000</td>
</tr>
<tr>
<td>7100</td>
<td>WT003</td>
<td>Elevated</td>
<td>Near WWTP, Ninth Street</td>
<td>1941/2009</td>
<td>500,000</td>
</tr>
<tr>
<td>2911</td>
<td>WT004</td>
<td>Elevated</td>
<td>Old Ironsides, Brave Rifles Ave.</td>
<td>1941/2002</td>
<td>500,000</td>
</tr>
<tr>
<td>5899</td>
<td>WT005</td>
<td>Elevated</td>
<td>Van Voorhis Housing</td>
<td>1958/1994</td>
<td>300,000</td>
</tr>
<tr>
<td>2797</td>
<td>WT006</td>
<td>Elevated</td>
<td>Frazier-Wilson</td>
<td>1995</td>
<td>500,000</td>
</tr>
<tr>
<td>7561</td>
<td>WT007</td>
<td>Elevated</td>
<td>Fort Knox High School, Dixie Street</td>
<td>1997</td>
<td>500,000</td>
</tr>
<tr>
<td>4773</td>
<td>WT008</td>
<td>Elevated</td>
<td>Pritchard Housing</td>
<td>1997</td>
<td>500,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Total</strong></td>
<td><strong>3,550,000</strong></td>
</tr>
</tbody>
</table>

*Note: The tank upgrades included removal of lead paint, recoating of the tank interior, repainting of the exterior, replacement of anodes and rectifier, and replacement of altitude valve.*

Tank Nos. 3–5, 6, 7 and 8 are in need of some immediate attention. The Tanks require complete renovation to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.

### Range Areas’ Water Distribution Systems

There are three relatively small potable water distribution systems located in the Zussman Range, Yano Range and Basham’s Corner areas, with routine environmental testing and reporting performed by the water providers.

The potable water distribution system serving the Zussman Range area, located near the Mount Eden, includes roughly 30,287 LF of PVC pipe constructed in 1997; 443 LF of PVC pipe constructed in 2002; and, 14,779 LF of polyethylene (PE) pipe installed in 2002. The potable water, supplied to this system, is purchased from the City of Louisville.

The potable water distribution system serving the Yano Range area includes roughly 2,500 LF of PVC pipe. The Yano Range distribution system was initially constructed in the 1950s and was renovated in mid-1990s with additional. The potable water, supplied to this system, is purchased from the Hardin County Water District No. 2 (HCWD No. 2).

The potable water distribution system serving the Basham’s Corner area, located Highway 60 and Highway 1882, includes roughly 388 LF of PVC pipe constructed in 2004. The potable water, supplied to this system, is purchased from the Meade County Water District.

### J1.2.1.2 Points of Demarcation

Fort Knox’s potable water utility system consists of all components from the supply points to the points where water is supplied to end-users. The point of demarcation for each end user is defined as the point or component on the distribution system where ownership changes from the utility owner to the building owner. In most cases the point of demarcation is the first upstream
component (e.g., meter, valve, regulator, etc.) of the system located outside of the facility footprint. However, in situations where the facility water meter is located within the facility, the point of demarcation will be inside the facility and the Contractor will be required to coordinate his work within the facility. The technical library contains a list of facilities where the point of demarcation is located within the facility.

Table 3 identifies the type of service and general location of the point of demarcation with respect to each building served by the distribution system.

**TABLE 3**
Points of Demarcation
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Point of Demarcation</th>
<th>Applicable Scenario</th>
<th>Sketch</th>
</tr>
</thead>
<tbody>
<tr>
<td>The point of demarcation is downstream of the water meter, backflow device, or valve (closest apparatus to the exterior of the structure) within five feet of the face of the structure. If greater than five feet from the face of the structure, the demarcation point is five feet from the face of the structure.</td>
<td>Water meter, backflow device, or cutoff valve is located on the service line entering the structure within five feet of the exterior of the structure.</td>
<td><img src="image1" alt="Sketch" /></td>
</tr>
<tr>
<td>Point of demarcation is the downstream side of the first water valve located downstream of the meter and / or of the main backflow prevention device.</td>
<td>Non-residential service line or dedicated fire line enters a mechanical room and a water meter and / or a main backflow prevention device is located in the mechanical room.</td>
<td><img src="image2" alt="Sketch" /></td>
</tr>
<tr>
<td>The point of demarcation is five feet from the face of the structure where the service line enters the structure for either potable water or fire protection service.</td>
<td>No water meter, backflow device, or cutoff valve exists on the service line entering the structure.</td>
<td><img src="image3" alt="Sketch" /></td>
</tr>
<tr>
<td>No point of demarcation exists; the utility service contractor will own all exterior fire suppression infrastructure, up to and including fire hydrants.</td>
<td>Exterior fire protection exists at the Installation.</td>
<td><img src="image4" alt="Sketch" /></td>
</tr>
</tbody>
</table>

Table 4 identifies the unique points of demarcation.
TABLE 4
Unique Points of Demarcation
Potable Water Utility System, Fort Knox, Kentucky

<table>
<thead>
<tr>
<th>Point of Demarcation</th>
<th>Applicable Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Water Intakes at the McCracken and Otter Creek Dams</td>
<td>The upstream side of the valve or sluice gate to the raw water intake structure.</td>
</tr>
<tr>
<td>Interconnects for the Purchase of Water for the Range Areas</td>
<td>The downstream side of the potable water supplier’s meter.</td>
</tr>
<tr>
<td>Interconnects for Sale of Water to HCWD No. 1</td>
<td>1.) The downstream side of the valve on the 12-inch main connects to the Prichard Elevated Water Storage Tank (WT008).</td>
</tr>
<tr>
<td></td>
<td>2.) Near the intersection of Estrada and Bennett streets where the HCWD No. 1’s 10-inch water main (connected to HCWD No. 1’s booster pump station) taps Fort Knox’s 12-inch water main.</td>
</tr>
<tr>
<td>Interconnects for Sale of Water to the City of Muldraugh</td>
<td>1.) The downstream side of the meter located at U.S. Highway 31W, on the north end of Fort Knox’s 10-inch water main.</td>
</tr>
<tr>
<td></td>
<td>2.) The downstream side of the 12-inch valve connected to Fort Knox’s 24-inch water main near Watts Street.</td>
</tr>
<tr>
<td>Golf course / landscaping irrigation systems</td>
<td>The downstream side of the meter or main service valve.</td>
</tr>
</tbody>
</table>

J1.2.1.3 Condition Assessment

The water pipes at Fort Knox are reported to be generally in poor condition. Currently, there are some dead end lines that are flushed periodically to ensure water quality. The water valves are generally in average condition. There are an adequate number of fire hydrants located throughout the system. The hydrants are exercised over a three year period and are generally in good condition with adequate water pressure. There are service lines that do not have isolation valves on them.

J1.2.1.4 Inventory

The property being sold in this action will be as described in Table 5 of this utility specific attachment of the solicitation. The system will be sold in an “as is, where is” condition without any warranties, representations, or obligations on the part of the Government to make any alterations, repairs, or improvements. Any proposal that offers an alternative description of the property being sold may be deemed technically unacceptable.

Ancillary equipment attached to, and necessary for, operating the system, though not specifically mentioned herein, is considered part of the purchased utility.

Table 5 identifies the inventory of the Fort Knox potable water utility system. When not specifically identified by system geographic information system (GIS) drawings and databases, the size and type of system components were estimated based on the size of the piping the component was connected to. Additionally, when the year of construction was not known, it was estimated based on the age of the piping or the age of the facility served.
## TABLE 5
Fixed Inventory
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Component</th>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
<th>Average Year of Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RAW WATER SOURCES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>McCracken Spring Intake</td>
<td></td>
<td></td>
<td></td>
<td>1937/1980</td>
</tr>
<tr>
<td>CI Line to Otter Creek PS</td>
<td>16-inch</td>
<td>2,500</td>
<td>Linear Feet</td>
<td>1937</td>
</tr>
<tr>
<td><strong>Otter Creek PS</strong> (Facility No. 9213)</td>
<td>Structure</td>
<td>1,701</td>
<td>Square Feet</td>
<td>1936/1953</td>
</tr>
<tr>
<td>Intake / Mechanical Screen</td>
<td></td>
<td>1</td>
<td>Each</td>
<td>1953/1999</td>
</tr>
<tr>
<td>Pump controls &amp; telemetry</td>
<td></td>
<td>1</td>
<td>Each</td>
<td>1995</td>
</tr>
<tr>
<td>Pump No. 4</td>
<td>1,200 gpm, 150 HP</td>
<td>1</td>
<td>Each</td>
<td>1983</td>
</tr>
<tr>
<td>Pump No. 9</td>
<td>2,100 gpm, 230 HP</td>
<td>1</td>
<td>Each</td>
<td>1983</td>
</tr>
<tr>
<td>Pump No. 10</td>
<td>2,100 gpm, 250 HP</td>
<td>1</td>
<td>Each</td>
<td>2008</td>
</tr>
<tr>
<td>Emergency Generator</td>
<td>350 kW</td>
<td>1</td>
<td>Each</td>
<td>1981</td>
</tr>
<tr>
<td>CI Line to Central WTP</td>
<td>16-inch</td>
<td>26,400</td>
<td>Linear Feet</td>
<td>1937</td>
</tr>
<tr>
<td><strong>Central WTP (Facility No. 1205)</strong></td>
<td>3.5 MGD</td>
<td>1</td>
<td>Each</td>
<td>1937</td>
</tr>
<tr>
<td>Structure</td>
<td></td>
<td>6,799</td>
<td>SF</td>
<td>1937</td>
</tr>
<tr>
<td>Chemical Feed Systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clarifier</td>
<td>3.5 MG</td>
<td>1</td>
<td>Each</td>
<td>1937/2008</td>
</tr>
<tr>
<td>Multi-media filters</td>
<td>1 MG</td>
<td>3</td>
<td>Each</td>
<td>1937/2008</td>
</tr>
<tr>
<td>Filter backwash tank</td>
<td>150,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1978</td>
</tr>
<tr>
<td>Clear well No. 1</td>
<td>0.5 MG</td>
<td>1</td>
<td>Each</td>
<td>1937</td>
</tr>
<tr>
<td>Clear well No. 2</td>
<td>2 MG</td>
<td>1</td>
<td>Each</td>
<td>1945</td>
</tr>
<tr>
<td><strong>Central WTP High Lift</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump No. 1 &amp; controls</td>
<td>4,850 gpm, 250 HP</td>
<td>1</td>
<td>Each</td>
<td>1970</td>
</tr>
<tr>
<td>Pump No. 2 &amp; controls</td>
<td>1,000 gpm, 70 HP</td>
<td>1</td>
<td>Each</td>
<td>1984</td>
</tr>
<tr>
<td>Pump No. 3 &amp; controls</td>
<td>1,400 gpm, 60 HP</td>
<td>1</td>
<td>Each</td>
<td>1984</td>
</tr>
<tr>
<td>Filter backwash pump &amp; controls</td>
<td>5,400 gpm</td>
<td>1</td>
<td>Each</td>
<td>1994</td>
</tr>
<tr>
<td>Emergency generator</td>
<td>750 kW</td>
<td>1</td>
<td>Each</td>
<td>1988</td>
</tr>
<tr>
<td><strong>West Point Well Field</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Well No. 1, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>1998</td>
</tr>
<tr>
<td>Well No. 2, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>2004</td>
</tr>
<tr>
<td>Well No. 3, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>2004</td>
</tr>
<tr>
<td>Well No. 5, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>2002</td>
</tr>
<tr>
<td>Component</td>
<td>Size</td>
<td>Quantity</td>
<td>Unit</td>
<td>Average Year of Construction</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>--------------------</td>
<td>----------</td>
<td>--------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Well No. 6, pump/controls</td>
<td>500 gpm, 75 HP</td>
<td>1</td>
<td>Each</td>
<td>2000</td>
</tr>
<tr>
<td>Well No. 7, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>1985</td>
</tr>
<tr>
<td>Well No. 8, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>1998</td>
</tr>
<tr>
<td>Well No. 9, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>1998</td>
</tr>
<tr>
<td>Well No. 10, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>1999</td>
</tr>
<tr>
<td>Well No. 11, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>2000</td>
</tr>
<tr>
<td>Well No. 12A, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>1985</td>
</tr>
<tr>
<td>Well No. 12B, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>2003</td>
</tr>
<tr>
<td>Well No. 13, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>1992</td>
</tr>
<tr>
<td>Well Field Header</td>
<td>16-inch</td>
<td>3,960</td>
<td>Linear Feet</td>
<td>1937</td>
</tr>
<tr>
<td>CI Line to Muldraugh WTP</td>
<td>24-inch</td>
<td>15,840</td>
<td>Linear Feet</td>
<td>1937</td>
</tr>
<tr>
<td>Muldraugh WTP (Facility No. 3009)</td>
<td>7.0 MGD</td>
<td>1</td>
<td>Each</td>
<td>1941</td>
</tr>
<tr>
<td>Structure</td>
<td></td>
<td>14,860</td>
<td>SF</td>
<td>1941</td>
</tr>
<tr>
<td>Chemical Feed Systems</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clarifier No. 1</td>
<td>5.0 MG</td>
<td>1</td>
<td>Each</td>
<td>1978/1998</td>
</tr>
<tr>
<td>Clarifier No. 2</td>
<td>2.0 MG</td>
<td>1</td>
<td>Each</td>
<td>1998</td>
</tr>
<tr>
<td>Multi-media filters</td>
<td>1 MGD</td>
<td>7</td>
<td>Each</td>
<td>1941/1997</td>
</tr>
<tr>
<td>Filter backwash tank</td>
<td>150,000 gallon</td>
<td>1</td>
<td>Each</td>
<td>1978</td>
</tr>
<tr>
<td>Clear well</td>
<td>1.0 MG</td>
<td>1</td>
<td>Each</td>
<td>1989</td>
</tr>
<tr>
<td>Sludge Lagoons</td>
<td></td>
<td>4</td>
<td>Each</td>
<td>Various</td>
</tr>
<tr>
<td>Muldraugh High Lift (Fac. No. 3008)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump A &amp; controls</td>
<td>3,500 gpm, 250 HP</td>
<td>1</td>
<td>Each</td>
<td>1984</td>
</tr>
<tr>
<td>Pump B &amp; controls</td>
<td>4,850 gpm, 350 HP</td>
<td>1</td>
<td>Each</td>
<td>1970</td>
</tr>
<tr>
<td>Pump C &amp; controls</td>
<td>2,200 gpm, 150 HP</td>
<td>1</td>
<td>Each</td>
<td>1984</td>
</tr>
<tr>
<td>Filter backwash pump &amp; controls</td>
<td>5,400 gpm</td>
<td>1</td>
<td>Each</td>
<td>2008</td>
</tr>
<tr>
<td>Emergency generator</td>
<td>600 kW</td>
<td>1</td>
<td>Each</td>
<td>1990</td>
</tr>
<tr>
<td>CI Line to Cantonment Area</td>
<td>24-inch</td>
<td>10,449</td>
<td>Linear Feet</td>
<td>1941</td>
</tr>
<tr>
<td>MAIN POST</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Distribution Pipe</td>
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<td></td>
</tr>
<tr>
<td>Cast Iron</td>
<td>Unknown</td>
<td>1,420</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td>.75&quot;</td>
<td></td>
<td>1,155</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td>1&quot;</td>
<td></td>
<td>4,463</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td>Component</td>
<td>Size</td>
<td>Quantity</td>
<td>Unit</td>
<td>Average Year of Construction</td>
</tr>
<tr>
<td>-----------------</td>
<td>------</td>
<td>----------</td>
<td>-----------</td>
<td>------------------------------</td>
</tr>
<tr>
<td></td>
<td>1.25&quot;</td>
<td>4,207</td>
<td>Linear Feet</td>
<td>1935</td>
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<td></td>
<td>1.5&quot;</td>
<td>12,470</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>2&quot;</td>
<td>28,836</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>2.5&quot;</td>
<td>4,785</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>3&quot;</td>
<td>9,504</td>
<td>Linear Feet</td>
<td>1935</td>
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<td>4&quot;</td>
<td>13,331</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>5&quot;</td>
<td>410</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>6&quot;</td>
<td>216,645</td>
<td>Linear Feet</td>
<td>1935</td>
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<td></td>
<td>8&quot;</td>
<td>162,301</td>
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<td>1935</td>
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<td>12&quot;</td>
<td>30,122</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>14&quot;</td>
<td>16,393</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
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<td></td>
<td>16&quot;</td>
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<td>Linear Feet</td>
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<td></td>
<td>24&quot;</td>
<td>10,560</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td><strong>Total Cast Iron</strong></td>
<td></td>
<td>567,212</td>
<td>Linear Feet</td>
<td></td>
</tr>
<tr>
<td><strong>Ductile Iron</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1&quot;</td>
<td>180</td>
<td>Linear Feet</td>
<td>1958</td>
</tr>
<tr>
<td></td>
<td>1.25&quot;</td>
<td>7,076</td>
<td>Linear Feet</td>
<td>1958</td>
</tr>
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<td>1.5&quot;</td>
<td>4,293</td>
<td>Linear Feet</td>
<td>1958</td>
</tr>
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<td>2&quot;</td>
<td>11,436</td>
<td>Linear Feet</td>
<td>1958</td>
</tr>
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<td>3&quot;</td>
<td>1,115</td>
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<td>6&quot;</td>
<td>25,835</td>
<td>Linear Feet</td>
<td>1958</td>
</tr>
<tr>
<td></td>
<td>8&quot;</td>
<td>18,035</td>
<td>Linear Feet</td>
<td>1958</td>
</tr>
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<td>8&quot;</td>
<td>4,118</td>
<td>Linear Feet</td>
<td>2007</td>
</tr>
<tr>
<td></td>
<td>10&quot;</td>
<td>4,677</td>
<td>Linear Feet</td>
<td>1958</td>
</tr>
<tr>
<td></td>
<td>12&quot;</td>
<td>897</td>
<td>Linear Feet</td>
<td>1958</td>
</tr>
<tr>
<td></td>
<td>12&quot;</td>
<td>9,183</td>
<td>Linear Feet</td>
<td>1994</td>
</tr>
<tr>
<td></td>
<td>14&quot;</td>
<td>192</td>
<td>Linear Feet</td>
<td>1958</td>
</tr>
<tr>
<td><strong>Total Ductile Iron</strong></td>
<td></td>
<td>87,036</td>
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<td>28</td>
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<td>Each</td>
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<td>Each</td>
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<td>1935</td>
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<td>Each</td>
<td>2007</td>
</tr>
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<td>Size</td>
<td>Quantity</td>
<td>Unit</td>
<td>Average Year of Construction</td>
</tr>
<tr>
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<td>------</td>
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<td>------</td>
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<td>1935</td>
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<td>4&quot;</td>
<td>2</td>
<td>Each</td>
<td>1994</td>
</tr>
<tr>
<td></td>
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<td>Each</td>
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<td>39</td>
<td>Each</td>
<td>1958</td>
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<td>4</td>
<td>Each</td>
<td>1994</td>
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<td>2008</td>
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<td>Each</td>
<td>1935</td>
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<td>Each</td>
<td>1958</td>
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<td>5</td>
<td>Each</td>
<td>1958</td>
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<td>1994</td>
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<td>1935</td>
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<td>16&quot;</td>
<td>15</td>
<td>Each</td>
<td>1935</td>
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<td>6</td>
<td>Each</td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>722</td>
<td>Each</td>
<td></td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>83</td>
<td>Each</td>
<td></td>
<td>1958</td>
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<td>Each</td>
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<td>1997</td>
</tr>
<tr>
<td></td>
<td>54</td>
<td>Each</td>
<td></td>
<td>2005</td>
</tr>
</tbody>
</table>

| Meters         | 50   | Each     | Assume 1998                  |

| Pressure Reducing Station | 1 | Each | 2003 |

| SCADA           | 2 | Each | 1995 |

| Well Control System | 1 | Each | 1995 |

<p>| Van Voorhis BPS (Facility No. 5898) | Structure | NA | SF | 1995 |</p>
<table>
<thead>
<tr>
<th>Component</th>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
<th>Average Year of Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pump No. 1 &amp; pressure tank</td>
<td>175 gpm, 10 HP</td>
<td>1</td>
<td>Each</td>
<td>1995</td>
</tr>
<tr>
<td>Pump No. 2 &amp; pressure tank</td>
<td>175 gpm, 10 HP</td>
<td>1</td>
<td>Each</td>
<td>1995</td>
</tr>
<tr>
<td>Pump No. 3 &amp; pressure tank</td>
<td>175 gpm, 10 HP</td>
<td>1</td>
<td>Each</td>
<td>1995</td>
</tr>
<tr>
<td>Fire protection (diesel fueled)</td>
<td>2,000 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>1995</td>
</tr>
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</table>

**Elevated Storage Tanks (Steel)**

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<th>Quantity</th>
<th>Unit</th>
<th>Average Year of Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tank No. 1 &amp; cathodic protection</td>
<td>250,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1935/2004</td>
</tr>
<tr>
<td>Tank No. 2 &amp; cathodic protection</td>
<td>500,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1937/2004</td>
</tr>
<tr>
<td>Tank No. 3 &amp; cathodic protection</td>
<td>500,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1941/2000</td>
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<tr>
<td>Tank No. 4 &amp; cathodic protection</td>
<td>500,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1941/2002</td>
</tr>
<tr>
<td>Tank No. 5 &amp; cathodic protection</td>
<td>300,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1958/1994</td>
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<tr>
<td>Tank No. 6 &amp; cathodic protection</td>
<td>500,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1995</td>
</tr>
<tr>
<td>Tank No. 7 &amp; cathodic protection</td>
<td>500,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1997</td>
</tr>
<tr>
<td>Tank No. 8 &amp; cathodic protection</td>
<td>500,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1997</td>
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**ZUSSMAN RANGE (MT. EDEN)**

**Distribution Pipe**

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<th>Year</th>
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<tbody>
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<tr>
<td>1&quot;</td>
<td>383</td>
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<td>2002</td>
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<td>1.5&quot;</td>
<td>60</td>
<td>Linear Feet</td>
<td>2002</td>
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<tr>
<td>4&quot;</td>
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<td>1997</td>
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**Total PVC Pipe**

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</thead>
<tbody>
<tr>
<td></td>
<td>30,730</td>
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<table>
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<tr>
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</tr>
<tr>
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**Total PE Pipe**

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**Valves**

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<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&quot;</td>
<td>4</td>
<td>Each</td>
<td>1997</td>
</tr>
<tr>
<td>1&quot;</td>
<td>2</td>
<td>Each</td>
<td>2002</td>
</tr>
<tr>
<td>1.5&quot;</td>
<td>1</td>
<td>Each</td>
<td>2002</td>
</tr>
<tr>
<td>4&quot;</td>
<td>2</td>
<td>Each</td>
<td>1997</td>
</tr>
<tr>
<td>4&quot;</td>
<td>13</td>
<td>Each</td>
<td>2002</td>
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**YANO RANGE**

**Distribution Pipe**

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<th>Year</th>
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<tr>
<td>2&quot;</td>
<td>2,500</td>
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<td>1990</td>
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**Valves**

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<th>Quantity</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2&quot;</td>
<td>2</td>
<td>Each</td>
<td>1990</td>
</tr>
<tr>
<td>Component</td>
<td>Size</td>
<td>Quantity</td>
<td>Unit</td>
</tr>
<tr>
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<td>----------</td>
<td>---------------</td>
</tr>
<tr>
<td><strong>Flux Hydrant</strong></td>
<td>2”</td>
<td>1</td>
<td>Each</td>
</tr>
<tr>
<td><strong>Basham's Corner</strong></td>
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<td><strong>Distribution Pipe</strong></td>
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<td>PVC</td>
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<td>60</td>
<td>Linear Feet</td>
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<td>6”</td>
<td>256</td>
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<td><strong>Total PVC Pipe</strong></td>
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<td><strong>Valves</strong></td>
<td>1.25”</td>
<td>3</td>
<td>Each</td>
</tr>
<tr>
<td></td>
<td>6”</td>
<td>2</td>
<td>Each</td>
</tr>
<tr>
<td><strong>Flush Hydrant</strong></td>
<td>2”</td>
<td>1</td>
<td>Each</td>
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<td><strong>Fire Hydrants</strong></td>
<td></td>
<td>1</td>
<td>Each</td>
</tr>
<tr>
<td><strong>Meters</strong></td>
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<tr>
<td><strong>Backflow Preventers</strong></td>
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<td>2</td>
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</table>

Note:
Service lateral lengths are included in the overall distribution pipe lengths.
Service valve counts are included in the valve counts.

### J1.2.2 Potable Water Utility System Non-Fixed Equipment and Specialized Tools

Table 6 lists other ancillary equipment (spare parts), and Table 7 lists specialized vehicles and tools included in the purchase. Offerors shall field verify all equipment, vehicles, and tools prior to submitting a proposal. Offerors shall make their own determination of the adequacy of all equipment, vehicles, and tools.

**TABLE 6**
Spare Parts
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Item</th>
<th>Make/Model</th>
<th>Description</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No spare parts are included with the Fort Knox Potable Water Utility System.</td>
</tr>
</tbody>
</table>
### TABLE 7
Specialized Vehicles and Tools
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Item</th>
<th>Make/Model</th>
<th>Description</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No specialized vehicles or tools are included with the Fort Knox Potable Water Utility System.</td>
</tr>
</tbody>
</table>

### J1.2.3 Potable Water Utility System Manuals, Drawings, and Records

Table 8 lists the manuals, drawings, and records that will be transferred with the system.

### TABLE 8
Manuals, Drawings, and Records
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Item</th>
<th>Description</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Fort Knox maintains a limited collection of technical manuals, SCADA operational manual, drawings, and records on the installed components of the Potable Water Utility System. This information will be transferred to the Contractor during the transition period. System maps will be available in the Offeror’s Technical Library.

### J1.3 Specific Service Requirements

The service requirements for the Fort Knox potable water system are as defined in Section C, *Description/Specifications/Work Statement*. The following requirements are specific to the Fort Knox utility system and are additive to those found in Section C. If there is a conflict between requirements described below and Section C, the requirements listed below take precedence over those found in Section C.

#### J1.3.1 On-Site Contractor Facility

The Contractor may establish an on-site facility in order to meet response time requirements and participate in Government meetings as necessary. This location will be determined and provided by the Installation. Should the Contractor choose to construct a facility, the Contractor will immediately acquire and install a temporary facility followed by construction of a permanent, Installation Design Guide (IDG) compatible facility. This facility will be manned by an individual that is capable of representing the Contractor at Government meetings. The Contractor will be responsible for maintaining the grounds around the facility and those areas which are fenced in for Contractor use only.

In lieu of having an on-site facility, the Offeror must explain in their proposal how they will meet the Fort Knox response time requirements.

#### J1.3.2 Temporary Contractor Facilities

Temporary facilities may be placed on post for construction projects. Approval from the Contracting Officer (KO) / Contracting Officer’s Representative (COR) and appropriate staff personnel is required prior to the Contractor locating a construction trailer on post. The approval will be for a term commensurate with the construction period and will provide for termination of the approval upon completion of the work. Construction, use, duration of use, removal, and
clean-up associated with these temporary facilities will be negotiated with the Government on a project-specific basis.

J1.3.3 Restricted Access Areas

The areas listed below generally require more intensive security procedures to access. The Contractor will be required to obtain separate badges to access these areas:

- The U.S. Department of Treasury’s Gold Bullion Depository.
- AMMO Storage Area

The Contractor will be restricted in secure areas and during times when the post is secured due to threat or alert. The Government may limit or restrict the right of access granted for any reason considered to be necessary (e.g., national security, public safety).

J1.3.4 Limited Access

Fort Knox is a closed post and access may be limited at times with controlled gate openings and closures. Gate operating times and procedures are published by the Provost Marshal’s Office. Unscheduled gate closures by the Military Police may occur at any time, and personnel entering or exiting Fort Knox may experience a delay due to vehicle inspection, registrations, wearing of seat belts, etc. When an unforeseen closure of Fort Knox occurs during normal duty hours, the Contractor shall reschedule the work. The exact date and time will be coordinated with the COR. Emergency work shall continue regardless of closure of Fort Knox.

J1.3.5 Vehicles

The Contractor and Contractor employees shall register vehicles with Fort Knox Provost Marshal within 5 working days from date of employment and renew registration annually thereafter. The registrant shall remove the registration decal from the registered vehicle upon termination of employment or sale of vehicle. Personnel operating vehicles on government property shall possess a valid Kentucky or other state driver’s license. This registration procedure is established to facilitate access to the Installation. The Contractor shall not fuel and/or maintain personal or Contractor owned vehicles in Government-furnished facilities. However, the Contractor may use AAFES stations to fuel vehicles that remain on post at all times.

J1.3.6 Coordination Requirements Prior to Performing Work

The Contractor will coordinate vehicle parking areas, work staging areas, vegetative disturbance, landscaping disturbance and customer notification with the Contracting Officer’s Representative and appropriate staff personnel prior to performing this work.

J1.3.7 Planning and Programming

In order to function as a partner with the Fort Knox DPW, the Contractor must be fully engaged in planning and programming activities for projects that may impact the utility system(s). Costs associated with planning / programming shall be included in the Contractor’s O&M costs as part of normal operations. The following listing generally describes activities in which the UP contractor may be asked to assist the DPW:
The Contractor will assist in the development of Requests for Action (RFAs) (See Section J1.3.8). This may include providing detailed information to support scopes of work, budget estimates, etc. for any necessary changes to the utility system and/or services provided.

The Contractor will be invited to and participate in meetings for projects impacting the utility system(s) such as, but not limited to, DD1391’s development of Statement of Work (SOW) for Military Construction (MILCON) projects, planning charrette for MILCON projects, Real Property Master Planning Boards, Fort Knox and SOW Line Item Reviews. As required by the Government Project Manager, the Contractor will attend the pre-design meeting, design charrette, pre-construction meetings, site visits, partnering meetings, etc.

The Installation anticipates that it will experience significant growth and expansion during the Contract period that will necessitate new and/or upgraded facilities. Therefore, as part of its regular utility services under the monthly utility service charge, the Contractor must maintain capability to prepare and provide in a timely manner complete designs for such facilities, including site maps, sketches, and/or drawings.

The Contractor shall respond to requests from the Government for new/upgraded facilities and/or demolition of existing facilities. The Contractor will coordinate the design and construction of such facilities with the Government, A/E, and construction contractors.

The Contractor shall identify future project requirements as well as system deficiencies. The Contractor will identify the specific utility requirement for each project and prepare designs and project cost proposals.

The Contractor shall participate in strategic planning and propose long-term initiatives.

The Contractor shall provide supporting information to assist the Government in developing budget estimates for unfunded projects.

The Contractor shall respond to customer questions.

**J1.3.8 Request for Action (RFA) Process**

The following language GENERALLY describes the process for an RFA and may not be all inclusive. It is provided for informational purposes only, and the Government is not binding itself to follow these steps. Nonetheless, the current process is as follows: *(Abbreviations: PM – DPW Project Manager; KO – Contracting Officer; COR – Contracting Officer’s Representative; UP – Utility Privatization Contractor.)*

**STEP 1:** The PM prepares Work Orders and provides to the COR. The COR then forwards to the KO and the KO contacts the UP contractor regarding the potential project.

**STEP 2:** The PM develops independent government estimates (IGE) and provides to COR and KO.

**STEP 3:** The UP Contractor identifies specific utility system requirements for the project, develops a scope of work, detailed cost estimate, sketch, period of performance, and project schedule. The UP Contractor should also identify any applicable increase/decrease to the O&M/R&R.

**STEP 4:** The KO, COR, and PM review the UP contractor’s proposal.
STEP 5: UP Contractor, KO, COR, and PM discuss and agree on price and schedule.

STEP 6: The PM provides the COR with funds and work order.

STEP 7: Funds are provided to the KO.

STEP 8: KO issues modification.

STEP 9: The PM and/or general contractor coordinates with the UP Contractor regarding schedule.

STEP 10: The UP contractor completes Quality Assurance/Quality Control (QA/QC) and Inspections.

STEP 11: The UP contractor invoices for the project.

STEP 12: Modify the UP contract to include O&M and R&R for the added assets.

J1.3.9 Mapping Requirements
Maps shall be prepared according to the following specifications:

a. A single map of the entire site shall be prepared indicating the existing site conditions and required demolitions.

b. A single map indicating proposed utilities and other constructions to include the footprint of structures, paving (including curbing), sidewalks, and other relevant planimetric features.


d. Due north on the map will be as viewed from the bottom of the map. Rotation and translation of coordinate systems will not be allowed nor will orientation to Magnetic North. The Magnetic North orientation view may be rotated for plotting purposes but the orientation of the map must be geographically correct when selecting ‘top view’.

e. The map will contain a labeled coordinate grid with spacing appropriate to the map extents. For instance, a map scale of 1”=30’ will have coordinates labeled at 100’ intervals north/south and east/west.

f. All utilities on the map will be clearly labeled as to size and material.

J1.3.10 Updated Utility Maps
The Contractor is required to submit to the Installation updates to utility maps within 30 days after completion of any changes and updated utility maps annually with the Capital Plan or upon request of the Government. The Contractor is responsible for coordinating with and updating the Installation’s GIS. GIS information must be in acceptable DoD format and compatible with existing Fort Knox GIS System.
J1.3.11 Disposition of Removed or Salvaged Materials

Disposition of facilities and material removed from a system shall be the responsibility of the Contractor. If the cost structure is dependent upon in-place value, the salvage value of equipment removed from service prior to the end of its useful life shall be deducted from the in-place value of the system.

J1.3.12 Component Replacement

Infrastructure unutilized after construction can be abandoned in place, provided the abandoned infrastructure poses no immediate or future health, safety, operational, or environmental risks in compliance with industry standards. However, unsightly abandoned infrastructure may be required to be removed and disposed of properly as may be practical or common practice, such as gas metering when units have been converted to total electric. Generally, above-ground infrastructure may require demolition and removal. Abandoned infrastructure must be clearly marked on the utility maps.

J1.3.13 Excavation Marking Process

J1.3.13.1 Contractor-Provided Markings

Contractor shall subscribe to the regional process (one-call dispatch center) for notification and marking of underground utilities. The Contractor shall endeavor to mark all utilities in the time windows defined by this process. In some cases, where non-metallic lines do not have tracer wires, it may take longer to locate the lines. In these cases, the Contractor will make necessary notifications about a possible delay in the marking process. Contractor shall be responsible for all repairs, costs, and damages due to excavations by others for which he did not properly mark his utilities as part of the utility marking process.

J1.3.13.2 Notification Prior to Digging

The UP Contractor shall notify the regional Before You Dig (BUD) dispatch center of his digging requirement. The UP Contractor shall be responsible for all repairs, costs, and damages due to his excavations, including excavations extending beyond areas that have been permitted for excavation.

J1.3.14 System Survey and Assessment / Utility Record Drawings

The Contractor shall initiate a comprehensive survey of the system to identify components not shown on record drawings and identify errors on existing record drawings. Production and maintenance of record drawings shall be in accordance with RFP Paragraph C.5.1.5, Record Drawings, and all work shall conform to the latest release of the software the Government is using compatible with the latest versions of Spatial Data Standards. The Contractor will provide georeferenced data in a format that can be readily used in GIS (geographic information system) (widely used by DoD and external agencies). All maps and associated data must comply with the latest version of Spatial Data Standards for Facilities, Infrastructure and Environment (SDFIE) available from the CADD/GIS Technology Center at http://tsd.wes.army.mil/products/TSSDS-TSFMS/tssds.html. The project must be completed not later than one year after the contract start date. Effort will include a comprehensive record search, will also require physical survey work, and may include some excavation to ascertain line location, type, and condition.
The Contractor will also develop and maintain an accurate computerized model of the utility system. The model should reflect major system components and attributes. It is envisioned that this model will be used for briefing, planning activities, contingency applications, long-range plans, analyzing system faults, and addition or deletion of new flow. The Installation is familiar with and would prefer that the UP Contractor utilize the Kentucky Pipe Model 2006. (See the Technical Library for the current model being used.)

J1.3.15 Installation Design Guide

The Contractor will follow the Fort Knox Installation Design Guide (IDG) and the respective environmental guide specifications for all work. The Contractor shall provide updates to the IDG with his applicable construction standards and specifications within 45 days after the contract start date.

J1.3.16 Supervisory Control and Data Acquisition System

The Contractor shall install and maintain a new Supervisory Control and Data Acquisition (SCADA) system to fully integrate system tank level signals, pump controls, and monitor and remotely read the advanced metering device once they are installed per the Army’s Metering Program (AMP) (See J1.5 for AMP discussion). As a minimum, the system will enable the controller to regulate tank levels, monitor system pressure, and monitor various critical water quality parameters.

J1.3.17 Fire Control and Safety

In all cases, the Contractor shall abide by Fort Knox fire protection requirements. Should the Contractor choose to construct an on-site facility to locate office space, warehouse, etc., the Contractor shall permit Fire Department personnel access to their facility to perform fire inspections and emergency response. Where required by federal, state or local regulation, the Contractor shall maintain the fire alarm system for all facilities owned and operated by the Contractor.

Changes to O&M processes and procedures will be coordinated with DPW and the Fire Department.

J1.3.18 Fire Flow

In keeping with RFP Paragraph L.4.2, the Contractor shall perform flow testing and marking of fire hydrants IAW National Fire Protection Association standards/recommended practices. The Contractor will perform the services during the late spring each year and coordinate the services with Fire/Emergency Services of Fort Knox. The annual inspection shall be documented on a written report and a copy sent to Fire Prevention Section. The Contractor shall update numbers and locations of hydrants on the Installation’s water distribution maps.

Exception on marking the fire hydrants – the numbers shall be $\frac{1}{8}$” in height, placed on the back side of the bonnet, black in color. The rim of the bonnet will have reflective paint of the capacity of the fire hydrants using the color code in NFPA 291.

The Contractor shall own, operate, maintain, and test the Post water system IAW Kentucky Department of Environmental Protection, Frankfort Division of Water (Division of Water)
standards. The Contractor shall provide the Contracting Officer, COR, and DPW with copies of any and all testing information and reports submitted to the Division of Water.

The Contractor shall coordinate any changes to the potable water utility system that may affect fire flow capabilities with the DPW and the Fort Knox Fire Department.

J1.3.19 Environmental Issues

The Contractor shall follow all environmental rules and regulations IAW with RFP Section C.10, *Environmental Compliance*.

Trees in which the Indiana Brown Bat reside cannot be cut during the summer months. The Contractor shall notify EMD prior to cutting trees.

J1.3.20 Required Regulatory Reports

The Contractor shall be responsible for any reporting required by local, State and Federal regulatory bodies. The Contractor shall provide the COR with information as directed that may be necessary and in the timeframe requested to support reports required by the Department of the Army and other appropriate agencies.

J1.3.21 Official Inspections

The Contractor shall immediately inform the COR, Post Safety Office or Environmental Management Division (EMD), Directorate of Public Works, Fort Knox through the KO or COR when the United States Environmental Protection Agency (EPA), the Kentucky Department of Environmental Protection, Frankfort Division of Water, the County Department of Health, the MEDDAC, the Public Service Commission, or OSHA, following notification of any scheduled or unscheduled inspector visits to the Installation for an official inspection.

J1.3.22 First Response Investigation

Restoration of utility service is extremely important to DoD installations and expectations are generally covered well throughout this RFP. However, occasions do arise where it may not be immediately apparent who the responsible repair agency is. This frequently occurs where an apparent fault (e.g., line break, leak, etc.) is located near a point of demarcation. In these situations, someone may have to excavate to the actual fault to determine the precise location of the fault and who the appropriate repair agency is. The Contractor must plan to perform this type of “first response investigation”. This may involve pumping water and excavation. In these situations, the Contractor should proceed toward fixing the problem until such time it is determined that repair responsibility is with someone else.

J1.3.23 Response to Service Requests

The Contractor shall respond only to the service requests (service calls). The Contractor shall have a telephone manned 24 hours/day, 365 days/year that the customers may call to report utility system problems. There shall be only one phone number, active during duty hours and non-duty hours, for the Government to call to report system problems. For all response times, the Contractor shall respond within the allotted time, take necessary corrective actions, order necessary materials, and schedule additional repairs. The Contractor shall develop procedures for notification of utility outage to necessary personnel during the transition period.
J1.3.24 Utility Outage

Because of the critical nature of many Fort Knox mission requirements, response to utility emergencies in and around the Cantonment area must be immediate. The Contractor will respond with a knowledgeable individual to emergency utility problems within 30 minutes of notification during duty hours (0700-1700, Monday – Friday) and within 1 hour during non-duty hours. Additionally, repair crews must be on scene within one hour during duty hours and within two hours during non-duty hours. In the Zussman Range, Yano Range and Basha’s Corner areas, response times shall be 1½ hours during normal duty hours and 2 hours during non-duty hours. Work shall be continued until the problem is corrected. The above response times do not apply to conditions where inclement weather (tornadoes, ice/snow storms, major lightning storms, floods) prevents normal operation. It is recognized that extraordinary conditions will cause the response times to vary proportionally to the number and expanse of system outages, and the priority of service restoration.

The type of service request, priority and minimum response time for various service requests are furnished below.

EMERGENCY:

Emergency - Life or Death – Respond Immediately

“Life or Death” emergencies will typically be handled by Fort Knox Emergency Response agencies, like the Military Police or Fire Department. These agencies or DPW will contact the Contractor. The Contractor shall respond immediately.

Priority 1 - Emergency - Not Life or Death - Respond Same Day IAW previous paragraph

Priority 1 requests arise due to situations that, if left uncorrected, will cause significant damage to a facility, or compromise security or safety, or negatively affect productivity for an entire operation or group. The Contractor shall respond to Priority 1 request as appropriate and reduce the severity of the situation within 1 hour. The Contractor shall complete the service orders within 24 hours unless there is a delay from the Government or the Contractor cannot procure the material.

URGENT:

Priority 2 – “Health & Welfare” – Respond within 3 Working Days

Priority 2 requests arise due to situations that, if left uncorrected will measurably reduce productivity, cause discomfort or inconvenience to the customer, waste resources, or create the need for additional minor repairs. The Contractor shall respond to Priority 2 request within three working days. The Contractor shall complete the service orders within 7 business days unless there is a delay from the Government or the Contractor cannot procure the material.

ROUTINE:

Priority 3 – “Productivity Inhibitor” – Respond within 5 days

Priority 3 requests arise due to situations that, if left uncorrected, will cause measurable discomfort or inconvenience to the customer, waste resources or create the need for additional minor repairs, is esthetically unpleasant or inconvenient. The Contractor shall respond to Priority 3 request within five working days. The Contractor shall complete the service orders within 10 business days unless there is a delay from the Government or the Contractor cannot procure the material.
**J1.3.25 Emergency Operations**

The Contractor shall have an emergency plan in place for such occurrences. If the damage from a storm or disaster is widespread and affects the Contractor’s other customers (off the Fort Knox installation), Fort Knox’s DPW personnel must be informed of the Installation’s restoration priority. The Contractor shall notify Fort Knox’s DPW personnel of each situation/priority as soon as possible. The Contractor will provide an emergency operations plan, updated on an annual basis. The Contractor shall develop and document an emergency operations plan that addresses all aspects of the contractor’s response to emergency conditions including but not limited to system failures due to acts of God, breakdown, or demand spikes. The Government requires first priority response for service restoration to mission critical facilities during national emergencies, deployments, and alerts. The priority response will take into consideration the Contractor’s other critical civilian priorities (life-safety priorities such as hospitals). In no case will equipment and/or personnel normally used in the support of Fort Knox’s utility system be pulled to serve the Contractor’s external customers if utility service to Fort Knox is experiencing an outage that requires their service. Some personnel assigned to Fort Knox may be pulled to assist in the restoration of service to customers external to Fort Knox if the Fort Knox’s system is not experiencing an outage. A minimal staff shall remain in service to Fort Knox at all times. The priority of restoration is:

1. Medical Facilities
2. Command and Control Facilities
3. Schools
4. Food Services and Shopping
5. Barracks and Housing

**J1.3.26 Temporary Service**

Temporary service will be coordinated with Fort Knox’s DPW and the affected customer(s) if temporary service is required. The Contractor must make all possible preparation and coordination prior to actual outage. It is the responsibility of the Contractor to limit the length of an outage to minimum requirements.

**J1.3.27 Planned Outages**

The Contractor must coordinate any planned outages for construction or maintenance with the DPW and affected customers. For outages requiring 4 or more hours of interruption to service, work should be planned during off hours, such as, in the evening or weekends or holidays depending on the customers affected. In rare cases, the Contractor may be required to provide temporary or emergency services for the length of the planned outage.

**J1.3.28 Cost of Supporting Utilities**

The Contractor may consume reasonable quantities of supporting utilities at no charge. However, Contractor shall fully cooperate with the Government with respect to energy / water conservation measures as described in Section C.3.4, Energy and Water Efficiency and Conservation. The UP Contractor’s usage may be separately metered to provide the Army with the capability to monitor the contractor’s use of these services and to ensure that the UP contractor is practicing energy
conservation measures as prescribed by the Army through their Army Energy and Water Campaign Plan (AEWCP).

J1.3.29 Equipment Mounted on Water Storage Tanks

The Contractor shall allow the Government access to operate and maintain any communication equipment, obstruction lights, emergency warning equipment, public address equipment, and other Government equipment on water storage tanks being privatized at no additional cost to the Government. The Contractor shall develop a procedure for granting the Government access. This procedure shall be submitted to the Contracting Officer for approval.

Further, the installation considers cellular telephone antennas to be mission essential. Therefore, as noted in RFP section C.4.2.2.2, the Contractor will take ownership of the water storage tanks subject to any cellular telephone antenna leases. In addition to retaining the right to locate existing antennas on water storage tanks and to continue to accrue revenue from existing contracts leases, the installation will retain the right to locate additional antennas on privatized water storage tanks and to retain all revenue from future contracts leases.

J1.3.30 Cultural Resources

Transfer of ownership of certain historic properties necessitates Government compliance with federal laws and regulations to meet historic preservation requirements. The final transfer documents will include an easement or covenant that includes adequate and legally enforceable restrictions or conditions to ensure long-term preservation of historic properties to meet these preservation requirements. As a result of this easement or covenant, the Contractor will likely be required to preserve and maintain transferred historic properties in accordance with Secretary of the Interior’s Standards for the Treatment of Historic Properties (36 CFR 68).

The Contractor shall not remove or disturb any historical, archaeological, architectural or other cultural artifacts, relics, remains, or objects of antiquity.

Activities involving ground disturbance, construction, demolition, landscape modification, or alteration of the exterior or interior of a historic building has the potential to adversely affect cultural resources. Historic districts, buildings, landscape features, or archaeological sites considered eligible for the National Register of Historic Places that may be identified in the future shall be subject to the terms of this section. With regard to the historic building / facilities to be transferred as part of the utility privatization action, please see the Offeror’s Technical Library.

The Contractor will coordinate projects that may affect cultural resources listed on the Installation Cultural Resources Management Plan as reviewed with the Contracting Officer’s Representative (COR). The COR will coordinate with the Fort Knox Cultural Resources Program to determine if consultation with the Department of Environmental Protection is required per 36 CFR 800. For non-emergency work, the COR will respond to the Contractor within 10 working days. Initial SHPO review requires 30 days and additional consultation may be required to avoid, minimize or mitigate any adverse effect. The Contractor shall not start work until notified by the COR.

In emergency situations, the Contractor is not required to consult with Fort Knox in advance of actions to repair the utility distribution system. The Contractor will notify Fort Knox, who will notify the Department of Environmental Protection, following execution of all emergency measures affecting historic properties. The emergency exception contained in this paragraph will
only apply to undertakings initiated within 10 days of the emergency. For emergency work, the Contractor may take steps to safeguard life and property, and restore service, but shall minimize impact to the site.

In the event archaeological materials are inadvertently encountered during construction or excavation activities, the activity must stop and the Contractor shall immediately notify the COR.

Costs for mitigation of damage to cultural resources (restoration, repair, or replacement) due to the Contractor’s failure to comply with historical and cultural preservation laws, regulations, or programs, that relate or may arise under performance of this contract may be deducted or offset by the Government from any monies due the Contractor, and with respect to the nature and severity of the damage. The Contractor will take any corrective or remedial actions as directed by the Contracting Officer.

**J1.3.31 Standards and Regulations**

The Contractor will provide the Installation with three hard copies and one electronic copy of the Contractor’s standards and regulations within 45 days after contract start date.

**J1.3.32 Network Access Requirements**

- **Information Assurance (IA):** Contractor personnel requiring access to U.S. Government Information Systems to fulfill their duties shall possess the required favorable security investigation, security clearance, formal access approval, and “need-to-know” prior to being granted access to any Government computer or computer network.

- **Information Technology (IT)-I Level of Security Access** is required for contractor personnel in IA positions working with infrastructure devices, IDSs, routers, System Administration or Network Administration, with privileged-level access to control, manage, or configure IA tools or devices, individual information systems, networks, and enclaves. At a minimum, such contractor personnel shall require a favorably completed NAC, initiation of SSBI, completion of Forms SF85P, SF86, and Supplemental Questionnaire.

- **IT-II Level of Security Access** is required for contractor personnel in IA positions required to work with operating systems administration of common applications or enclaves, or back-up operators with limited privileged level access to control, manage, or configure information systems or devices. At a minimum, such contractor personnel shall require a favorable review of local personnel, base / military, medical, and other security records as appropriate, initiation of a NACLC, and completion of Forms SF85P or SF86 and Supplemental Questionnaire.

- **IT-III Level of Security Access** is required for Contractor personnel in positions as normal users, power user on individual systems for configuration with non-privileged level of access to information systems and devices. At a minimum, such contractor personnel shall require a favorable review of local personnel, base / military, medical, and other security records as appropriate, initiation of a NAC, and completion of Form SF85P and the Supplemental Questionnaire.
• Contractor personnel shall not be granted access to any Government computer systems or networks until proof of compliance to the IA clearance requirements.

• Once Contractor personnel have complied with the IA requirements as reflected above, they will be granted the appropriate IT level of security access.

• Contractor personnel shall personally pick-up and sign for Government network user identification and password at the Information Assurance Office.

• Contractor employee(s) shall be solely responsible for the safeguarding of user passwords and shall immediately report any suspected compromise or loss of the password to the Information Assurance Office.

• The Contractor is responsible for notifying the Contract Officer Representative (COR) and also the Information Assurance Office of any changes to their status or their personnel status.

**J1.4 Current Service Arrangement**

Fort Knox collects and treats the raw surface water and ground water and distributes the finished water throughout the Installation. **Table 9** summarizes the annual volume of raw water treated and/or used by Fort Knox over the last three calendar years.

**TABLE 9**

Annual Volume of Raw Water Treated or Used  
*Potable Water Utility System, Fort Knox, Kentucky*  

<table>
<thead>
<tr>
<th>Location</th>
<th>CY2005 (MG)</th>
<th>CY2006 (MG)</th>
<th>CY2007 (MG)</th>
<th>3-Year Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muldraugh WTP</td>
<td>842.364</td>
<td>950.172</td>
<td>903.378</td>
<td>898.638</td>
</tr>
<tr>
<td>Central WTP</td>
<td>245.598</td>
<td>140.950</td>
<td>145.844</td>
<td>177.464</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,087.962</strong></td>
<td><strong>1,091.122</strong></td>
<td><strong>1,049.222</strong></td>
<td><strong>1,076.102</strong></td>
</tr>
</tbody>
</table>

**Table 10** summarizes the peak day volumes of raw water treated and/or used by Fort Knox over the last three calendar years.

**TABLE 10**  
Peak Day Volumes of Raw Water Treated or Used  
*Potable Water Utility System, Fort Knox, Kentucky*  

<table>
<thead>
<tr>
<th>Location</th>
<th>CY2005 (MGD)</th>
<th>CY2006 (MGD)</th>
<th>CY2007 (MGD)</th>
<th>3-Year Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muldraugh WTP</td>
<td>3.580</td>
<td>4.400</td>
<td>4.060</td>
<td>4.013</td>
</tr>
<tr>
<td>Central WTP</td>
<td>2.473</td>
<td>2.741</td>
<td>1.453</td>
<td>2.222</td>
</tr>
</tbody>
</table>
In addition to the potable water supplied by the Muldraugh and Central WTPs, Fort Knox also purchases potable water from the City of Louisville for the Zussman Range, from the Meade County Water District for Basham’s Corner area, and from HCWD No. 2 for Yano Range.

Fort Knox also sells potable water to the City of Muldraugh and the HCWD No. 1. All potable water or raw water sales agreements will be negotiated, reviewed and approved by Fort Knox and the Department of Army, and coordinated with the UP Contractor.

### J1.5 Secondary Metering

Between the raw water supply points and the end-user points of demarcation, the Contractor shall own, operate and maintain the existing meters at locations throughout the Installation, as directed by the Contracting Officer in keeping with the guidance in Section C.3.3, *Sub-Metering*.

The Army intends to pay for the installation of new meters under the Army’s Metering Program (AMP). The Contractor shall closely work with the Army and the Army’s Contactors to facilitate the installation of advanced metering equipment on the existing meters, the installation of new meters with advanced metering capability and the integration of the advanced metering capability consistent with the AMP. (For additional information on the AMP, please see the information included in the Offeror’s technical library.) It is the Army’s intent to transfer the new meters to the UP Contractor under the utility privatization contract. Subject to the change provisions of the contract, an equitable adjustment will negotiated between the KO and the UP Contractor for the ownership, operation and maintenance for the new meters.

### J1.5.1 Existing Meters

*Table 11* lists the existing meters (at the time of contract award) that will be transferred to the Contractor and for which the Contractor shall provide meter readings IAW Paragraph C.3.3, *Sub-Metering*, and J1.6, *Monthly Submittals*.

**TABLE 11**

*Existing Secondary Meters*

*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Meter No.</th>
<th>Tenant Organization</th>
<th>Group No.</th>
<th>Building Served / Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000259</td>
<td>81st RSC</td>
<td>2271</td>
<td>Building No. 5901 - Vehicle Maintenance Shop GS</td>
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<tr>
<td>1000405</td>
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<td>918</td>
<td>Building No. 7961 - Anderson Guest House</td>
</tr>
<tr>
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<td>552</td>
<td>Building No. 1507 - Armed Forces Branch Bank</td>
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<tr>
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<td>City of Muldraugh (20J D9SC)</td>
<td>587</td>
<td>Muldraugh North Meter</td>
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<tr>
<td>1200583</td>
<td>City of Muldraugh (20J D9SC)</td>
<td>587</td>
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</tr>
<tr>
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<td>587</td>
<td>Muldraugh South Meter</td>
</tr>
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<td>South Meter Low</td>
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<tr>
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<td>507</td>
<td>Building No. 121 - Commissary B</td>
</tr>
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<td>507</td>
<td>Building No. 121 - Commissary A</td>
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<tr>
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<td>557</td>
<td>Building No. 133 - Fort Knox Credit Union Branch</td>
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<td>6245695</td>
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<td>511</td>
<td>Building No. 2962 – DRMO</td>
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<td>253</td>
<td>Building No. 51 - PX Maintenance Warehouse</td>
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<td>Meter No.</td>
<td>Tenant Organization</td>
<td>Group No.</td>
<td>Building Served / Description</td>
</tr>
<tr>
<td>----------</td>
<td>------------------------------</td>
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<td>Building No. 52 - PX Warehouse Storage</td>
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<td>Building No. 1608 - AAFES Car Wash</td>
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<td>Hardin Co Water Dist #1</td>
<td>256</td>
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<td>1545329</td>
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<td>256</td>
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<td>1297</td>
<td>Building No. 1377 - Armed Forces Bank – Main</td>
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<td>1297</td>
<td>Building No. 853 - Little Meter</td>
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<td>Building No. 853 - Big Meter</td>
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<td>Knox Post Base Line Data</td>
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<td>Building No. 1492 - Kuma Dining</td>
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<td>Knox Post Base Line Data</td>
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<td>Building No. 28 - Medical Warehouse</td>
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<td>Lindsey Golf Course</td>
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<td>Building No. 4024 - Golf Course Club House</td>
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<td>MEDDAC Facilities</td>
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<td>Building No. 865 - Inside Meter</td>
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<td>Building No. 6585</td>
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<td>7824312</td>
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<td>Building No. 6586 - Reception Medical</td>
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<td>Building No. 7711 - Vet Facility</td>
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<td>303</td>
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<td>1196</td>
<td>Hudson Street Trailer #1</td>
</tr>
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<td>Navy Seals Special Boat GP</td>
<td>1196</td>
<td>Hudson Street Trailer #2</td>
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<td>1080180</td>
<td>Nolin RECC</td>
<td>1732</td>
<td>Building No. 614 - Nolin Recreation</td>
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<td>872139</td>
<td>Sewer Plant</td>
<td>1623</td>
<td>Building No. 7207 - Sewer Plant</td>
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<tr>
<td>9918264</td>
<td>SO Contracting</td>
<td>4260</td>
<td>Queen Street Lot 101</td>
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<tr>
<td>1000000</td>
<td>US Army Reserves</td>
<td>1520</td>
<td>Building No. 2327 - US Army Reserve</td>
</tr>
<tr>
<td>5471368</td>
<td>Youth Challenge</td>
<td>695</td>
<td>Building No. 2377 - A Enlisted Barracks - 35,760 SF</td>
</tr>
</tbody>
</table>
J1.6 Monthly Submittals

The Contractor shall provide the Government monthly submittals for the following:

1. **Invoice** (IAW Paragraph G.2, Submission and Payment of Invoices). The Contractor’s monthly invoice shall be presented in a format proposed by the Contractor and accepted by the Contracting Officer (Form DD250). The Contractor’s monthly invoice shall include segregated costs IAW with each CLIN. The Contractor shall provide sufficient supporting documentation with each monthly invoice to substantiate all costs included in the invoice for each CLIN as approved by the Contracting officer. The proposed system of accounts shall be made available in electronic format as directed by the Contracting Officer. Invoices shall be submitted by the 20th of each month for the previous month. Invoices shall be submitted to:

   **Name:** TBD

   **Address:** Directorate of Public Works  
   Fort Knox, KY

   **Phone number:** 502-____-____

   **E-mail:**

2. **Outage Report**. The Contractor’s monthly outage report will be prepared in the format proposed by the Contractor and accepted by the Contracting Officer. Outage reports shall be submitted by the 25th of each month for the previous month. Outage reports shall be submitted to:

   **Name:** TBD

   **Address:** Directorate of Public Works  
   Fort Knox, KY

   **Phone number:** 502-____-____

   **E-mail:**

3. **Meter Reading Report**. The monthly meter reading report shall show the current and previous month’s readings for all secondary meters. The Contractor’s monthly meter reading report will be prepared in the format proposed by the Contractor and accepted by the Contracting Officer. Meter reading reports shall be submitted by the 10th of each month for the previous month. Meter reading reports shall be submitted to:

   **Name:** TBD

   **Address:** Directorate of Public Works  
   Fort Knox, KY

   **Phone number:** 502-____-____

   **E-mail:**

4. **Monthly Operating Report**. Copies of the monthly operating reports, the bacteriological analysis reports and the water main reports submitted to the State of Kentucky shall be submitted to:
Name: TBD

Address: Directorate of Public Works
         Fort Knox, KY

Phone number: 502-__-__

E-mail: 

5. Monthly Water Withdrawal Permit Report. Copies of the monthly water withdrawal permit reports submitted to the State of Kentucky shall be submitted to:

Name: TBD

Address: Directorate of Public Works
         Fort Knox, KY

Phone number: 502-__-__

E-mail: 

6. Monthly Discharge Monitoring Reports. Copies of the monthly discharge monitoring reports submitted to the State of Kentucky shall be submitted to:

Name: TBD

Address: Directorate of Public Works
         Fort Knox, KY

Phone number: 502-__-__

E-mail: 

J1.7 Energy Saving Projects

In keeping with Paragraph C.3.4, Energy and Water Efficiency and Conservation, any projects that should be implemented or continued would be listed here.

➢ Although there are no projects identified at this time, any future pump motor replacements shall be in compliance with Army Energy conservation policy.

J1.8 Service Area

IAW Clause C.4, Service Area, the service area is defined as all areas within the Fort Knox boundaries.

J1.9 Off-Installation Sites

Fort Knox provides water services to the following off-Installation sites:

1) City of Muldraugh
2) Hardin County Water District No. 1
J1.10 Turning Utility Services On and Off

The Contractor will turn on and turn off water services as requested by the Government at no additional cost. Requests of this type are routine calls that include, but are not limited to, allowing maintenance on equipment beyond the point of demarcation, new or upgrading a service, and demolition of an existing service. There will be a substantial number of this type of request for turn on / turn off's over the next several years associated with intense new construction activity.

J1.11 Special Transition Requirements

IAW Paragraph C.13, Transition Plan, there are no known required specific transition requirements at this time.

J1.12 Government Recognized System Deficiencies

Table 12 provides a list of Government recognized deficiencies, the Government’s approach to remedy the deficiency, and the time frame in which the deficiency should be remedied. The deficiencies listed may be physical deficiencies, functional deficiencies, or operational in nature. If the utility system is sold, the Government will not accomplish a remedy for the recognized deficiencies listed. In some cases, these requirements have not been quantified, nor are there project numbers assigned. They are provided to generally acquaint the Contractor with system needs, from the Government’s perspective, that should be addressed over the next few years. The Contractor should propose his approach (which must be IAW industry standards) to correct the recognized deficiencies, which may or may not be similar to the Government’s approach.

<table>
<thead>
<tr>
<th>System Component</th>
<th>Recognized Deficiencies and the Government’s Approach to Remedy</th>
<th>Year to be Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Survey / Assessment and Re-Map the Utility Systems</td>
<td>Conduct a system survey / assessment and re-map the potable water distribution system with GIS coordinates. This project also includes the development of an accurate computerized model of the system.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Leak Detection Survey</td>
<td>Conduct a leak detection survey of the entire potable water system lines including the raw water lines and the potable water distribution lines within the main cantonment area and the range areas.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Hydraulic Model</td>
<td>Develop a hydraulic model of the entire potable water utility system. This model will be invaluable during the design and replacement of the existing potable water distribution system.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>System Component</td>
<td>Recognized Deficiencies and the Government's Approach to Remedy</td>
<td>Year to be Completed</td>
</tr>
<tr>
<td>------------------</td>
<td>---------------------------------------------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>Master Flow Meters at the WTPs</td>
<td>The finished water master meter at the Muldraugh WTP pump house needs to be replaced. The meter is well beyond its design life. The finished master water meters at the Muldraugh and Central WTPs need to be calibrated.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>20-inch Valves</td>
<td>Replace the 20-inch valves on 24-inch CI Line from the West Point well fields to the Muldraugh WTP. The valves are the original valves and are not operable.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>New Raw Water from the Muldraugh WTP to 16-inch Raw Water Line Between Otter Creek PS &amp; Central WTP</td>
<td>Install a new 16-inch raw water line (roughly 15,840 LF) from the Muldraugh WTP to the raw line connecting the Otter Creek PS to the Central WTP. This line is critical since the raw water from the West Point well field is utilized when the raw water from McCracken Spring and Otter Creek is not suitable to treat at the Central WTP. Fort Knox has indicated that its lease of the three wells and the 14-inch line from HCWD No. 1 will terminate once Fort Knox’s potable water utility system is privatized.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Otter Creek PS</td>
<td>Repair the creek side of the Otter Creek PS where the bank of the creek has be severely eroded. Install new windows and doors and replace the roof.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Muldraugh HLPS</td>
<td>Install new windows and doors, paint the exterior face of the concrete block facade and replace the roof.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Central WTP</td>
<td>Replace the roof of the Central WTP.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Central WTP Clear Well</td>
<td>Replace the roof and coat the interior of the 2.0 MG clear well located at the Central WTP. The size of the clear well may be reduced to accommodate the lowering the roof below grade to protect the concrete surfaces.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Fire Hydrants</td>
<td>Replace roughly 600 fire hydrants identified by the Fort Knox Fire Department.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Water-Storage Tank No. 3</td>
<td>Tank No. 3 requires complete renovation to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>Water Storage Tank No. 5</td>
<td>Tank No. 5 requires complete renovation to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.</td>
<td>Within 1st year of the contract start date</td>
</tr>
<tr>
<td>System Component</td>
<td>Recognized Deficiencies and the Government's Approach to Remedy</td>
<td>Year to be Completed</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>Automatic Transfer Switches</td>
<td>Install automatic transfer switches at the Otter Creek PS, the Central WTP facility and the Muldraugh HLPS. Tie the switches into the new SCADA system.</td>
<td>Within 2nd year of the contract start date</td>
</tr>
<tr>
<td>Line Between Otter Creek PS &amp; Central WTP</td>
<td>Replace roughly 14,437 LF of 16-inch cast iron raw water line between the Otter Creek WTP and the Central WTP facility,</td>
<td>Within 2nd year of the contract start date</td>
</tr>
<tr>
<td>Water Storage Tank No. 6</td>
<td>Tank No. 6 requires complete renovation to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.</td>
<td>Within 2nd year of the contract start date</td>
</tr>
<tr>
<td>Water Storage Tank No. 8</td>
<td>Tank No. 8 requires complete renovation to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.</td>
<td>Within 2nd year of the contract start date</td>
</tr>
<tr>
<td>Water Storage Tank No. 7</td>
<td>Tank No. 7 requires complete renovation to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.</td>
<td>Within 3rd year of the contract start date</td>
</tr>
<tr>
<td>SCADA System</td>
<td>Install a comprehensive SCADA system to assist the UP Contractor in monitoring and controlling the utility water system components, i.e. raw water wells, pumps, etc. The UP Contractor should coordinate the design and installation of the SCADA system with the Government to ensure that the new meters can also be integrated to the extent possible with the SCADA system.</td>
<td>Within 3rd year of the contract start date</td>
</tr>
<tr>
<td>Distribution Pipe &amp; Valves</td>
<td>Replace transite pipe in the North Dietz Housing area of the following approximate amounts:</td>
<td>Within 3rd year of the contract start date</td>
</tr>
<tr>
<td></td>
<td>• 834 LF of 1-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 1,988 LF of 1.5-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 3,726 of 2-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 284 LF of 3-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 4,231 LF of 6-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 6,472 LF of 8-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 5,927 LF of 10-inch</td>
<td></td>
</tr>
<tr>
<td>System Component</td>
<td>Recognized Deficiencies and the Government's Approach to Remedy</td>
<td>Year to be Completed</td>
</tr>
<tr>
<td>------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Replace ductile iron pipe in the Van Voorhis Housing area of the following approximate amounts:</td>
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</tr>
<tr>
<td></td>
<td>• 180 LF of 1-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 7,076 LF of 1.25-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 4,293 LF of 1.5-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 11,436 LF of 2-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 1,115 LF of 3-inch</td>
<td>Within 3\textsuperscript{rd} year of the contract start date</td>
</tr>
<tr>
<td></td>
<td>• 25,835 LF of 6-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 18,034 LF of 8-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 4,677 LF of 10-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 897 LF of 12-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 192 LF of 14-inch</td>
<td></td>
</tr>
<tr>
<td>Distribution Pipe &amp; Valves</td>
<td>Replace roughly 4,237 LF of 8-inch pipe which surrounds the site of the new Human Resource Center</td>
<td>Within 3\textsuperscript{rd} year of the contract start date</td>
</tr>
<tr>
<td></td>
<td>Replace the following approximate amounts of pipe under Phase I of the distribution pipe replacement program:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 994 LF of 1-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 29 LF of 1.25-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 759 LF of 1.5-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 3,720 LF of 2-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 483 LF of 2.5-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 4,280 LF of 3-inch</td>
<td>Within 4\textsuperscript{th} year of the contract start date</td>
</tr>
<tr>
<td></td>
<td>• 3,754 LF of 4-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 61,582 LF of 6-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 38,255 LF of 8-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 17,066 LF of 10-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 4,153 LF of 12-inch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 1,665 LF of 14-inch</td>
<td></td>
</tr>
</tbody>
</table>
Correspondence Number 3

Solicitation
SP0600-08-R-0803

System
Potable Water Utility System

Installation
Fort Knox, KY

Offeror
Hardin County Water District No. 1 (HCWD1)
Mr. Jim Bruce, General Manager
1400 Rogersville Road
Radcliff, KY 40160
Telephone: (270) 351-3222
Email: jbruce@hcwd.com

Contracting Officer
Ms. Angela Mattox
Defense Energy Support Center
8725 John J. Kingman Road
Fort Belvoir, VA 22060-6222
Telephone: (703) 767-1348
Email: angela.mattox@dla.mil

Contract Specialists
Mr. Brian Koessel
Telephone: (703) 767-1595
Email: brian.koessel@dla.mil

Ms. Taina Rivera
Telephone: (703) 767-8130
Email: taina.rivera@dla.mil

Previous Correspondence
Numbers 1 (30Jun09) and 2 (22Oct09)
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Source Selection Information – See FAR 2.101 and 3.104
Correspondence Number 1 (30Jun09)

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Please feel free to contact me at (703) 767-1348 or angela.mattox@dla.mil if you have any questions or concerns.

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Correspondence Number 2 (22Oct09)

A conference call was held on October 21, 2009, with the following people in attendance: Ms. Angela Mattox and Ms. Taina Rivera representing the Government and Mr. Jim Bruce representing HCWD1. The items listed below were discussed during the conference call. DESC requests you consider these items in any revision you may make in HCWD1’s proposal. Government request HCWD1 return this document after inserting responses to each concern. The responses incorporated into this document should be sent via email to the following addresses: angela.mattox@dla.mil, taina.rivera@dla.mil, and brian.koessel@dla.mil. Send any questions and/or concerns via email to Ms. Mattox.

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Offerors are advised that proposals and negotiation messages will not be incorporated by reference into any resultant Contract. Rather, the terms and conditions contained in Sections B through K of the RFP will form the terms and conditions of the Contract, with appropriate modifications to reflect: a) exceptions properly made in accordance with Section L.6.2. of the RFP and accepted by the Contracting Officer; b) agreements reached as a result of negotiations; c) the actual systems awarded; and d) changes in terminology indicating the transition from Offeror/RFP to Contractor/Contract. Only discrete schedules and plans from the successful proposal will be made a part of the contract as attachments (e.g. - Contingency Operations Plan, Section B Pricing Schedule, etc.).

HCWD1: Acknowledged

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HCWD1: Acknowledged

Source Selection Information – See FAR 2.101 and 3.104
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HCWD1: Acknowledged

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Source Selection Information – See FAR 2.101 and 3.104
HCWD1: Hardin County Water District No. 1 is the sole prime contractor under the submitted proposal. Louisville Water Company (LWC) will provide water treatment operations, water quality monitoring and expertise and bulk water sales under both the Base and Alternate proposals. This will be done under a sub-contract with HCWD1. CH2M HILL will provide management of the Capital Improvement Program; this will also be accomplished under a separate sub-contract with HCWD1. Both LWC and CH2M HILL will assist HCWD1 throughout the contract with capital project planning, design and administration.

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(a) The Government requests HCWD1 to confirm that the list of Notices of Violation (NOVs) identified in its proposal (and provided below) is a complete list of NOVs received by HCWD1 within the last five (5) years. See page II-7 (Reference RFP L.5).

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- Description of the Violation
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- Action Plan
- Status

Source Selection Information – See FAR 2.101 and 3.104
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Fort Knox is willing to accommodate site visits until two weeks prior to the due date for final proposal revisions. To schedule a site visit, please contact either Taina Rivera (taina.rivera@dla.mil or 703-767-8150) or Brian Koessel (brian.koessel@dla.mil or 703-767-1595).

HCWD1: HCWD1 and members of its team will be requesting under separate copy an additional site visit and will coordinate said request through DESC.

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This is additional information that was not discussed during the teleconference.

Note that statements indicating that information provided by the Offeror has been "accepted," is "satisfactory," "acceptable," etc., or that no further information is requested simply mean that such information answers the Government’s questions, and in no way reflect how that information will be evaluated by the Source Selection Evaluation Team(s) and/or Source Selection Authority.

HCWD1: Acknowledged

Source Selection Information – See FAR 2.101 and 3.104
Correspondence Number 3 (27Oct09)

A conference call was held on October 27, 2009 at the request of HCWD1 to obtain clarification on two items discussed in Correspondence #2. Individuals in attendance are listed below.

Government
   Angela Mattox

HCWD1
   Mr. Jim Bruce
   Mr. Brett Pyles

Louisville Water Company
   Mr. Jim Smith

CH2M Hill
   Mr. David Hackworth
   Mr. Jon Greene
   Mr. David Gray

(1) HCWD1's Subcontractors

Mr. Bruce wanted to know how to respond since the Government had listed 11 places. Ms. Mattox said insert the response at the end of each volume.

HCWD1 agreed to put in writing that the Partnership Agreement would not be a part of any resultant contract in its response concerning its subcontractors.

HCWD1 will provide an updated organization chart.

(2) Status with Independent Federal, State, or Local Regulatory Authority

HCWD1 will provide a table of NOVs and background information.

Source Selection Information – See FAR 2.101 and 3.104
Correspondence Number 3

Solicitation: SP0600-08-R-0803
System: Potable Water Utility System
Installation: Fort Knox, KY

Offeror: Hardin County Water District No. 1 (HCWD1)
Mr. Jim Bruce, General Manager
1400 Rogersville Road
Radcliff, KY 40160
Telephone: (270) 351-3222
Email: jbruce@hcwd.com

Contracting Officer: Ms. Angela Mattox
Defense Energy Support Center
8725 John J. Kingman Road
Fort Belvoir, VA 22060-6222
Telephone: (703) 767-1348
Email: angela.mattox@dla.mil

Contract Specialists: Mr. Brian Koessel
Telephone: (703) 767-1595
Email: brian.koessel@dla.mil

Ms. Taina Rivera
Telephone: (703) 767-8130
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Previous Correspondence: Numbers 1 (30Jun09) and 2 (22Oct09)
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Scope of Work for ISDC Project #19 – SCADA System

The Supervisory Control and Data Acquisition (SCADA) system will provide monitoring and control for key elements of the water treatment and distribution systems. The SCADA system will utilize a Spread Spectrum Radio signal which will not require an FCC license, will provide secure communications, increasing resistance to natural interference and jamming. HCWD1 has contracted with Sewell Electronics (Louisville, KY) on past projects, to include the Ft. Knox Wastewater SCADA system, and will utilize Sewell for this project. The scope of work will include:

- **Design Phase**
  - The District will contract with a firm to design, program and install necessary equipment.
    - Determine sites and parameters
    - Conduct a radio path site survey
    - Determine components required
    - Create list of components and suppliers
    - Meet to refine design
    - Finalize design

- **Form Materials List**
  - Create materials list
  - Contractor provide HCWD1 with vendor name and contact info
  - Contractor provide complete parts list to include part numbers and specifications
  - Contractor provide factory drawings and shop drawings to HCWD1
  - Contractor provides manuals to HCWD1
  - Create Operation and Maintenance (O&M) manuals

- **Construction Phase**
  - Fabricate required panels
  - Assembly of materials and parts into components
  - Perform factory testing of components
  - Package/deliver components to project site

- **Hardware Installation**
  - Install components at pre-selected sites
  - Install antennas
  - Complete wiring and terminate connections
  - Field test instruments and equipment

- **Programmable Logic Controllers (PLC) Programming**
  - Second meeting with programmer
  - Complete “Tag/IO (Input/Output)” list
  - Complete all Programmable Logic Controller (PLC) programming
Hardin County Water District No.1 (HCWD1)
RFP: SP0600-08-R-0803
Negotiation Message #3
New Issue 5—Response
  o Program communications interface
  o Develop screen designs and layout
  o Finalize screen designs and layout
  o Install new Human Interface Integration (HMI) software on PC’s
  o Test PLC programming – all “Tags” and points
➢ Documentation
  o Contractor provide O&M documentation for all equipment
  o Develop electrical schematics
➢ Startup
  o Onsite testing by Contractor
  o Complete IO testing of simulated scenarios
  o Measure polling times, adjust radios as needed
  o 90 day follow-ups and adjustments
➢ Partial List of Key SCADA Components Brand/Model

<table>
<thead>
<tr>
<th>Programmable Logic Controllers (PLC)</th>
<th>Allen Bradley</th>
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<tbody>
<tr>
<td>Control Logix</td>
<td>1756-L62</td>
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<td>Compact Logix</td>
<td>1769-L32E</td>
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<td>Micro Logix</td>
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<td>Siemens Magflow 5000</td>
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<tr>
<td>Tank Level Transmitters</td>
<td>Endruss and Hauser</td>
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<tr>
<td>Control Valves</td>
<td>Auma</td>
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Hardin County Water District No.1 (HCWD1)
RFP: SP0600-08-R-0803
Negotiation Message #3
New Issue 11- Response

Meter Replacement

Type and Size:

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<tr>
<td>6” Turbine</td>
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<tr>
<td>10” Mag Meter</td>
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</tr>
</tbody>
</table>

Small Meter Replacement Procedures (5/8", ¾", 1")

- Kentucky Public Service Regulation requires small meters, which are used for customer billing, to be tested every 10 years to verify accuracy is between 98.5% and 101.5%. While the District would not be required to test meters in the Ft. Knox system, this will determine when the meters need to be replaced and to maintain accurate metering.
- Verify meter size and if required meter and other materials are in stock.
  - Verify if meter setter (with double check backflow preventer) is present.
  - IF setter is not present, locate curb stop or other cut-off valve.
  - Verify service line size on both sides of the meter.
- Notify proper FK personnel and building residents 24 hours in advance of meter replacement and schedule water service to be shut-off.
  - NOTE: Notify and schedule with Knox Hills if in "residential area".
  - If excavation is required, notify KY 811 (Before U Dig) and non-member utilities, to locate underground utilities, 48 hours prior to excavation.
Day of repair/maintenance, notify building occupants (or residents) that water service is being shut-off for repairs

Proceed with meter replacement (and setter installation, if needed).
   
   **NOTE:** If meter setter is not present, service line between meter and structure would be plugged/capped to prevent hot water heater(s) from draining and possibly causing damage to the heater.

After repairs are completed, flush service line from nearest outside faucet.

Notify occupants that repair/maintenance has been completed.

Note date and description of maintenance/repairs in the maintenance data base.

---

Medium (1.5” & 2”) and Large Meter Replacement Procedures (3”, 4” and 6” and larger)

Kentucky Public Service Regulation requires 1.5” and 2” meters, which are used for customer billing, to be tested every 4 years to verify accuracy, 3” and 4” meters every 2 years, 6” and larger annually. Accuracy ranges are dependent on the type of meter (i.e. Positive Displacement, Turbine, Mag Meter, etc.). While the District would not be required to test meters in the Ft. Knox system, this will determine when the meters need to be replaced and to maintain accurate metering.

Verify meter size and if required meter and other materials are in stock.

   - Assess condition of meter vault (replace/rebuild as needed).
   - Verify if meter setter (with double check backflow preventer) is present, for 1.5” and 2” meters.
   - Verify if by-pass piping is present for 3” and larger.
   - Locate and verify isolation valves.
   - Verify service line size on both sides of the meter.

Notify proper FK personnel and building occupants (or residents) 24 hours in advance of meter replacement and schedule water service to be shut-off (if by-pass piping is not present).

   **NOTE:** Notify and schedule with Knox Hills if in “residential area”.

   - If excavation is required, notify KY 811 (Before U Dig) and non-member utilities, to locate underground utilities, 48 hours prior to excavation.

Day of repair/maintenance, notify building occupants (or residents) that water service is being shut-off for repairs.

Proceed with meter replacement (and setter or vault installation, if needed).

   **NOTE:** If meter setter or by-pass piping is not present, service line between meter and structure would be plugged/capped to prevent hot water heater(s) from draining and possibly causing damage to hot water heaters or boilers.

After repairs are completed, flush service line from nearest outside faucet.

Notify occupants that repair/maintenance has been completed.

Note date and description of maintenance/repairs in the maintenance data base.
Correspondence Number 3 (27Oct09)

A conference call was held on October 27, 2009 at the request of HCWD1 to obtain clarification on two items discussed in Correspondence #2. Individuals in attendance are listed below.

Government
   Angela Mattox

HCWD1
   Mr. Jim Bruce
   Mr. Brett Pyles

Louisville Water Company
   Mr. Jim Smith

CH2M Hill
   Mr. David Hackworth
   Mr. Jon Greene
   Mr. David Gray

(1) HCWD1’s Subcontractors

Mr. Bruce wanted to know how to respond since the Government had listed 11 places. Ms. Mattox said insert the response at the end of each volume.

HCWD1 agreed to put in writing that the Partnership Agreement would not be a part of any resultant contract in its response concerning its subcontractors.

HCWD1 will provide an updated organization chart.

(2) Status with Independent Federal, State, or Local Regulatory Authority

HCWD1 will provide a table of NOVs and background information.
October 29, 2009

Defense Energy Support Center
Ms. Angela Mattox
8725 John J. Kingman Road, Suite 4950
Fort Belvoir, Virginia 22060-6222
ATTN: DESC-EA

SUBJECT: Hardin County Water District No. 1, Responses to Correspondence Number 2 (22Oct09)
Solicitation No.: SP0600-08-R-0803
Privatization of the Potable Water Utility System
Fort Knox Army Installation, Kentucky

Ms. Mattox:

The Hardin County Water District No. 1 (HCWD1) is pleased to submit the attached information in response to the above referenced communication from DESC. We are hopeful this will fully answer the Government’s questions. I certify the answers inserted in the document (blue font) are correct, and that I am authorized to provide the information on behalf on HCWD No. 1.

I will remain your primary point of contact for HCWD1 and our Team during the Proposal and bid period, and can be contacted as follows:

Mr. Jim Bruce, General Manager
Hardin County Water District No. 1
1400 Rogersville Road, Radcliff, Kentucky 40160
Telephone: 270.351.3222
Mobile: 270.268.4069
Fax: 270.352.3055
eMail: jbruce@HCWD.com

We look forward to your review of the additional information provided at your request, and I invite you to contact me should you have any questions or need any additional information.

Sincerely,

Mr. Jim Bruce
General Manager
Hardin County Water District No. 1

Encl.

Phone 1-270-351-3222
FAX: 1-270-352-3055

www.HCWD.com
<table>
<thead>
<tr>
<th>Date</th>
<th>Utility</th>
<th>Description of NOV</th>
<th>Root Cause</th>
<th>Action Plan/Response</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb-08</td>
<td>Water Distribution</td>
<td>Detection of byproduct UCL exceedance (Department for Environmental Protection)</td>
<td>Exceeded UCL for biochemical oxygen (HAA5)</td>
<td>Adjustments in the distribution system.</td>
<td>Closed</td>
</tr>
<tr>
<td>Mar-04</td>
<td>Water Distribution</td>
<td>Detection of byproduct MCL Exceedance (Department for Environmental Protection)</td>
<td>Exceeded MCL for nitrates (HAA5)</td>
<td>Adjustments in the distribution system.</td>
<td>Closed</td>
</tr>
<tr>
<td>Jun-04</td>
<td>Water Distribution</td>
<td>MCL Exceedance</td>
<td>Exceeded MCL for hardness (HAA5)</td>
<td>Remedial actions completed. Next sampling with below MCL. Also completed IDEE study.</td>
<td>Closed</td>
</tr>
<tr>
<td>Nov-04</td>
<td>Water Treatment</td>
<td>Reporting violation</td>
<td>Consumer Confidence Report (CCR) certificated a copy of the CCR instead of an original</td>
<td>An original was sent to KY-DOW instead of a copy</td>
<td>Closed</td>
</tr>
<tr>
<td>Feb-07</td>
<td>Water Distribution</td>
<td>Reporting violation</td>
<td>Contract laboratory failed to submit analytical results for Total Organic Carbon (TOC)</td>
<td>Results were submitted by contract laboratory and completed public notification requirements.</td>
<td>Closed</td>
</tr>
<tr>
<td>Apr-08</td>
<td>Ft. Knox WWTP</td>
<td>KDPS permit violation for fecal coliform Total Residual Chlorine, Fecal General Coliform and Total Recoverable Mercury (Department for Environmental Protection)</td>
<td>During turnover transition, water had been chlorinated for approximately one month and was still in the process of implementing C&amp;M procedures.</td>
<td>Lead pilot operator for both the RCFB and FEB sewage systems implemented C&amp;M procedures. Process Control Management Plan, initiated weekly meetings to discuss and troubleshoot process issues and address any problems.</td>
<td>Closed</td>
</tr>
<tr>
<td>Sep-08</td>
<td>Ft. Knox WWTP</td>
<td>KDPS permit violation for fecal coliform (Department for Environmental Protection)</td>
<td>While the cause was not found, it was determined that the following could be contributory: Excessive flows, algae growth, high err.</td>
<td>Results conducted an internal investigation and implemented procedures addressing the possible causes.</td>
<td>Cause thought to be lab error and switched labs. No failure of Fecal Coliform since switching labs. E-coil replaced Fecal Coliform on most recent permit renewal. NOV closed.</td>
</tr>
<tr>
<td>Nov-06</td>
<td>Water Distribution</td>
<td>Reporting violation</td>
<td>Contract laboratory failed to submit adequate number of intersections by product testing results</td>
<td>The District switched laboratories.</td>
<td>Closed</td>
</tr>
<tr>
<td>Jun-07</td>
<td>Ft. Knox WWTP</td>
<td>KDPS permit violation by Whole Effluent Toxicity (WET)</td>
<td>Unknown</td>
<td>A chemical test of both streams was performed and passed. Cause was not found or determined</td>
<td>Closed</td>
</tr>
<tr>
<td>Feb-07</td>
<td>Water Distribution</td>
<td>Reporting violation</td>
<td>Contract laboratory failed to submit adequate number of intersections by product testing results</td>
<td>Results were submitted by contract laboratory and completed public notification requirements.</td>
<td>Closed</td>
</tr>
<tr>
<td>Dec-07</td>
<td>Ft. Knox WWTP</td>
<td>KDPS permit violation by Whole Effluent Toxicity (WET)</td>
<td>Unknown</td>
<td>Submitted TPE (Toxics Prevention Evaluation) plan to KY-DOW and begin accelerated testing.</td>
<td>Closed</td>
</tr>
<tr>
<td>Nov-05</td>
<td>Radar/WWTP</td>
<td>KDPS permit violations for Total Ammonia Nitrogen (Department for Environmental Protection)</td>
<td>Violation due to low dissolved oxygen levels when switching oxidation devices.</td>
<td>Visited conducted an internal Rad Causs Analysis (RCA)</td>
<td>Visited implemented an SOP for switching oxidation devices and all operators received training. This includes weekly &quot;risk gate&quot; meetings to review SOPs and discuss plant issues.</td>
</tr>
<tr>
<td>Jun-09</td>
<td>Radar/WWTP</td>
<td>KDPS permit violation for fecal coliform (Department for Environmental Protection)</td>
<td>Loss of power during storm and subsequent loss of distribution. Emergency generators &quot;started&quot; the UV control panel.</td>
<td>Install new UV control panel, install alternate distribution (liquid breach).</td>
<td>New UV control panel has been installed. Testing of KY-DOW approval for alternate disinfection installation.</td>
</tr>
<tr>
<td>Aug-09</td>
<td>Radar/WWTP</td>
<td>KDPS permit violations for Total Ammonia Nitrogen (Department for Environmental Protection)</td>
<td>Violation due to decreased DO levels due to lowered flow to maintain the move. Dissolved oxygen levels dropped. Did not receive results from lab until two weeks later.</td>
<td>Purchased a FISH UP test. This allows immediate results and adjustments can be made immediately.</td>
<td>Antimicrobial checked daily and all appropriate adjustments are made immediately.</td>
</tr>
</tbody>
</table>
October 29, 2009

Defense Energy Support Center
Ms. Angela Mattox
8725 John J. Kingman Road, Suite 4950
Fort Belvoir, Virginia 22060-6222
ATTN: DESC-EA

SUBJECT: Hardin County Water District No. 1, Responses to Correspondence Number 2 (22Oct09)
Solicitation No.: SP0600-08-R-0803
Privatization of the Potable Water Utility System
Fort Knox Army Installation, Kentucky

Ms. Mattox:

The Hardin County Water District No. 1 (HCWD1) is pleased to submit the attached information in response to the above referenced communication from DESC. We are hopeful this will fully answer the Government's questions. I certify the answers inserted in the document (blue font) are correct, and that I am authorized to provide the information on behalf on HCWD No.1.

I will remain your primary point of contact for HCWD1 and our Team during the Proposal and bid period, and can be contacted as follows:

Mr. Jim Bruce, General Manager
Hardin County Water District No. 1
1400 Rogersville Road, Radcliff, Kentucky 40160
Telephone: 270.351.3222
Mobile: 270.268.4069
Fax: 270 352.3055
eMail: jbruce@HCWD.com

We look forward to your review of the additional information provided at your request, and I invite you to contact me should you have any questions or need any additional information.

Sincerely,

Mr. Jim Bruce
General Manager
Hardin County Water District No. 1

Encl.
Correspondence Number 3

Solicitation
SP0600-08-R-0803
System
Potable Water Utility System
Installation
Fort Knox, KY

Offeror
Hardin County Water District No. 1 (HCWD1)
Mr. Jim Bruce, General Manager
1400 Rogersville Road
Radcliff, KY 40160
Telephone: (270) 351-3222
Email: jbruce@hcwd.com

Contracting Officer
Ms. Angela Mattox
Defense Energy Support Center
8725 John J. Kingman Road
Fort Belvoir, VA 22060-6222
Telephone: (703)767-1348
Email: angela.mattox@dla.mil

Contract Specialists
Mr. Brian Koessel
Telephone: (703)767-1595
Email: brian.koessel@dla.mil

Ms. Taina Rivera
Telephone: (703)767-8130
Email: taina.rivera@dla.mil

Previous Correspondence
Numbers 1 (30Jun09) and 2 (22Oct09)
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Source Selection Information – See FAR 2.101 and 3.104
Correspondence Number 1 (30Jun09)

DESC is pleased to inform you that, in accordance with FAR 15.306(d), negotiations under solicitation SP0600-08-R-0803, privatization of the potable water utility system at Fort Knox, Kentucky, are now open. DESC will issue Negotiation Message #1 in the coming weeks. Along with the issuance of that message, DESC will also provide a schedule to assist with planning.

The negotiation messages and HCWDI’s responses will occur primarily through written exchanges. DESC intends to conduct at least one session of face to face discussions, if necessary. Further, please be advised that Fort Knox will accommodate site visits from the date of this letter until two weeks prior to the due date for final proposal revisions, if requested. To schedule a site visit, please contact Mr. Brian Koessel at (703) 767-1595 or brian.koessel@dla.mil.

Please feel free to contact me at (703) 767-1348 or angela.mattox@dla.mil if you have any questions or concerns.
Correspondence Number 2 (22Oct09)

A conference call was held on October 21, 2009, with the following people in attendance: Ms. Angela Mattox and Ms. Taina Rivera representing the Government and Mr. Jim Bruce representing HCWD1. The items listed below were discussed during the conference call. DESC requests you consider these items in any revision you may make in HCWD1’s proposal. Government request HCWD1 return this document after inserting responses to each concern. The responses incorporated into this document should be sent via email to the following addresses: angela.mattox@dla.mil, taina.rivera@dla.mil, and brian.koessel@dla.mil. Send any questions and/or concerns via email to Ms. Mattox.

(1) Proposals and Negotiation Messages

Offerors are advised that proposals and negotiation messages will not be incorporated by reference into any resultant Contract. Rather, the terms and conditions contained in Sections B through K of the RFP will form the terms and conditions of the Contract, with appropriate modifications to reflect: a) exceptions properly made in accordance with Section L.6.2. of the RFP and accepted by the Contracting Officer; b) agreements reached as a result of negotiations; c) the actual systems awarded; and d) changes in terminology indicating the transition from Offeror/RFP to Contractor/Contract. Only discrete schedules and plans from the successful proposal will be made a part of the contract as attachments (e.g. - Contingency Operations Plan, Section B Pricing Schedule, etc.).

HCWD1: Acknowledged

(2) General Questions

Offerors who have general questions regarding the RFP, the system being conveyed or similar issues not specific to the content of the Offeror's proposal must submit such questions to the Contracting Officer in writing so that the Government can publish the answers to all Offerors. While the Government will conduct discussions during any face to face or telephonic negotiation session, the Government will not discuss these types of general questions. This ensures that sufficient time is allotted for the negotiation sessions and that information is distributed to all Offerors in a consistent manner.

HCWD1: Acknowledged

(3) Assumptions

Assumptions will be considered by the Government solely for evaluation purposes. Unless identified as an exception in accordance with Section L.6.2 and accepted as such by the Contracting Officer, assumptions will not be deemed to be a part of any resulting contract and will not form the basis for any pricing adjustments.

HCWD1: Acknowledged

Source Selection Information – See FAR 2.101 and 3.104
(4) Alternate Proposals and Exceptions to Terms and Conditions

The Government requests HCWD1 to confirm that it takes no exceptions to the terms and conditions of the RFP. See page III-4 (Reference RFP L.6.2).

HCWD1: Acknowledged

(5) Subcontracting Plan

The DESC Form 19.3, Small Business Subcontracting Plan, submitted by HCWD1 is not signed and therefore incomplete. The Government requests HCWD1 to sign and date its Small Business Subcontracting Plan. Failure to submit a complete subcontracting plan shall make HCWD1 ineligible for a contract award. See page III-5 (Reference RFP I.2, J41, and L.6.3.2).

The Government requests HCWD1 to acknowledge that DESC Form 19.3, Part 3, Paragraphs 7(c)-(d), included in RFP Section J41, Subcontracting Plan, has not yet been revised by DESC to reflect the current requirements of FAR 52.219-9(d)(10)(iii)-(iv); and that regardless of the outdated language included in paragraphs 7(c)-(d), HCWD1 shall comply with the requirements of the FAR.

HCWD1: We are enclosing an original, signed form 19.3 (Attachment A-5) which we had in our copy of original proposal. Apparently, the hard copies submitted to DESC did not include a signed copy.

(6) Socioeconomic Plan

The Government requests HCWD1 to acknowledge the requirements in FAR 52.219-9(d)(10)(iii)-(iv), for it and its subcontractors (with subcontracting plans) to use the Electronic Subcontracting Reporting System (eSRS) to submit the Summary Subcontract Report (SSR), and to revise its proposal accordingly. See page III-10 (Reference RFP I.2 and L.6.3.3).

HCWD1: Acknowledged

(7) HCWD1’s Subcontractors

The relationship between HCWD1 and other entities (LWC and CH2M HILL), as described in the proposal, is unclear. To evaluate the capabilities of any entity other than the offeror the Government must have a clear understanding of the roles of the entities post-award. If these relationships are not clarified, then the Government will be restricted to evaluating HCWD1’s capabilities alone. The Government requests HCWD1 to clearly define:

(a) The current relationships between HCWD1, CH2M HILL, and LWC. See below for locations in your proposal that mentions HCWD1’s relationship with the other companies.

Source Selection Information – See FAR 2.101 and 3.104
Volume I (Technical)

(i) Page I-13: In any recovery efforts, HCWD1 can call upon the resources of their subcontractor, LWC.

(ii) Page I-85: In addition to HCWD1’s financial strength, we can bring to this contract the financial stability and competence of our two team subcontractors, as described below.

(iii) Attachment 3, Memorandum of Understanding includes a Partnership Agreement between HCWD1 and LWC that establishes terms applicable to the proposal phase of the privatization efforts at Fort Knox.

Volume II (Past Performance)

(i) Page II-1: HCWD1, in partnership with Louisville Water Company (LWC) and CH2M HILL, provides the best choice in terms of forming a long-term partnership at Fort Knox.

(ii) Page II-2: Exhibit II-1, Team Subcontractor Projects.

(iii) Page II-4: CH2M HILL is subcontractor to Augusta Utility Department (AUD) in a role similar to that proposed for Fort Knox.

(iv) Page II-6: Exhibit II-4, References for HCWD1 Team Subcontractors.

Volume III (Contract Documentation)

(i) Page III-1: HCWD1 will be the prime contractor with two team subcontractors: Louisville Water Company (LWC) and CH2M HILL.

(ii) Page III-7: HCWD1 has named only two team subcontractors, Louisville Water Company and CH2M HILL, for this contract.

Volume IV (Price)

(i) Page IV-49: Table IV-10 (Row 2, Col. 2) - The risk will be mitigated by HCWD1’s and its subcontractor, LWC’s, close proximity to Fort Knox.

(ii) Page IV-49: Table IV-10 (Row 7, Col 2), “HCWD1 and its subcontractors, LWC and CH2M HILL, have developed…..”

(b) The proposed future relationships between HCWD1, CH2M HILL, and LWC (as they would exist if HCWD1 were awarded any contract).

Source Selection Information – See FAR 2.101 and 3.104
**Hardin County Water District No. 1** is the sole prime contractor under the submitted proposal. Louisville Water Company (LWC) will provide water treatment operations, water quality monitoring and expertise and bulk water sales under both the Base and Alternate proposals. This will be done under a sub-contract with HCWD1. CH2M HILL will provide management of the Capital Improvement Program; this will also be accomplished under a separate sub-contract with HCWD1. Both LWC and CH2M HILL will assist HCWD1 throughout the contract with capital project planning, design and administration.

(8) **Status with Independent Federal, State, or Local Regulatory Authority**

(a) The Government requests HCWD1 to confirm that the list of Notices of Violation (NOVs) identified in its proposal (and provided below) is a complete list of NOVs received by HCWD1 within the last five (5) years. See page II-7 (Reference RFP L.5).

**KPDES permit violations for fecal coliform and TSS, March 2006** (Department for Environmental Protection)

**KPDES permit violations for total residual chlorine, July 2006; fecal coliform, August 2005; and total recoverable mercury, July-August 2005**

**KPDES permit violation for whole effluent toxicity, October-November 2007**

(b) The Government requests HCWD1 to provide a discussion of the identified NOVs (as well as any NOVs that may have occurred since the proposal was submitted) and how each NOV was resolved (or is currently being resolved). If providing this information may be deemed a violation of law, then HCWD1 should make a statement to that effect.

**HCWD1**: HCWD1 is providing (Attachment A-8), a summary of Notices of Violation for the period from 2003 through present. This includes the 5 years prior to proposal submission date, and any received since the proposal was submitted. Four (4) of these are administrative or reporting related, ten (10) are related to parameter exceedance or levels. The attachment includes information on:

- Description of the Violation
- Root Cause
- Action Plan
- Status

Source Selection Information – See FAR 2.101 and 3.104
(9) Site Visits

Fort Knox is willing to accommodate site visits until two weeks prior to the due date for final proposal revisions. To schedule a site visit, please contact either Taina Rivera (taina.rivera@dla.mil or 703-767-8130) or Brian Koessel (brian.koessel@dla.mil or 703-767-1595).

**HCWD1:** HCWD1 and members of its team will be requesting under separate copy an additional site visit and will coordinate said request through DESC.

(10) Government Responses

This is additional information that was not discussed during the teleconference.

Note that statements indicating that information provided by the Offeror has been “accepted,” “satisfactory,” “acceptable,” etc., or that no further information is requested simply mean that such information answers the Government’s questions, and in no way reflect how that information will be evaluated by the Source Selection Evaluation Team(s) and/or Source Selection Authority.

**HCWD1:** Acknowledged
Correspondence Number 3 (27Oct09)

A conference call was held on October 27, 2009 at the request of HCWD1 to obtain clarification on two items discussed in Correspondence #2. Individuals in attendance are listed below.

- **Government**
  - Angela Mattox

- **HCWD1**
  - Mr. Jim Bruce
  - Mr. Brett Pyles

- **Louisville Water Company**
  - Mr. Jim Smith

- **CH2M Hill**
  - Mr. David Hackworth
  - Mr. Jon Greene
  - Mr. David Gray

(1) **HCWD1’s Subcontractors**

Mr. Bruce wanted to know how to respond since the Government had listed 11 places. Ms. Mattox said insert the response at the end of each volume.

HCWD1 agreed to put in writing that the Partnership Agreement would not be a part of any resultant contract in its response concerning its subcontractors.

HCWD1 will provide an updated organization chart.

(2) **Status with Independent Federal, State, or Local Regulatory Authority**

HCWD1 will provide a table of NOVs and background information.

Source Selection Information – See FAR 2.101 and 3.104
**SMALL BUSINESS SUBCONTRACTING PLAN**

1. Records of outreach efforts to contact:
   1. Trade associations,
   2. Business development organizations, and
   3. Conferences and trade fairs to locate SB, VOSB, SD-VOSB, HUBZone, SDB, and WOSB sources.
2. Records of internal guidance and encouragement provided to buyers through:
   1. Workshops, seminars, training, etc.
   2. Monitoring performance to evaluate compliance with the program's requirements.
3. Solicit input and assistance from contractors to help identify potential subcontracting opportunities.
4. Ongoing review of progress.

**PART 4 – AGREEMENT AND APPROVAL SIGNATURES**

**A. Offeror’s agreement**

<table>
<thead>
<tr>
<th>Offeror’s signature</th>
<th>Typed name and title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jim Bruce, General Manager</td>
<td></td>
</tr>
</tbody>
</table>

**B. Reviewed By:**

<table>
<thead>
<tr>
<th>Contract Specialist’s signature</th>
<th>Typed name and title</th>
<th>Date</th>
</tr>
</thead>
</table>

**C. Contracting Officer’s determination of acceptance**

<table>
<thead>
<tr>
<th>Contracting Officer’s signature</th>
<th>Typed name and title</th>
<th>Date</th>
</tr>
</thead>
</table>

**D. Division Chief’s approval**

- Is SDB goal less than 5%?  
  - [ ] Yes  
  - [ ] No

If yes, a Division Chief’s signature, one level above Contracting Officer is required.

<table>
<thead>
<tr>
<th>Deputy’s/Director’s signature</th>
<th>Typed name and title</th>
<th>Date</th>
</tr>
</thead>
</table>

**E. Small Business Office**

- [ ] Concur  
- [ ] Non-concur

<table>
<thead>
<tr>
<th>Small Business Specialist’s signature</th>
<th>Typed name and title</th>
<th>Date</th>
</tr>
</thead>
</table>

**Small Business Specialist’s Rationale**

**F. Contracting Officer’s approval**

<table>
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<tr>
<th>Contracting Officer’s signature</th>
<th>Typed name and title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of NOV</td>
<td>Utility</td>
<td>Description of NOV</td>
</tr>
<tr>
<td>------------</td>
<td>-------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Feb-03</td>
<td>Water Distribution</td>
<td>Distribution Re-test MOI, Exceedance (Department for Environmental Protection)</td>
</tr>
<tr>
<td>Mar-04</td>
<td>Water Distribution</td>
<td>Distribution Re-test MOI, Exceedance (Department for Environmental Protection)</td>
</tr>
<tr>
<td>Jun-04</td>
<td>Water Distribution</td>
<td>MCI Exceedance (Department for Environmental Protection)</td>
</tr>
<tr>
<td>Nov-04</td>
<td>Water Treatment</td>
<td>Reporting violation</td>
</tr>
<tr>
<td>Feb-06</td>
<td>Water Distribution</td>
<td>Reporting violation</td>
</tr>
<tr>
<td>Apr-06</td>
<td>Ft. Knox WWTP</td>
<td>PERDES permit violation for fecal coliform (Department for Environmental Protection)</td>
</tr>
<tr>
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<td>Apr-07</td>
<td>Ft. Knox WWTP</td>
<td>PERDES permit violation for Total Ammonia Nitrogen (Department for Environmental Protection)</td>
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<td>Racine WWTP</td>
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<td>Racine WWTP</td>
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<td>Aug-09</td>
<td>Racine WWTP</td>
<td>PERDES permit violation for Total Ammonia Nitrogen (Department for Environmental Protection)</td>
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</table>
November 17, 2009

Defense Energy Support Center
Ms. Angela Mattox
8725 John J. Kingman Road, Suite 4950
Fort Belvoir, Virginia 22060-6222
ATTN: DESC-EA

SUBJECT: Questions Prior to 9-December-09 Tour
Solicitation No.: SP0600-08-R-0803
Privatization Water Utility System at Fort Knox Army Installation, Kentucky

Dear Ms. Mattox,

As requested we are submitting the following written questions in advance of our scheduled tour on 9-December-09 at Ft. Knox;

1. Has water demand / use characteristics changed in last year?
2. Has chloride problem at well field changed any?
3. What water capital projects have been started or funded in last year?
4. How many of the existing fire hydrants in service last October are being replaced?
5. Can we see new water tank site at HRC complex?
6. Are there any new problems at WTP sites that require new investment?
7. What changes to Initial System Deficiency list have occurred? (new projects needed, existing projects now completed or funded)
8. Are there any proposed housing project changes that could affect water line projects?

If you have any questions, please do not hesitate to call or e-mail me.

Sincerely,

Jim Bruce, General Manager
Hardin County Water District No. 1

Cf: Mr. Jim Smith, Louisville Water Company
    Mr. David Hackworth, P.E., CH2M HILL
    Mr. Brett Pyles, HCWD1 Operations Manager
AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

<table>
<thead>
<tr>
<th>2. AMENDMENT/MODIFICATION NO.</th>
<th>3. EFFECTIVE DATE</th>
<th>4. REQUISITION/PURCHASE REQ. NO.</th>
<th>5. PROJECT NO.</th>
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<td>0002</td>
<td>15 December 2009</td>
<td>SP0600-08-1258</td>
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</table>

6. ISSUED BY CODE
DEFENSE ENERGY SUPPORT CENTER
8725 JOHN J. KINGMAN ROAD, SUITE 3830
FT. BELVOIR, VA. 22060-6222
BUYER/SYMBOL: Taina Rivera/DESC-EF
PHONE: (703) 767-8130 E-MAIL: Taina.Rivera@dlia.mil

7. ADMINISTERED BY CODE: (if other than Item 6)

8. NAME AND ADDRESS OF CONTRACTOR (NO., street, city, country, State and ZIP Code)

9a. AMENDMENT OF SOLICITATION NO. SP0600-08-R-0803
9b. DATED (SEE ITEM 11) 1 July 2008
10a. MODIFICATION OF CONTRACT/ORDER NO.
10b. DATED (SEE ITEM 13)

[X] This item only applies to amendments of solicitations

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [ ] is extended. [X] is not extended. Offerors must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _ ___ copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (if required)
Not Applicable.

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority)

B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b)

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR 43.01

E. IMPORTANT: Contractor [] is not. [X] is required to sign this document and return _ ___ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

Utility Privatization of the Potable Water Utility System Infrastructure at Fort Knox, KY

See Additional Pages for Further Details.

15A. NAME AND TITLE OF SIGNER (Type or print)

15B. NAME OF CONTRACTOR/OFFEROR

15C. DATE SIGNED

16A. NAME OF CONTRACTING OFFICER (Type or print)

ANGELA E. MATTOX

16B. UNITED STATES OF AMERICA

16C. DATE SIGNED

(Signature of person authorized to sign)
The purpose of this amendment is to revise and update clauses in the RFP, specifically in Section C, Description/Specifications/Work Statement, Section G, Contract Administration Data, Section I, Contract Clauses, Section J, List of Attachments, Section K, Representations, Certifications, and other Statements of Offerors, and Section L, Instructions, Conditions, and Notice of Offerors. Changes and additions to these Clauses are presented below and shown in blue font, deletions are shown in red strikethrough font.

A. RFP Section C.4.2.2, Commercial Use, is deleted in its entirety and replaced with the following:

C.4.2.2 Commercial Use

C.4.2.2.1 The Contractor shall enter into joint use agreements with the Installation's telephone company, cable television company and other service providers in accordance with applicable law and regulation.

C.4.2.2.2 Certain system components may have third party equipment attached pursuant to a lease or other contractual arrangement between the third party and the installation. The Contractor will take ownership of these components subject to such lease(s), with any revenue continuing to accrue to the installation until the lease(s) expire or are otherwise terminated at the discretion of the installation. Any new lease(s) or other arrangements between the Contractor and any third party to permit attachment of third party equipment to system components must be approved by the installation and may be subject to revenue sharing, all of which must be negotiated with the installation under separate agreement. The Government will not pay attachment fees. All attachments will be coordinated with the Contractor prior to attachment.

B. RFP Section G.2, Submission and Payment of Invoices, is deleted in its entirety and replaced with the following:

G.2 Submission and Payment of Invoices

The Government will pay the Contractor for utility service through a monthly service charge. Subject to the provisions set forth in Section B, utility services will be billed according to the CLIN items in Schedule B-1 through B-4 on a monthly basis.

The Contractor shall submit invoices electronically via the internet using the Wide Area Work Flow (WAWF) system in accordance with DFARS clause, 252.232-7003, Electronic Submission of Payment Requests and Receiving Reports. The WAWF system is located at the following internet website: https://wawf.eb.mil. Failure to submit invoices in WAWF will be considered failure to submit a proper invoice and may result in delay of payment.

The Contractor shall prepare and submit electronic invoices to the Installation for payment by the 25th of each month for the previous month's billing period. Invoices shall be sent to the
recipient and address identified in the then current version of Contract Section G.1 Contracting Officer’s Representative with a copy provided to the Contracting Officer identified in Section G.1.

C. RFP Section 1.2, FAR Clauses, is deleted in its entirety and replaced with the following:

**1.2 FAR Clauses**

The following FAR clauses are incorporated by reference:

<table>
<thead>
<tr>
<th>FAR Paragraph</th>
<th>Clause Title</th>
<th>IAW</th>
<th>Date</th>
</tr>
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<tbody>
<tr>
<td>52.202-1</td>
<td>Definitions</td>
<td>FAR 2.201</td>
<td>Jul 2004</td>
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<td>52.203-3</td>
<td>Gratuities</td>
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<td>52.203-5</td>
<td>Covenant Against Contingent Fees</td>
<td>FAR 3.404</td>
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<td>52.203-6</td>
<td>Restrictions on Subcontractor Sales to the Government</td>
<td>FAR 3.503-2</td>
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<td>52.203-7</td>
<td>Anti-Kickback Procedures</td>
<td>FAR 3.502-3</td>
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<tr>
<td>52.203-8</td>
<td>Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity</td>
<td>FAR 3.104-9(a)</td>
<td>Jan 1997</td>
</tr>
<tr>
<td>52.203-10</td>
<td>Price or Fee Adjustment for Illegal or Improper Activity</td>
<td>FAR 3.104-9(b)</td>
<td>Jan 1997</td>
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<tr>
<td>52.203-12</td>
<td>Limitation on Payments to Influence Certain Federal Transactions</td>
<td>FAR 3.808(b)</td>
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<td>52.204-4</td>
<td>Printing or Copied Double-Sided on Recycled Paper</td>
<td>FAR 4.303</td>
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<td>52.204-7</td>
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<td>52.207-3</td>
<td>Right of First Refusal of Employment:</td>
<td>FAR 7.305(c)</td>
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<td>52.209-6</td>
<td>Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment</td>
<td>FAR 9.409(b)</td>
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<td>52.215-2</td>
<td>Audit and Records - Negotiations</td>
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<tr>
<td>52.215-8</td>
<td>Order of Precedence – Uniform Contract Format (See Section C.1 of contract)</td>
<td>FAR 15.209(h)</td>
<td>Oct 1997</td>
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<td>52.215-11</td>
<td>Price Reduction for Defective Cost or Pricing Data—Modifications</td>
<td>FAR 15.408(c)</td>
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<td>52.215-13</td>
<td>Subcontractor Cost or Pricing Data—Modifications</td>
<td>FAR 15.408(e)</td>
<td>Oct 1997</td>
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<td>52.215-21</td>
<td>Requirements for Cost or Pricing Data or Information other than Cost or Pricing – Modifications</td>
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<td>52.219-4</td>
<td>Notice of Price Evaluation for HUBZone Small Business Concerns</td>
<td>FAR 19.1308(b)</td>
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<td>FAR Paragraph</td>
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<td>Utilization of Small Business Concerns</td>
<td>FAR 19.708(a)</td>
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<td>Small Business Subcontracting Plan w/ Alt II below</td>
<td>FAR 19.708(b)</td>
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<td>52.219-9</td>
<td>Alternate II</td>
<td>FAR 19.708(b)(1)</td>
<td>Oct 2001</td>
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<td>52.219-16</td>
<td>Liquidated Damages—Subcontracting Plan</td>
<td>FAR 19.708(b)(2)</td>
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<td>52.219-25</td>
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<td>52.219-28</td>
<td>Post-Award Small Business Representation</td>
<td>FAR 19.308(d)</td>
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<td>Notice to the Government of Labor Disputes</td>
<td>FAR 22.103-5(a)</td>
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<td>52.222-3</td>
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<td>Contract Work Hours and Safety Standards Act - - Overtime Compensation</td>
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<td>52.222-21</td>
<td>Prohibition of Segregated Facilities</td>
<td>FAR 22.810(a)(1)</td>
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<td>52.222-26</td>
<td>Equal Opportunity</td>
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<td>52.222-35</td>
<td>Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans</td>
<td>FAR 22.1310(a)(1)</td>
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<td>Affirmative Action for Workers with Disabilities</td>
<td>FAR 22.1408(a)</td>
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<td>Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans</td>
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<td>Notification of Employee Rights Concerning Payment of Union Dues or Fees</td>
<td>FAR 22.1605</td>
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<td>Combating Trafficking in Persons</td>
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<td>Employment Eligibility Verification</td>
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<td>Pollution Prevention and Right-to-Know Information</td>
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<td>52.223-6</td>
<td>Drug-Free Workplace</td>
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<td>52.223-12</td>
<td>Refrigeration Equipment And Air Conditioners</td>
<td>FAR 23.804(b)</td>
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<td>52.223-13</td>
<td>Certification of Toxic Chemical Release Reporting</td>
<td>FAR 23.906(a)</td>
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<td>Toxic Chemical Release Reporting</td>
<td>FAR 23.906(b)</td>
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<td>Insurance-Work on a Government Installation</td>
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<td>Federal, State, and Local Taxes</td>
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<td>Payments</td>
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<td>FAR Paragraph</td>
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<td>Discounts for Prompt Payment</td>
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<td>Extras</td>
<td>FAR 32.111(c)(2)</td>
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<td>Availability of Funds</td>
<td>FAR 32.705-1(a)</td>
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<td>52.232-23</td>
<td>Assignment of Claims</td>
<td>FAR 32.806(a)(1)</td>
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<td>Prompt Payment</td>
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<td>Payment by Electronic Funds Transfer --Central Contractor Registration</td>
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<td>52.233-1</td>
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<td>52.233-3</td>
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<td>Applicable Law for Breach of Contract Claim</td>
<td>FAR 33.215(b)</td>
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<td>Protection of Government Buildings, Equipment, and Vegetation</td>
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<td>52.237-3</td>
<td>Continuity of Services</td>
<td>FAR 37.110(c)</td>
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<td>52.242-1</td>
<td>Notice of Intent to Disallow Costs</td>
<td>FAR 42.802</td>
<td>Apr 1984</td>
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<td>52.242-13</td>
<td>Bankruptcy</td>
<td>FAR 42.903</td>
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<td>Changes – Fixed-Price</td>
<td>FAR 43.205(a)(1)</td>
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<td>52.244-6</td>
<td>Subcontracts for Commercial Items</td>
<td>FAR 44.403</td>
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<td>52.249-2</td>
<td>Termination for Convenience of the Government (Fixed Price)</td>
<td>FAR 49.502(b)(1)(i)</td>
<td>May 2004</td>
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<td>52.249-8</td>
<td>Default (Fixed Price Supply and Service)</td>
<td>FAR 49.504(a)(1)</td>
<td>Apr 1984</td>
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<tr>
<td>52.252-6</td>
<td>Authorized Deviations in Clauses</td>
<td>FAR 52.107(f)</td>
<td>Apr 1984</td>
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</table>
D. RFP Section I.3, *DFARS Clauses Incorporated by Reference*, is deleted in its entirety and replaced with the following:

### I.3 DFARS Clauses Incorporated by Reference

The use in this solicitation or contract of any Defense Federal Acquisition Regulation Supplement (48 CFR Chapter 2) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

The following DFAR clauses are incorporated by reference:

<table>
<thead>
<tr>
<th>DFARS Paragraph</th>
<th>Clause Title</th>
<th>IAW</th>
<th>Date</th>
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<tr>
<td>252.203-7001</td>
<td>Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies</td>
<td>DFARS 203.570-35</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>252.203-7002</td>
<td>Requirement to Inform Employees of Whistleblower Rights</td>
<td>DFARS 203.970</td>
<td>Jan 2009</td>
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<tr>
<td>252.204-7000</td>
<td>Disclosure of Information</td>
<td>DFARS 204.404-70(a)</td>
<td>Dec 1991</td>
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<td>252.204-7003</td>
<td>Control of Government Personnel Work Product</td>
<td>DFARS 204.404-70(b)</td>
<td>Apr 1992</td>
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<td>252.205-7000</td>
<td>Provision of Information to Cooperative Agreement Holders</td>
<td>DFARS 205.470</td>
<td>Dec 1991</td>
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<td>252.209-7004</td>
<td>Subcontracting with Firms that Are Owned or Controlled by the Government of a Terrorist Country</td>
<td>DFARS 209.409</td>
<td>Dec 2006</td>
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<td>252.223-7004</td>
<td>Drug-Free Work Force</td>
<td>DFARS 223.570-2</td>
<td>Sep 1988</td>
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<tr>
<td>252.223-7006</td>
<td>Prohibition on Storage and Disposal of Toxic and Hazardous Materials</td>
<td>DFARS 223.7103(a)</td>
<td>Apr 1993</td>
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<tr>
<td>252.225-7031</td>
<td>Secondary Arab Boycott of Israel</td>
<td>DFARS 225.7605</td>
<td>Jun 2005</td>
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<tr>
<td>252.226-7001</td>
<td>Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns</td>
<td>DFARS 226.104</td>
<td>Sep 2004</td>
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<tr>
<td>252.231-7000</td>
<td>Supplemental Cost Principles</td>
<td>DFARS 231.100-70</td>
<td>Dec 1991</td>
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<td>252.235-7003</td>
<td>Frequency Authorization</td>
<td>DFARS 235.071(b)</td>
<td>Dec 1991</td>
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<tr>
<td>252.247-7023</td>
<td>Transportation of Supplies by Sea</td>
<td>DFARS 247.574(b)(1)</td>
<td>May 2002</td>
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</tbody>
</table>
E. RFP Section I.5, Non-Regulated Utility Clauses Incorporated by Reference, is deleted in its entirety and replaced with the following:

I.5 Non-Regulated Utility Clauses Incorporated by Reference

The following FAR clauses are incorporated by reference if award is made to an entity that is non-regulated, non-Governmental:

<table>
<thead>
<tr>
<th>Paragraph</th>
<th>Clause Title</th>
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<tr>
<td>52.222-41</td>
<td>Service Contract Act of 1965, as amended</td>
<td>FAR 22.1006(a)</td>
<td>Nov 2007</td>
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<tr>
<td>52.222-44</td>
<td>Fair Labor Standards Act and Service Contract Act – Price Adjustment (Multiple Year and Option Contracts)</td>
<td>FAR 22.1006(c)(2)</td>
<td>Sep 2009</td>
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<tr>
<td>52.230-2</td>
<td>Cost Accounting Standards</td>
<td>FAR 30.201-4(a)</td>
<td>Oct 2008</td>
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<tr>
<td>52.230-6</td>
<td>Administration of Cost Accounting Standards</td>
<td>FAR 30.201-4(d)(1)</td>
<td>Mar 2008</td>
</tr>
</tbody>
</table>

F. RFP Section J, Attachment J1, Fort Knox Potable Water Utility System, is deleted in its entirety and replaced with the following:

Attachment J1 -
Water - Fort Knox - C

G. RFP Section J, Attachment J44, Wage Determination, is deleted in its entirety and replaced with the following:

Attachment J44 -
Wage Determination
H. RFP Section K, *Representations, Certifications, and other Statements of Offerors*, is deleted in its entirety and replaced with the following:

Prospective Contractors shall complete electronic annual representations and certifications at [http://orca.bpn.gov](http://orca.bpn.gov) in conjunction with required registration in the Central Contractor Registration (CCR) database.

**52.204-8 ANNUAL REPRESENTATIONS AND CERTIFICATIONS** *(Feb 2009)*

(a)(1) The North American Industry Classification System (NAICS) code for this acquisition is 221310 *(Water Supply and Irrigation Systems)*.

(2) The small business size standard is $6.5 million.

(3) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.

(b)(1) If the clause at 52.204-7, Central Contractor Registration, is included in this solicitation, paragraph (d) of this provision applies.

(2) If the clause at 52.204-7 is not included in this solicitation, and the offeror is currently registered in CCR, and has completed the ORCA electronically, the offeror may choose to use paragraph (d) of this provision instead of completing the corresponding individual representations and certifications in the solicitation. The offeror shall indicate which option applies by checking one of the following boxes:

[ ] (i) Paragraph (d) applies.

[ ] (ii) Paragraph (d) does not apply and the offeror has completed the individual representations and certifications in the solicitation.

(c)(1) The following representations or certifications in ORCA are applicable to this solicitation as indicated:

(i) 52.203-2, Certificate of Independent Price Determination. This provision applies to solicitations when a firm-fixed-price contract or fixed-price contract with economic price adjustment is contemplated, unless—

(A) The acquisition is to be made under the simplified acquisition procedures in Part 13;

(B) The solicitation is a request for technical proposals under two-step sealed bidding procedures; or

(C) The solicitation is for utility services for which rates are set by law or regulation.

(ii) 52.203-11, Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions. This provision applies to solicitations expected to exceed $100,000.

(iii) 52.204-3, Taxpayer Identification. This provision applies to solicitations that do not include the clause at 52.204-7, Central Contractor Registration.

(iv) 52.204-5, Women-Owned Business (Other Than Small Business). This provision applies to solicitations that—

(A) Are not set aside for small business concerns;

(B) Exceed the simplified acquisition threshold; and

(C) Are for contracts that will be performed in the United States or its outlying areas.

(v) 52.209-5, Certification Regarding Responsibility Matters. This provision applies to solicitations where the contract value is expected to exceed the simplified acquisition threshold.

(vi) 52.214-14, Place of Performance—Sealed Bidding. This provision applies to invitations for bids except those in which the place of performance is specified by the Government.
(vii) **52.215-6.** Place of Performance. This provision applies to solicitations unless the place of performance is specified by the Government.

(viii) **52.219-1.** Small Business Program Representations (Basic & Alternate I). This provision applies to solicitations when the contract will be performed in the United States or its outlying areas.

(A) The basic provision applies when the solicitations are issued by other than DoD, NASA, and the Coast Guard.

(B) The provision with its Alternate I applies to solicitations issued by DoD, NASA, or the Coast Guard.

(ix) **52.219-2.** Equal Low Bids. This provision applies to solicitations when contracting by sealed bidding and the contract will be performed in the United States or its outlying areas.

(x) **52.222-22.** Previous Contracts and Compliance Reports. This provision applies to solicitations that include the clause at 52.222-26, Equal Opportunity.

(xi) **52.222-25.** Affirmative Action Compliance. This provision applies to solicitations, other than those for construction, when the solicitation includes the clause at 52.222-26, Equal Opportunity.

(xii) **52.222-38.** Compliance with Veterans' Employment Reporting Requirements. This provision applies to solicitations when it is anticipated the contract award will exceed the simplified acquisition threshold and the contract is not for acquisition of commercial items.

(xiii) **52.223-1.** Biobased Product Certification. This provision applies to solicitations that require the delivery or specify the use of USDA-designated items; or include the clause at 52.223-2, Affirmative Procurement of Biobased Products Under Service and Construction Contracts.

(xiv) **52.223-4.** Recovered Material Certification. This provision applies to solicitations that are for, or specify the use of, EPA-designated items.

(xv) **52.225-2.** Buy American Act Certificate. This provision applies to solicitations containing the clause at 52.225-1.

(xvi) **52.225-4.** Buy American Act—Free Trade Agreements—Israeli Trade Act Certificate (Basic, Alternate I, and Alternate II) This provision applies to solicitations containing the clause at 52.225-3.

(A) If the acquisition value is less than $25,000, the basic provision applies.

(B) If the acquisition value is $25,000 or more but is less than $50,000, the provision with its Alternate I applies.

(C) If the acquisition value is $50,000 or more but is less than $67,826, the provision with its Alternate II applies.

(xvii) **52.225-6.** Trade Agreements Certificate. This provision applies to solicitations containing the clause at 52.225-5.

(xviii) **52.225-20.** Prohibition on Conducting Restricted Business Operations in Sudan—Certification.

(xix) **52.226-2.** Historically Black College or University and Minority Institution Representation. This provision applies to—

(A) Solicitations for research, studies, supplies, or services of the type normally acquired from higher educational institutions; and
(B) For DoD, NASA, and Coast Guard acquisitions, solicitations that contain the clause at 52.219-23, Notice of Price Evaluation Adjustments for Small Disadvantaged Business Concerns.

(2) The following certifications are applicable as indicated by the Contracting Officer:

[Contracting Officer check as appropriate.]

_ (i) 52.219-19, Small Business Concern Representation for the Small Business Competitiveness Demonstration Program._

_ (ii) 52.219-21, Small Business Size Representation for Targeted Industry Categories Under the Small Business Competitiveness Demonstration Program._

_ (iii) 52.219-22, Small Disadvantaged Business Status._

_ (A) Basic._

_ (B) Alternate 1._

_ (iv) 52.222-18, Certification Regarding Knowledge of Child Labor for Listed End Products._

_ (v) 52.222-48, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment Certification._

_ (vi) 52.222-52, Exemption from Application of the Service Contract Act to Contracts for Certain Services—Certification._

_ (vii) 52.223-9, with its Alternate I, Estimate of Percentage of Recovered Material Content for FPA—Designated Products (Alternate I only)._

_ (viii) 52.223-13, Certification of Toxic Chemical Release Reporting._

_ (ix) 52.227-6, Royalty Information._

_ (A) Basic._

_ (B) Alternate 1._

_ (x) 52.227-15, Representation of Limited Rights Data and Restricted Computer Software._

(d) The offeror has completed the annual representations and certifications electronically via the Online Representations and Certifications Application (ORCA) website at http://orca.bpn.gov. After reviewing the ORCA database information, the offeror verifies by submission of the offer that the representations and certifications currently posted electronically that apply to this solicitation as indicated in paragraph (c) of this provision have been entered or updated within the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201); except for the changes identified below [offeror to insert changes, identifying change by clause number, title, date]. These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer.

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Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted on ORCA.

(End of provision)
1. Section L.1 FAR 52.252-1: Solicitation Provisions Incorporated by Reference (In Accordance With FAR 52.107[a]), of the RFP is revised:

FROM:

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<td>Data Universal Numbering System (DUNS) Number</td>
<td>FAR 4.603(a)</td>
<td>Apr 2008</td>
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TO:

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J. All other Terms and Conditions shall remain unchanged and in full force and effect.

End of Amendment
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**Fringe Benefits Required Follow the Occupational Listing**

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05190 - Motor Vehicle Mechanic 19.19
05220 - Motor Vehicle Mechanic Helper 14.67
05250 - Motor Vehicle Upholstery Worker 16.69
05280 - Motor Vehicle Wrecker 17.59
05310 - Painter, Automotive 18.48
05340 - Radiator Repair Specialist 17.59
05370 - Tire Repairer 13.74
05400 - Transmission Repair Specialist 19.19

07000 - Food Preparation And Service Occupations
07010 - Baker 10.63
07041 - Cook I 10.51
07042 - Cook II 11.67
07070 - Dishwasher 8.26
07130 - Food Service Worker 9.57
07210 - Meat Cutter 13.35
07260 - Waiter/Waitress 7.46

09000 - Furniture Maintenance And Repair Occupations
09010 - Electrostatic Spray Painter 17.88
09040 - Furniture Handler 13.79
09080 - Furniture Refinisher 17.88
09090 - Furniture Refinisher Helper 14.20
09110 - Furniture Repairer, Minor 16.58
09130 - Upholsterer 17.88

11000 - General Services And Support Occupations
11030 - Cleaner, Vehicles 11.40
11060 - Elevator Operator 9.77
11090 - Gardener 13.60
11122 - Housekeeping Aide 9.77
11150 - Janitor 12.21
11210 - Laborer, Grounds Maintenance 12.22
11240 - Maid or Houseman 9.17
11260 - Pruner 11.43
11270 - Tractor Operator 12.55
11330 - Trail Maintenance Worker 12.22
11360 - Window Cleaner 12.80

12000 - Health Occupations
12010 - Ambulance Driver 13.64
12011 - Breath Alcohol Technician 16.23
12012 - Certified Occupational Therapist Assistant 23.79
12015 - Certified Physical Therapist Assistant 23.13
12020 - Dental Assistant 15.25
12025 - Dental Hygienist 27.93
12030 - EKG Technician 20.58
12035 - Electroneurodiagnostic Technologist 20.58
12040 - Emergency Medical Technician 13.64
12071 - Licensed Practical Nurse I 14.51
12072 - Licensed Practical Nurse II 16.23
12073 - Licensed Practical Nurse III 18.10
12100 - Medical Assistant 13.21
12130 - Medical Laboratory Technician 16.16
12160 - Medical Record Clerk 13.64
12190 - Medical Record Technician 15.12
12195 - Medical Transcriptionist 14.75
12210 - Nuclear Medicine Technologist 27.13
12221 - Nursing Assistant I 11.27
12222 - Nursing Assistant II 12.67
12223 - Nursing Assistant III 13.82
12224 - Nursing Assistant IV 15.52
12235 - Optical Dispenser 16.87
12236 - Optical Technician 13.77
12250 - Pharmacy Technician 12.19
12280 - Phlebotomist 15.52
12305 - Radiologic Technologist 21.86
12311 - Registered Nurse I 22.41
12312 - Registered Nurse II 27.10
12313 - Registered Nurse II, Specialist 27.10
12314 - Registered Nurse III 32.79
12315 - Registered Nurse III, Anesthetist 32.79
12316 - Registered Nurse IV 39.30
12317 - Scheduler (Drug and Alcohol Testing) 20.10

13000 - Information And Arts Occupations
13011 - Exhibits Specialist I 16.83
13012 - Exhibits Specialist II 20.84
13013 - Exhibits Specialist III 25.50
13041 - Illustrator I 17.49
13042 - Illustrator II 21.66
13043 - Illustrator III 26.50
13047 - Librarian 24.17
13050 - Library Aide/Clerk 11.91
13054 - Library Information Technology Systems Administrator 22.21
13058 - Library Technician 14.11
13061 - Media Specialist I 15.36
13062 - Media Specialist II 16.84
13063 - Media Specialist III 18.78
13071 - Photographer I 14.79
13072 - Photographer II 16.55
13073 - Photographer III 18.63
13074 - Photographer IV 22.79
13075 - Photographer V 27.59
13110 - Video Teleconference Technician 17.48

14000 - Information Technology Occupations
14041 - Computer Operator I 15.34
14042 - Computer Operator II 17.16
14043 - Computer Operator III 19.45
14044 - Computer Operator IV 21.28
14045 - Computer Operator V 23.57
14071 - Computer Programmer I (see 1) 20.98
14072 - Computer Programmer II (see 1) 25.99
14073 - Computer Programmer III (see 1)
14074 - Computer Programmer IV (see 1)
14101 - Computer Systems Analyst I (see 1)
14102 - Computer Systems Analyst II (see 1)
14103 - Computer Systems Analyst III (see 1)
14150 - Peripheral Equipment Operator 15.34
14160 - Personal Computer Support Technician 21.28

15000 - Instructional Occupations
15010 - Aircrew Training Devices Instructor (Non-Rated) 26.20
15020 - Aircrew Training Devices Instructor (Rated) 31.70
15030 - Air Crew Training Devices Instructor (Pilot) 38.00
15050 - Computer Based Training Specialist / Instructor 25.42
15060 - Educational Technologist 27.05
15070 - Flight Instructor (Pilot) 38.00
15080 - Graphic Artist 21.68
15090 - Technical Instructor 18.41
15095 - Technical Instructor/Course Developer 22.53
15110 - Test Proctor 15.71
15120 - Tutor 15.71

16000 - Laundry, Dry-Cleaning, Pressing And Related Occupations
16010 - Assembler 9.32
16030 - Counter Attendant 9.32
16040 - Dry Cleaner 11.96
16070 - Finisher, Flatwork, Machine 9.32
16090 - Presser, Hand 9.32
16110 - Presser, Machine, Drycleaning 9.32
16130 - Presser, Machine, Shirts 9.32
16160 - Presser, Machine, Wearing Apparel, Laundry 9.32
16190 - Sewing Machine Operator 12.70
16220 - Tailor 13.40
16250 - Washer, Machine 10.28

19000 - Machine Tool Operation And Repair Occupations
19010 - Machine-Tool Operator (Tool Room) 19.20
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<td>Materials Handling And Packing Occupations</td>
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<td>30620</td>
<td>Weather Observer, Combined Upper Air Or (see 3)</td>
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**Surface Programs**

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**31000 - Transportation/Mobile Equipment Operation Occupations**

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<td>Truckdriver, Light</td>
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<td>Truckdriver, Medium</td>
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**99000 - Miscellaneous Occupations**

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<td>99251</td>
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<td>Recycling Laborer</td>
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**ALL OCCUPATIONS LISTED ABOVE RECEIVE THE FOLLOWING BENEFITS:**

**HEALTH & WELFARE:** $3.35 per hour or $134.00 per week or $580.66 per month
VACATION: 2 weeks paid vacation after 1 year of service with a contractor or successor; 3 weeks after 10 years, and 4 after 15 years. Length of service includes the whole span of continuous service with the present contractor or successor, wherever employed, and with the predecessor contractors in the performance of similar work at the same Federal facility. (Reg. 29 CFR 4.173)

HOLIDAYS: A minimum of eleven paid holidays per year: New Year's Day, Martin Luther King Jr's Birthday, Washington's Birthday, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day. A contractor may substitute for any of the named holidays another day off with pay in accordance with a plan communicated to the employees involved. (See 29 CFR 4.174)

THE OCCUPATIONS WHICH HAVE NUMBERED FOOTNOTES IN PARENTHESES RECEIVE THE FOLLOWING:

1) Does not apply to employees employed in a bona fide executive, administrative, or professional capacity as defined and delineated in 29 CFR 541. (See CFR 4.156)

2) APPLICABLE TO AIR TRAFFIC CONTROLLERS ONLY - NIGHT DIFFERENTIAL: An employee is entitled to pay for all work performed between the hours of 6:00 P.M. and 6:00 A.M. at the rate of basic pay plus a night pay differential amounting to 10 percent of the rate of basic pay.

3) AIR TRAFFIC CONTROLLERS AND WEATHER OBSERVERS - NIGHT PAY & SUNDAY PAY: If you work at night as part of a regular tour of duty, you will earn a night differential and receive an additional 10% of basic pay for any hours worked between 6pm and 6am.
   If you are a full-time employed (40 hours a week) and Sunday is part of your regularly scheduled workweek, you are paid at your rate of basic pay plus a Sunday premium of 25% of your basic rate for each hour of Sunday work which is not overtime (i.e. occasional work on Sunday outside the normal tour of duty is considered overtime work).

HAZARDOUS PAY DIFFERENTIAL: An 8 percent differential is applicable to employees employed in a position that represents a high degree of hazard when working with or in close proximity to ordnance, explosives, and incendiary materials. This includes work such as screening, blending, dyeing, mixing, and pressing of sensitive ordnance, explosives, and pyrotechnic compositions such as lead azide, black powder and photoflash powder. All dry-house activities involving propellants or explosives.
   Demilitarization, modification, renovation, demolition, and maintenance operations on sensitive ordnance, explosives and incendiary materials. All operations involving regrading and cleaning of artillery ranges.
   A 4 percent differential is applicable to employees employed in a position that represents a low degree of hazard when working with, or in close proximity to ordnance, (or employees possibly adjacent to) explosives and incendiary materials which involves potential injury such as laceration of hands, face, or arms of the employee engaged in the operation, irritation of the skin, minor burns and the like; minimal damage to immediate or adjacent work area or equipment being used.
   All operations involving, unloading, storage, and hauling of ordnance, explosive, and incendiary ordnance material other than small arms ammunition. These differentials are only applicable to work that has been specifically designated by the agency for ordnance, explosives, and incendiary material differential pay.

** UNIFORM ALLOWANCE **

If employees are required to wear uniforms in the performance of this contract (either by the terms of the Government contract, by the employer, by the state or local law, etc.), the cost of furnishing such uniforms and maintaining (by laundering or dry cleaning) such uniforms is an expense that may not be borne by an employee where such cost reduces the hourly rate below that required by the wage determination. The Department of Labor will accept payment in accordance with the following standards as compliance:
The contractor or subcontractor is required to furnish all employees with an adequate number of uniforms without cost or to reimburse employees for the actual cost of the uniforms. In addition, where uniform cleaning and maintenance is made the responsibility of the employee, all contractors and subcontractors subject to this wage determination shall (in the absence of a bona fide collective bargaining agreement providing for a different amount, or the furnishing of contrary affirmative proof as to the actual cost), reimburse all employees for such cleaning and maintenance at a rate of $3.35 per week (or $.67 cents per day). However, in those instances where the uniforms furnished are made of "wash and wear" materials, may be routinely washed and dried with other personal garments, and do not require any special treatment such as dry cleaning, daily washing, or commercial laundering in order to meet the cleanliness or appearance standards set by the terms of the Government contract, by the contractor, by law, or by the nature of the work, there is no requirement that employees be reimbursed for uniform maintenance costs.


REQUEST FOR AUTHORIZATION OF ADDITIONAL CLASSIFICATION AND WAGE RATE (Standard Form 1444 (SF 1444))

Conformance Process:

The contracting officer shall require that any class of service employee which is not listed herein and which is to be employed under the contract (i.e., the work to be performed is not performed by any classification listed in the wage determination), be classified by the contractor so as to provide a reasonable relationship (i.e., appropriate level of skill comparison) between such unlisted classifications and the classifications listed in the wage determination. Such unlisted classes of employees shall be paid the monetary wages and furnished the fringe benefits as are determined. Such conforming process shall be initiated by the contractor prior to the performance of contract work by such unlisted class(es) of employees. The classified classification, wage rate, and/or fringe benefits shall be retroactive to the commencement date of the contract. (See Section 4.6 (C)(vi)) When multiple wage determinations are included in a contract, a separate SF 1444 should be prepared for each wage determination to which a class(es) is to be conformed.

The process for preparing a conformance request is as follows:

1) When preparing the bid, the contractor identifies the need for a conformed occupation(s) and computes a proposed rate(s).

2) After contract award, the contractor prepares a written report listing in order proposed classification title(s), a Federal grade equivalency (FGE) for each proposed classification(s), job description(s), and rationale for proposed wage rate(s), including information regarding the agreement or disagreement of the authorized representative of the employees involved, or where there is no authorized representative, the employees themselves. This report should be submitted to the contracting officer no later than 30 days after such unlisted class(es) of employees performs any contract work.

3) The contracting officer reviews the proposed action and promptly submits a report of the action, together with the agency's recommendations and pertinent information including the position of the contractor and the employees, to the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, for review. (See section 4.6(b)(2) of Regulations 29 CFR Part 4).

4) Within 30 days of receipt, the Wage and Hour Division approves, modifies, or disapproves the action via transmittal to the agency contracting officer, or notifies the contracting officer that additional time will be required to process the request.
5) The contracting officer transmits the Wage and Hour decision to the contractor.

6) The contractor informs the affected employees.

Information required by the Regulations must be submitted on SF 1444 or bond paper.

When preparing a conformance request, the "Service Contract Act Directory of Occupations" (the Directory) should be used to compare job definitions to insure that duties requested are not performed by a classification already listed in the wage determination. Remember, it is not the job title, but the required tasks that determine whether a class is included in an established wage determination. Conformances may not be used to artificially split, combine, or subdivide classifications listed in the wage determination.
## Amendment of Solicitation/Modification of Contract

### 1. Contract ID Code: SP0640-08-R-0603

### 2. Amendment/Modification No: 1

### 3. Effective Date: 15 December 2008

### 4. Requisition/Purchase Req. No: SP0640-08-1253

### 5. Project No: [Application]

### 6. INSIDER CODE

- DEFENSE ENERGY SUPPORT CENTER
- 625 JOHN J. KING FORD ROAD, Suite 300
- FT. BELVOIR, VA 22060-5733
- BUYER SYMBOL: DASA
- PHONE: 703.567.8190
- E-MAIL: david.h.gottschalk@defens.gov

### 7. Name and Address of Contractor:

- [Address and Contact Information]

### 8. AMENDMENT OF SOLICITATION NO

- SP0640-08-R-0603
- DATED (SEE ITEM 11)
- 1 July 2008

### 9. MODIFICATION OF CONTRACT ORDER NO:

- [Contract Order Details]

---

### 10. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

**RX:** The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of offers [RX] is extended. [RX] is not extended. Offerors must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 13 and returning 1 copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter provided such telegram or letter is received prior to the opening hour and date specified.

### 11. ACCOUNTING AND APPROPRIATION DATA

[Accounting and Appropriation Data]

---

### 12. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS

- IT MODIFIES THE CONTRACT ORDER NO. AS DESCRIBED IN ITEM 14.

### 13. DESCRIPTION OF AMENDMENT/MODIFICATION

Utility Privatization of the Potable Water Utility System Infrastructure at Fort Knox, KY

See Additional Pages for Further Details.

---

**14. NAME AND TITLE OF SIGNATURE:**

[Signature]

**15. DATE SIGNED:**

[Date]

**16. NAME OF CONTRACTING OFFICER:**

ANGELA L. MATION

**17. UNITED STATES OF AMERICA:**

[Signature]

**18. DATE SIGNED:**

[Date]

**STANDARD FORM:** FDC-17-15-01
## SMALL BUSINESS SUBCONTRACTING PLAN

**Offeror name and address:**

Hardin County Water District No. 1  
1400 Rogersville Rd.  
Radcliff, KY 40160

**Date:** 10/1/08; revised 07/27/10

**Type of plan (check one):** If Individual, supply solicitation number; if Commercial, supply effective period.

- [x] Individual  
  - Solicitation number: SP0600-08-R-0803
- [ ] Commercial

**Effective begin date** | **Effective end date**
---|---

The following, along with any attachments, is hereby submitted as a Subcontracting Plan to satisfy the applicable requirements of Public Law 95-507, Public Law 99-661, and paragraph (d) of FAR Clause 52.219-9, Small Business Subcontracting Plan.

### TERMS AND DEFINITIONS

The following terms and acronyms are used throughout this form:

- **Commercial Plan** – a subcontracting plan (including goals) that covers the offeror’s fiscal year and that applies to the entire production of commercial items sold by either the company or a portion thereof (e.g., division, plant, or production line).
- **Individual Plan** – a subcontracting plan that covers the entire contract period.
- **SB** – Small Business concern
- **VOSB** – Veteran Owned Small Business concern
- **SD-VOSB** – Service-Disabled Veteran Owned Small Business concern
- **HUBZone** – Historically Underutilized Business Zone
- **SDB** – Small Disadvantaged Business concern
- **WOSB** – Women-Owned Small Business concern
- **Direct and Indirect Cost** – Overhead activities may be used to supplement direct charge activities. Contractors are encouraged to use indirect costs to meet goals when direct costs subcontracting opportunities are restrictive toward meeting established goals.

### PART 1 – SUBCONTRACTING GOALS

<table>
<thead>
<tr>
<th>A. Total dollars planned to be subcontracted: $90,000,000</th>
<th>Dollars</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>LB</td>
<td>$67,500,000</td>
<td>75 %</td>
</tr>
<tr>
<td>SB</td>
<td>$22,500,000</td>
<td>25 %</td>
</tr>
<tr>
<td>VOSB</td>
<td>$6,300,000</td>
<td>7 %</td>
</tr>
<tr>
<td>SD-VOSB</td>
<td>$2,700,000</td>
<td>3 %</td>
</tr>
<tr>
<td>HUBZone</td>
<td>$4,500,000</td>
<td>5 %</td>
</tr>
<tr>
<td>SDB</td>
<td>$4,500,000</td>
<td>5 %</td>
</tr>
<tr>
<td>WOSB</td>
<td>$4,500,000</td>
<td>5 %</td>
</tr>
</tbody>
</table>

**B(1).** Dollars and percentages planned to be subcontracted to large business concerns.

**B(2).** Dollars and percentages planned to be subcontracted to SB concerns. Percentages should be expressed as a percentage of the total dollars planned to be subcontracted. The offeror shall include all subcontracts that contribute to contract performance.

**C. Description of principal types of supplies and services to be subcontracted to each of the SB concerns:**

- **SB**  
  General contracting, engineering, geotechnical, GIS/surveying, maintenance
- **VOSB**  
  General contracting, engineering, geotechnical, GIS/surveying, electrical, plumbing, office supplies
- **SD-VOSB**  
  General contracting, GIS/surveying
- **HUBZone**  
  General contracting, engineering, electrical, plumbing, janitorial
- **SDB**  
  General contracting, engineering, GIS/surveying, electrical, plumbing
- **WOSB**  
  General contracting, engineering, office supplies, general supplies/equipment, laboratory, trucking,
D. Describe method used to develop these goals (e.g. based on procurement history, available resources, etc.):

HCWD1 currently has a Small Business Subcontracting Plan for the privatization of Ft. Knox Wastewater and Stormwater Systems. This plan was submitted in July 2005 and meets the requirements and regulations of the Ft. Knox Army Contracting Agency and FAR Subpart 19.7. This plan was updated on Sept. 30, 2008 to include:

Evaluation of resources needed and appropriate areas for SB subcontracting
Utilize database of existing vendors
Attend/host networking events
Prepare targeted mailings to SBs
Use SBA’s CCR database of SBs in local area
These methods were part of the SB subcontracting pool for this proposal.

E. Were indirect costs included in establishing these goals? [☐] Yes [☒] No

<table>
<thead>
<tr>
<th>If yes, describe the method used to determine proportionate share of indirect costs to be incurred with each of the SB concerns:</th>
<th>SB</th>
<th>VOSB</th>
<th>SD-VOSB</th>
<th>HUBZone</th>
<th>SDB</th>
<th>WOSB</th>
</tr>
</thead>
</table>

PART 2 – SUBCONTRACTING PROCEDURES

A. Individual who will administer the offeror’s subcontracting program

(Reference FAR Part 52.219-9, Small Business Subcontracting Plan, (Para 9-11) for specific duties as they relate to the firm’s subcontracting program and include additional duties the company has designated).

Name: Patty Vanvooren
Title: HDR/Quest Administrative Manager
E-Mail: patty.vanvooren@hdrinc.com Phone: 859-223-3755

Description of Duties:

Prepare and ensure compliance with small business subcontracting plans for Fort Knox utility privatization contracts.

B. Indicate methods used to identify potential sources for solicitation purposes:

☒ Existing company source lists
☒ Central Contractor Registration (CCR) Dynamic Small Business Search
☒ National Minority Purchasing Council Vendor Information Service
☒ Trade Associations
☒ Federal government development centers such as DoD’s Procurement Technical Assistance Center (PTAC), SBA’s Small Business Development Center (SBDC) and Department of Commerce’s Minority Business Development Center (MBDC)
☐ Other: ____________________________

DESC 19.3 - August 2005 (supersedes DESC 19.3 dtd June 2005)
C. Describe methods used to assure that SB, VOSB, SD-VOSB, HUBZone, SDB and WOSB concerns are provided an equitable opportunity to compete for subcontracts.

- Attain SB goals in all categories
- Recruit SB contractors
- Account for SB utilization with SF294/295 reporting
- Create opportunities for outreach to SBs and organizations and associations that support SBs
- Structure bid packages to permit SB participation
- Include SBs on all solicitations for services they are capable of providing
- Utilize existing vendor/subcontracting database
- Monitor records to support award data and solicitations
- Provide technical assistance to SBs

PART 3 – SUBCONTRACTING PLAN MANAGEMENT

The offeror certifies, by signature on this plan, that the following procedures regarding management of this subcontracting plan will be enacted and maintained. The contractor agrees to provide the following:

1. Assistance to SB, VOSB, SD-VOSB, HUBZone, SDB and WOSB concerns by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate participation by such concerns.
2. Adequate and timely consideration of the potentialities of SB, VOSB, SD-VOSB, HUBZone, SDB and WOSB concerns in all “make or buy” decisions.
3. Counseling and discussion of subcontracting opportunities with representatives of SB, VOSB, SD-VOSB, HUBZone, SDB and WOSB concerns.
4. Emphasis on and notice to subcontractors of the penalties and remedies for misrepresentations of business status for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in the Contractor’s Subcontracting Plan.
5. Assurance that the clause entitled “Utilization of Small Business Concerns” (latest revision), contained in the referenced solicitation, will be included in all subcontracts that offer subcontracting opportunities and that all large business subcontractors receiving a subcontract in excess of $500,000 to adopt a subcontracting plan that complies with the requirements of this clause.
6. Preparation and submission of periodic subcontracting reports required ($1,000,000 for construction of any public facility) to adopt a plan that complies with the requirements of the clause at FAR 52.219-9.
7. Assurances that the offeror will—
   a. Cooperate in any studies or surveys as may be required.
   b. Submit periodic reports so that the Government can determine the extent of compliance by the offeror with the subcontracting plan.
   c. Submit the Standard Form (SF) 294, Subcontracting Report for Individual Contracts and (SF) 295, Summary Subcontract Report, in accordance with the paragraph (j) of FAR Clause 52.219-9.
   d. Ensure that its subcontractors agree to submit the SF 294 and SF 295.
8. Establishment and maintenance of records of solicitations and subcontract activity that include the procedures that have been adopted to comply with the requirements and goals in the plan; and a description of the efforts to locate SB, VOSB, SD-VOSB, HUBZone, SDB and WOSB concerns for subcontract awards; and at least the following records/information on a plant-wide or company-wide basis.
   a. Source lists (e.g., PRO-Net), guides, and other data that identify SB, VOSB, SD-VOSB, HUBZone, SDB and WOSB concerns.
   b. Organizations contacted in an attempt to locate sources that are SB, VOSB, SD-VOSB, HUBZone, SDB and WOSB concerns.
   c. Records on each subcontract solicitation resulting in an award of more than $100,000, indicating—
      1. Whether SB concerns were solicited, and if not, why not;
      2. Whether VOSB concerns were solicited, and if not, why not;
      3. Whether SD-VOSB concerns were solicited, and if not why not;
      4. Whether HUBZone concerns were solicited, and if not, why not;
      5. Whether SDB concerns were solicited, and if not, why not;
      6. Whether WOSB concerns were solicited, and if not, why not, and
      7. If applicable, the reason award was not made to a SB concern.
SMALL BUSINESS SUBCONTRACTING PLAN

(d) Records of outreach efforts to contact—
   (1) Trade associations;
   (2) Business development organizations; and (3) Conferences and trade fairs to locate SB, VOSB, SD-VOSB, HUBZone, SDB and WOSB sources.

(e) Records of internal guidance and encouragement provided to buyers through—
   (1) Workshops, seminars, training, etc., and (2) Monitoring performance to evaluate compliance with the program's requirements.

(f) On a contract-by-contract basis, supporting information for award data submitted by the contractor to the Government, including the name, address, and business size of each subcontractor.

PART 4 – AGREEMENT AND APPROVAL SIGNATURES

A. Offeror's agreement

<table>
<thead>
<tr>
<th>Offeror's signature</th>
<th>Typed name and title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Bruce, General Manager</td>
<td>8/13/10</td>
<td></td>
</tr>
</tbody>
</table>

B. Reviewed By:

<table>
<thead>
<tr>
<th>Contract Specialist's signature</th>
<th>Typed name and title</th>
<th>Date</th>
</tr>
</thead>
</table>

C. Contracting Officer's determination of acceptance

<table>
<thead>
<tr>
<th>Contracting Officer's signature</th>
<th>Typed name and title</th>
<th>Date</th>
</tr>
</thead>
</table>

D. Division Chief's approval

<table>
<thead>
<tr>
<th>Is SDB goal less than 5%?</th>
<th>Yes □ No □</th>
</tr>
</thead>
</table>

If yes, a Division Chief's signature, one level above Contracting Officer is required:

<table>
<thead>
<tr>
<th>Deputy's/Director's signature</th>
<th>Typed name and title</th>
<th>Date</th>
</tr>
</thead>
</table>

E. Small Business Office □ Concur  □ Non-concur

<table>
<thead>
<tr>
<th>Small Business Specialist's signature</th>
<th>Typed name and title</th>
<th>Date</th>
</tr>
</thead>
</table>

Small Business Specialist's Rationale:

F. Contracting Officer's approval

<table>
<thead>
<tr>
<th>Contracting Officer's signature</th>
<th>Typed name and title</th>
<th>Date</th>
</tr>
</thead>
</table>
September 28, 2010

Mr. Jim Bruce
General Manager
Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, Kentucky 40160

Dear Mr. Bruce,

Reference Request for Proposal SP0600-08-R-0803 for privatization of the potable water utility system at Fort Knox, KY. Negotiations are hereby reopened to allow the Government to further discuss certain items in HCWD1’s final proposal revision. Given the length and importance of the potential contract, the Government must ensure that HCWD1’s proposal is properly understood and evaluated. Items to be discussed will pertain to both the price and technical proposals. HCWD1 may take this opportunity to revise its proposal.

DLA Energy will issue a negotiation message in the coming weeks. Along with the issuance of that message, DLA Energy will also provide a schedule to assist with planning. The negotiation message(s) and HCWD1’s response(s) will occur primarily through written exchanges. DLA Energy intends to conduct at least one session of face-to-face discussions.

Further, please be advised that Fort Knox will accommodate additional site visits from the date of this letter until two weeks prior to the due date for final proposal revisions, if requested. To schedule a site visit, please contact Ms. Taina Rivera at (703) 767-8130 or taina.rivera@dla.mil.

Please feel free to contact me at (703) 767-1595 or brian.koessel@dla.mil if you have any questions or concerns.

Sincerely,

[Signature]

Brian J. Koessel
Branch Chief Contracting Officer
UP Contracting Division IV
Energy Enterprise BU
General

1. The attached message is provided for Hardin County Water District No. 1 (HCWD1) to review and to provide responses to the issues identified by the Government. The Government intends to conduct telephonic and face-to-face discussions with HCWD1 as frequently as necessary in order to resolve any outstanding issues with HCWD1’s proposal.

2. Note that statements indicating that information provided by the Offeror has been “accepted,” is “satisfactory,” “acceptable,” etc., or that no further information is requested simply mean that such information answers the Government’s questions, and in no way reflect how that information will be evaluated by the Source Selection Evaluation Team(s) and/or Source Selection Authority.

3. In accordance with Section M.3, Comparison of Offered Prices with the Government Should-Cost Estimate, and 10 U.S.C. § 2688, authority to privatize a utility system is subject to the action being in the long-term economic interest of the Government.

4. HCWD1 is requested to carefully review the most recent update to 10 U.S.C. § 2688, which includes a new requirement that conveyance of the utility system will reduce the long term cost of utility services by 10 % versus the long term cost of utility services performed by the Government. Additionally, in order to reduce potentially substantial upfront costs by the Army for utilities privatization contracts, it is preferred that Offerors consider amortization of the recovery of initial system deficiency corrections (ISDCs) in lieu of receiving lump sum payments.

5. To determine whether those criteria in items 3 and 4 above are met, the Government will use the CLIN data in Schedule B-1, Schedule B-2, Schedule B-3, or Schedule B-4 to develop a projected 50-year cash flow. The present value of the projected cash flow will be calculated and compared to the Government’s present value estimate for a 50-year cash flow for Government ownership and operations and maintenance. Present values will be calculated at the discount rate specified in Appendix C of the Office of Management and Budget (OMB) Circular A-94 that is

Source Selection Information
See FAR 2.101 and 3.104
current at the time proposals are due. The appropriate discount rate may be found at the following hyperlink: http://www.whitehouse.gov/omb/circulars/a094/a94_appx-c.html.

6. HCWD1 is advised that proposals and negotiation messages will not be incorporated by reference into any resultant Contract. Rather, the terms and conditions contained in Sections B through K of the RFP will form the terms and conditions of the Contract, with appropriate modifications to reflect: a) exceptions properly made in accordance with Section L.6.2. of the RFP and accepted by the Contracting Officer (CO); b) agreements reached as a result of negotiations; c) the actual system(s) awarded; and d) changes in terminology indicating the transition from Offeror/RFP to Contractor/Contract. Only discrete schedules and plans from the successful proposal(s) will be made a part of the contract as attachments (e.g. Contingency Operations Plan, Section B Pricing Schedule, etc.)

7. General questions regarding the RFP, the system being conveyed, or similar issues not specific to the content of the Offeror's proposal must be submitted to the CO in writing so that the Government can publish the answers to all Offerors. While the Government will conduct discussions during any face-to-face or telephonic negotiation sessions, the Government will not discuss these types of general questions. This ensures that sufficient time is allotted for the negotiation sessions and that information is distributed to all Offerors in a consistent manner.

8. Assumptions will be considered by the Government solely for evaluation purposes. Unless identified as an exception in accordance with Section L.6.2 and accepted as such by the CO, assumptions will not be deemed to be a part of any resulting contract and will not form the basis for any pricing adjustments.

9. The Government has reviewed HCWD1’s alternate proposal and has decided not to accept it at this time. Thus, the attached message only discusses HCWD1’s base proposal.

10. Responses to this negotiation message are due by COB January 31, 2011. HCWD1 must return this document after inserting responses to each issue. The responses incorporated into this document must be sent via email to the following addresses: brian.koessel@dla.mil and taina.rivera@dla.mil.

11. Fort Knox is willing to accommodate site visits from the date of this message until two weeks prior to the due date for final proposal revisions. To schedule a site visit, please contact Taina Rivera at taina.rivera@dla.mil or 703-767-8130.

12. The Government requests that CD versions (4 with track changes, 4 with changes accepted) of the Final Proposal Revision (FPR) be submitted by COB January 31, 2011. One hard copy of the FPR shall follow by COB February 3, 2011.

Lastly, please be advised that you may call me at 703-767-1595 for any further questions and/or concerns.

Brian Koessel, Contracting Officer, sends...
Hardin County Water District No. 1 – Potable Water Proposal (Base)

Volume I – Technical Proposal

1.2.1 O&M Plan
See Page I-28 (Reference: RFP Sections J1.3.7 and J1.3.8)

New Issue 1: The Government requests that HCWD1 demonstrate how it intends to satisfy the planning and programming and request for action requirements. HCWD1’s proposal states that it will meet the Government’s requirements, but it is unclear which human capital resources HCWD1 intends to utilize. The level of effort proposed for the General Manager and Operations Manager (0.25 FTEs each), does not appear to be enough to meet this requirement.

1.3.1 Initial System Deficiency Correction Plan

New Issue 2: The Government requests that HCWD1 demonstrate how it plans to provide dedicated manpower to ensure adequate project management and oversight of the ISDC projects during the first 5-years of privatization. The level of effort proposed for the General Manager and Operations Manager (0.25 FTEs each), does not appear to be enough to meet this requirement. HCWD1 does state that CH2M HILL will provide management of the capital improvement program, but what that means in terms of day-to-day support is unclear.

New Issue 3: The Government requests that HCWD1 revise its proposal to include a more detailed description of the scope of work for each ISDC project proposed, with particular attention to the projects identified in Issues 4-6, infra.

New Issue 4: The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it intends to accomplish for the complete renovation of Elevated Storage Tanks #5, #6, #7, and #8. Additionally, the Government requests that HCWD1 describe the approach it intends to take and the scope of work it intends to accomplish when rehabilitating all eight of the elevated storage tanks.

New Issue 5: The Government requests that HCWD1 revise its proposal to provide a detailed description of the scope of work it plans to accomplish for ISDC project #19, SCADA System.

New Issue 6: The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it plans to accomplish for the renewal and replacement of fire hydrants (ISDC project #11), distribution pipes, and main valves (ISDC project #s 20-23).

1.3.2 Offeror Recommended Additional Upgrades
See Page I-63 (Reference: RFP Sections C.11.2.5, J1.2.1.1, p. J1-10, and J1.2.1.4, Table 5)

New Issue 7: It is anticipated that the Muldraugh High Lift Pump Station (HLPS) will continue to be utilized after the Muldraugh WTP is decommissioned. The Government therefore requests

Source Selection Information
See FAR 2.101 and 3.104
that HCWD1 revise its proposal to include appropriate changes to the renewal and replacement plan.

I.3.4 Description of the Contractor’s Conceptual Methodology for Scheduling R&R for Contract Duration
See Page I-65 (Reference: RFP Sections C.11.2, L.4.3.4, J1.2.1.1, Table 1 and J1.2.1.4, Table 5)

New Issue 8: The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it plans to accomplish for the renewal and replacement of the Raw Water Wells (and associated components) identified in Tables 1 and 5.

New Issue 9: Fort Knox recently replaced the 750 kW emergency generator at the Central WTP’s HLPS with a 280 kW dual-fueled (natural gas and fuel oil) emergency generator. HCWD1 is requested to revise its proposal to include appropriate changes to the renewal and replacement plan.

New Issue 10: The Government requests that HCWD1 revise its proposal to include a detailed 50-year renewal and replacement plan with the technical proposal (without costs).

I.4.1.3 Implementing New Meter Requirements
See Page I-71 (Reference: RFP Sections C.3.3, L.4.4.3, and J1.5)

New Issue 11: The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it plans to accomplish for the renewal and replacement of meters.

Source Selection Information
See FAR 2.101 and 3.104
Volume IV – Price Proposal

General Comments / Questions

Regulated Tariff – Regulatory Process for Future Price Changes
(See Pages IV-1, IV-44, IV-45)

New Issue 12: HCWD1’s proposal states that it “proposes to provide water utility service to Fort Knox under a tariff regulated by the Kentucky Public Service Commission (PSC).” The Government requests that HCWD1 provide an estimate of the frequency of the anticipated rate changes and the timelines associated with the rate change process.

Monthly Credit for Purchase Price Credit
(See Page IV-4, IV-5)

New Issue 13: HCWD1’s proposal states that it “…proposes to pay $8,162,000 for the Ft. Knox potable water system…” through a monthly credit of “…$82,249 per month for 120 months.” However, there is no reference to the proposed credit for the purchase price included in the tariff sheet. Additionally, it does not appear as though the credit was used to offset the monthly service charge identified in CLIN 0001. The Government requests that HCWD1 revise its proposal to include the calculation of the purchase price credit on the tariff sheet over the initial 120 months of the service.

O&M / G&A Expenses

Staffing

New Issue 14: As previously noted, it does not appear that HCWD1 adequately addressed the planning and programming or request for action requirements. The Government requests that HCWD1 review RFP Sections J1.3.7 Planning and Programming and J1.3.8 Request for Action (RFA) Process and revise its price proposal, as necessary, to address these requirements.

Vehicles & Equipment

New Issue 15: The Government requests that HCWD1 review and verify its vehicle and equipment expense estimate.

G&A Overhead Rate
(See Pages IV-4, IV-6, IV-8)

New Issue 16: HCWD1 proposed to apply a G&A overhead rate of 3.8 percent to the R&R project costs and O&M related costs. The Government requests that HCWD1 provide the basis for the 3.8 percent rate.

Source Selection Information
See FAR 2.101 and 3.104
Renewals & Replacements

Replacement Cost New

New Issue 17: The Government requests that HCWD1 review and verify the cost estimates for its proposed RCNs. Please pay particular attention to the components identified in the table below.

<table>
<thead>
<tr>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate Water Intake / Mechanical Screens</td>
</tr>
<tr>
<td>Raw water wells – structures</td>
</tr>
<tr>
<td>Raw water wells – pumps / control systems</td>
</tr>
<tr>
<td>WTP – Structures</td>
</tr>
<tr>
<td>Hydrants</td>
</tr>
<tr>
<td>Water storage tanks</td>
</tr>
<tr>
<td>Water storage tank maintenance</td>
</tr>
</tbody>
</table>

Assumed Useful Lifes

New Issue 18: The following table provides a comparison of the projected design lifes reflected in the Government’s estimate and HCWD1’s proposal. The yellow highlights indicate the design life assumptions which differ. HCWD1 is requested to provide justification for each projected design life at variance with a corresponding Government projected design life.

<table>
<thead>
<tr>
<th>Component</th>
<th>Government’s Design Life</th>
<th>HCWD1’s Design Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate Water Intake / Mechanical Screens</td>
<td>75 Years</td>
<td>50 Years</td>
</tr>
<tr>
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(See Page IV-41)

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TO: Hardin County Water District No. 1 (HCWD1)
Mr. Jim Bruce, General Manager
1400 Rogersville Road
Radcliff, KY 40160
Telephone: (270) 351-3222
Email: jbruce@hcwd.com

REQUEST DATE: Jan 11, 2011
RESPONSE DATE: Jan 31, 2011
RFP: SP0600-08-R-0803 – Fort Knox, Kentucky
SUBJECT: Negotiation Message #3 – 01/11/2011

General

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Brian Koessel, Contracting Officer, sends...

Source Selection Information
See FAR 2.101 and 3.104
Hardin County Water District No. 1 – Potable Water Proposal (Base)

Volume I – Technical Proposal

1.2.1 O&M Plan
See Page I-28 (Reference: RFP Sections J1.3.7 and J1.3.8)

New Issue 1: The Government requests that HCWD1 demonstrate how it intends to satisfy the planning and programming and request for action requirements. HCWD1’s proposal states that it will meet the Government’s requirements, but it is unclear which human capital resources HCWD1 intends to utilize. The level of effort proposed for the General Manager and Operations Manager (0.25 FTEs each), does not appear to be enough to meet this requirement.

1.3.1 Initial System Deficiency Correction Plan

New Issue 2: The Government requests that HCWD1 demonstrate how it plans to provide dedicated manpower to ensure adequate project management and oversight of the ISDC projects during the first 5-years of privatization. The level of effort proposed for the General Manager and Operations Manager (0.25 FTEs each), does not appear to be enough to meet this requirement. HCWD1 does state that CH2M HILL will provide management of the capital improvement program, but what that means in terms of day-to-day support is unclear.

New Issue 3: The Government requests that HCWD1 revise its proposal to include a more detailed description of the scope of work for each ISDC project proposed, with particular attention to the projects identified in Issues 4-6, infra.

New Issue 4: The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it intends to accomplish for the complete renovation of Elevated Storage Tanks #5, #6, #7, and #8. Additionally, the Government requests that HCWD1 describe the approach it intends to take and the scope of work it intends to accomplish when rehabilitating all eight of the elevated storage tanks.

New Issue 5: The Government requests that HCWD1 revise its proposal to provide a detailed description of the scope of work it plans to accomplish for ISDC project #19, SCADA System.

New Issue 6: The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it plans to accomplish for the renewal and replacement of fire hydrants (ISDC project #11), distribution pipes, and main valves (ISDC project #s 20-23).

1.3.2 Offeror Recommended Additional Upgrades
See Page I-63 (Reference: RFP Sections C.11.2.5, J1.2.1.1, p. J1-10, and J1.2.1.4, Table 5)
New Issue 7: It is anticipated that the Muldraugh High Lift Pump Station (HLPS) will continue to be utilized after the Muldraugh WTP is decommissioned. The Government therefore requests that HCWD1 revise its proposal to include appropriate changes to the renewal and replacement plan.

1.3.4 Description of the Contractor’s Conceptual Methodology for Scheduling R&R for Contract Duration
See Page I-65 (Reference: RFP Sections C.11.2, L.4.3.4, J1.2.1.1, Table 1 and J1.2.1.4, Table 5)

New Issue 8: The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it plans to accomplish for the renewal and replacement of the Raw Water Wells (and associated components) identified in Tables 1 and 5.

New Issue 9: Fort Knox recently replaced the 750 kW emergency generator at the Central WTP’s HLPS with a 280 kW dual-fueled (natural gas and fuel oil) emergency generator. HCWD1 is requested to revise its proposal to include appropriate changes to the renewal and replacement plan.

New Issue 10: The Government requests that HCWD1 revise its proposal to include a detailed 50-year renewal and replacement plan with the technical proposal (without costs).

1.4.1.3 Implementing New Meter Requirements
See Page I-71 (Reference: RFP Sections C.3.3, L.4.4.3, and J1.5)

New Issue 11: The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it plans to accomplish for the renewal and replacement of meters.
Volume IV – Price Proposal

General Comments / Questions

Regulated Tariff – Regulatory Process for Future Price Changes
(See Pages IV-1, IV-44, IV-45)

New Issue 12: HCWD1’s proposal states that it “proposes to provide water utility service to Fort Knox under a tariff regulated by the Kentucky Public Service Commission (PSC).” The Government requests that HCWD1 provide an estimate of the frequency of the anticipated rate changes and the timelines associated with the rate change process.

Monthly Credit for Purchase Price Credit
(See Page IV-4, IV-5)

New Issue 13: HCWD1’s proposal states that it “… proposes to pay $8,162,000 for the Ft. Knox potable water system…” through a monthly credit of “… $82,249 per month for 120 months.” However, there is no reference to the proposed credit for the purchase price included in the tariff sheet. Additionally, it does not appear as though the credit was used to offset the monthly service charge identified in CLIN 0001. The Government requests that HCWD1 revise its proposal to include the calculation of the purchase price credit on the tariff sheet over the initial 120 months of the service.

O&M / G&A Expenses

Staffing

New Issue 14: As previously noted, it does not appear that HCWD1 adequately addressed the planning and programming or request for action requirements. The Government requests that HCWD1 review RFP Sections J1.3.7 Planning and Programming and J1.3.8 Request for Action (RFA) Process and revise its price proposal, as necessary, to address these requirements.

Vehicles & Equipment

New Issue 15: The Government requests that HCWD1 review and verify its vehicle and equipment expense estimate.

G&A Overhead Rate
(See Pages IV-4, IV-6, IV-8)

Source Selection Information
See FAR 2.101 and 3.104
New Issue 16: HCWD1 proposed to apply a G&A overhead rate of 3.8 percent to the R&R project costs and O&M related costs. The Government requests that HCWD1 provide the basis for the 3.8 percent rate.

Renewals & Replacements

Replacement Cost New

New Issue 17: The Government requests that HCWD1 review and verify the cost estimates for its proposed RCNs. Please pay particular attention to the components identified in the table below.

<table>
<thead>
<tr>
<th>Component</th>
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<tr>
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</tr>
</tbody>
</table>

Assumed Useful Lifes

New Issue 18: The following table provides a comparison of the projected design lifes reflected in the Government’s estimate and HCWD1’s proposal. The yellow highlights indicate the design life assumptions which differ. HCWD1 is requested to provide justification for each projected design life at variance with a corresponding Government projected design life.

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January 31, 2011

Mr. Brian Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy
8725 John J. Kingman Road, Suite 3937
Fort Belvoir, VA 22060-6222

SUBJECT: Final Proposal Revision 2 - Solicitation No: SP0600-08-R-0803
Privatization of the Potable Water Utility System at Ft. Knox Army Installation, Kentucky

Dear Mr. Koessel,

The Hardin County Water District No. 1 (HCWD1) is pleased to submit our revised Final Proposal Revision, subsequent to our latest round of negotiations with your team, and reviewing the twenty-three new issues and concerns you have presented to us. We have responded to each of these, and have revised our proposal and pricing accordingly.

As a regulated utility by the Kentucky Public Service Commission, HCWD1 serves 10,500 residential and commercial customers and acts as a regional water supplier to two other water systems. The transfer of the utilities at Fort Knox is an unprecedented opportunity for Hardin County and one that would follow the trend of Fort Knox and the local government working together toward well planned and managed water and sewer utilities.

Under our proposal, HCWD1 will be the owner and manager of the potable water system serving Fort Knox. Although many of HCWD1’s staff have water experience, we have formed a team of professionals to handle the ownership transition, immediate system improvements, and operation of the water distribution system. Joining with HCWD1 in this project will be Louisville Water Company (LWC) and CH2M HILL, Inc. HCWD1 believes that our management expertise and local knowledge, combined with national experts, can provide the best option for Fort Knox to privatize its potable water system.

This Proposal remains a valid offer for 190 days from the date of submittal, and we are prepared to work with you to extend this period should it be required. We look forward to your review of our Proposal, and I invite you to contact me should you have any questions or need any additional information.

Sincerely,

Jim Bruce, General Manager

Encl.

Phone 1-270-351-3222
Fax: 1-270-352-3055

www.HCWD.com
TO: Hardin County Water District No. 1 (HCWD1)  
Mr. Jim Bruce, General Manager  
1400 Rogersville Road  
Radcliff, KY 40160  
Telephone: (270) 351-3222  
Email: jbruce@hcwd.com

REQUEST DATE: Jan 11, 2011
RESPONSE DATE: Jan 31, 2011
RFP: SP0600-08-R-0803 – Fort Knox, Kentucky
SUBJECT: Negotiation Message #3 – 01/11/2011

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Hardin County Water District No. 1 – Potable Water Proposal (Base)

Volume I – Technical Proposal

1.2.1 O&M Plan

See Page I-28 (Reference: RFP Sections J1.3.7 and J1.3.8)

New Issue 1: The Government requests that HCWD1 demonstrate how it intends to satisfy the planning and programming and request for action requirements. HCWD1’s proposal states that it will meet the Government’s requirements, but it is unclear which human capital resources HCWD1 intends to utilize. The level of effort proposed for the General Manager and Operations Manager (0.25 FTEs each), does not appear to be enough to meet this requirement.

HCWD1 Response: HCWD1 has added a new position to its organization chart shown on Exhibits J.1.3 and J.1.4 - See attachment for revised organizational chart. Preston Pendley will be designated as Project Manager with a budgetary staffing level of 0.4 FTE. Preston will be the primary contact for planning and programming and requests for action. Kim Harris will remain as the Government’s primary contact for contract issues. Beth Price will remain as operations manager, overseeing the distribution operation supervisor.

1.3.1 Initial System Deficiency Correction Plan


New Issue 2: The Government requests that HCWD1 demonstrate how it plans to provide dedicated manpower to ensure adequate project management and oversight of the ISDC projects during the first 5-years of privatization. The level of effort proposed for the General Manager and Operations Manager (0.25 FTEs each), does not appear to be enough to meet this requirement. HCWD1 does state that CH2M HILL will provide management of the capital improvement program, but what that means in terms of day-to-day support is unclear.

HCWD1 Response: Preston Pendley (0.4 FTE) will also be the primary contact for oversight of the ISDC projects and Capital Improvement Program. CH2M HILL will provide engineering support to HCWD1 in developing the capital improvement program and preparing engineering plans and specifications. Depending on the size and complexity of the project, day-to-day inspection will be performed by HCWD1, CH2M HILL, or qualified inspectors through subconsultant agreements.

New Issue 3: The Government requests that HCWD1 revise its proposal to include a more detailed description of the scope of work for each project proposed, with particular attention to the projects identified in Issues 4-6. infra.

HCWD1 Response: HCWD1 will revise its proposal showing the scope of work for projects identified in Issues 4-6. infra. HCWD1 believes that the current scope of work on pages I-59 & 60 provide sufficient detail for the remaining ISDC projects. HCWD1 has included the
cost estimate for ISDC #1 and will clarify that this project includes replacements of six 24" gate valves.

**New Issue 4:** The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it intends to accomplish for the complete renovation of Elevated Storage Tanks #5, #6, #7, and #8. Additionally, the Government requests that HCWD1 describe the approach it intends to take and the scope of work it intends to accomplish when rehabilitating all eight of the elevated storage tanks.

**HCWD1 Response:** HCWD1 updated the cost estimates to renovate Tanks #5, #6, and #8. See attachment for scopes of work.

**New Issue 5:** The Government requests that HCWD1 revise its proposal to provide a detailed description of the scope of work it plans to accomplish for ISDC project #19, SCADA System.

**HCWD1 Response:** HCWD1 reviewed its proposal for ISDC project #19, SCADA System, and verified that the scope of work and cost estimate is accurate. See attachment for scope of work.

**New Issue 6:** The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it plans to accomplish for the renewal and replacement of fire hydrants (ISDC project #11), distribution pipes, and main valves (ISDC project #s 20-23).

**HCWD1 Response:** HCWD1 reviewed its proposal for ISDC projects #11, 20, 21, 22, and 23 and verified that the scope of work and cost estimate is accurate. See attachment for scopes of work.

### 1.3.2 Offeror Recommended Additional Upgrades
See Page 163 (Reference: RFP Sections C.11.2.5, J1.2.1.1, p. J1-10, and J1.2.1.4, Table 5)

**New Issue 7:** It is anticipated that the Muldraugh High Lift Pump Station (HLPS) will continue to be utilized after the Muldraugh WTP is decommissioned. The Government therefore requests that HCWD1 revise its proposal to include appropriate changes to the renewal and replacement plan.

**HCWD1 Response:** HCWD1 will update its proposal to show continued operation at the Muldraugh High Lift Pump Station (HLPS) and 7.0 MG Clearwell.

### 1.3.4 Description of the Contractor’s Conceptual Methodology for Scheduling R&R for Contract Duration
See Page 165 (Reference: RFP Sections C.11.2, L.4.3.4, J1.2.1.1, Table 1 and J1.2.1.4, Table 5)

**New Issue 8:** The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it plans to accomplish for the renewal and replacement of the Raw Water Wells (and associated components) identified in Tables 1 and 5.
HCWD1 Response: The scope of work for the Raw Water Wells includes replacement of the well pump, motor, control panel and well screen.

New Issue 9: Fort Knox recently replaced the 750 kW emergency generator at the Central WTP’s HLPS with a 280 kW dual-fueled (natural gas and fuel oil) emergency generator. HCWD1 is requested to revise its proposal to include appropriate changes to the renewal and replacement plan.

HCWD1 Response: HCWD1 will update the proposal to reflect the Government’s replacement of the 750 kW generator at the Central WTP with a 280 kW generator in 2019.

New Issue 10: The Government requests that HCWD1 revise its proposal to include a detailed 50-year renewal and replacement plan with the technical proposal (without costs).

HCWD1 Response: HCWD1 will revise its proposal to include a detailed 50-year renewal and replacement plan with the technical proposal (without costs).

1.4.1.3 Implementing New Meter Requirements
See Page I-71 (Reference: RFP Sections C.3.3, L.4.4.3, and J1.5)

New Issue 11: The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it plans to accomplish for the renewal and replacement of meters.

HCWD1 Response: HCWD1 will revise its proposal to provide a more detailed description of the scope of work it plans to accomplish for the renewal and replacement of meters. See attachment.

Volume IV – Price Proposal

General Comments / Questions

Regulated Tariff – Regulatory Process for Future Price Changes
(See Pages IV-1, IV-44, IV-45)

New Issue 12: HCWD1’s proposal states that it “proposes to provide water utility service to Fort Knox under a tariff regulated by the Kentucky Public Service Commission (PSC).” The Government requests that HCWD1 provide an estimate of the frequency of the anticipated rate changes and the timelines associated with the rate change process.

HCWD1 Response: Each year HCWD1 must complete a financial audit of its previous year. If the final operating report for Knox Water Utilities is found to be operating at or not operating at a net profit, HCWD1 will need to consider increasing a price adjustment. Alternatively, HCWD1 could produce a rate adjustment if there are sufficient fund reserves to continue to fund the next year.

Source Selection Information
See FAR 2.101 and 3.104
operations, even though current revenues may not meet current expenses. The Government and
HCWD1 could also agree to lower the annual R&R investment levels to postpone a rate
adjustment. The main factors that would increase expenses to a point the tariff rate would need to
be changed include: salary or benefit increases, contract operation cost increases, insurance
increases, construction cost or construction materials cost increases or other impacts to operating
costs. Consider, if efficiencies or savings can be realized to operating costs, this could extend
the current rate of the structure. With the Ft. Knox Sewer contract, HCWD1 has increased the
Government’s rate two times since 2005. The first was after three years, the second after two
more years. On the sewer contract, the aggregate of the two increases are equivalent to 1.8% per
year since 2005. Our current contract for the sewer requires we notify the Government before
February, for any requested increase going into effect that October.

Monthly Credit for Purchase Price Credit
(See Page IV-4, IV-5)

New Issue 13: HCWD1’s proposal states that it “…proposes to pay $8,162,000 for the Ft.
Knox potable water system…” through a monthly credit of “…$82,249 per month for 120
months.” However, there is no reference to the proposed credit for the purchase price included
in the tariff sheet. Additionally, it does not appear as though the credit was used to offset the
monthly service charge identified in CLIN 0001. The Government requests that HCWD1 revise
its proposal to include the calculation of the purchase price credit on the tariff sheet over the
initial 120 months of the service.

HCWD1 Response: HCWD1 will update the Rate Schedule FKW - Water Service within Fort
Knox, Kentucky on page IV-3 to show the Purchase Price Credit. The purchase price, monthly
credit and recovery surcharge will also be updated to reflect the changes in the revised proposal.

Q&M / G&A Expenses

Staffing

New Issue 14: As previously noted, it does not appear that HCWD1 adequately addressed the
planning and programming or request for action requirements. The Government requests that
HCWD1 review RFP Sections J1.3.7 Planning and Programming and J1.3.8 Request for Action
(RFA) Process and revise its price proposal, as necessary, to address these requirements.

HCWD1 Response: HCWD1 has added a new position to its organization chart shown on
Exhibit IV-1. Preston Pendley will be designated as Project Manager with a budgetary staffing
level of 0.4 FTE. Preston will be the primary contact for planning and programming and
requests for action.

Vehicles & Equipment

New Issue 15: The Government requests that HCWD1 review and verify its vehicle and
equipment expense estimate.
G&A Overhead Rate
(See Pages IV-4, IV-6, IV-8)

New Issue 16: HCWD1 proposed to apply a G&A overhead rate of 3.8 percent to the R&R project costs and O&M related costs. The Government requests that HCWD1 provide the basis for the 3.8 percent rate.

HCWD1 Response: The G&A rate has been adjusted in the proposal. In late 2010, HCWD1 revised its charge to the Government for its D. Knox Sewer rate. After updating its costs and pricing, the new G&A rate is 4.4%. See attachment for supporting documentation. These changes and impacts to overall monthly fee was reviewed and approved by the Government and then submitted to and approved by the Kentucky Public Service Commission.

Renewals & Replacements

Replacement Cost New

New Issue 17: The Government requests that HCWD1 review and verify the cost estimates for its proposed RCNs. Please pay particular attention to the components identified in the table below.

<table>
<thead>
<tr>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate Water Intake / Mechanical Screens</td>
</tr>
<tr>
<td>Raw water wells – structures</td>
</tr>
<tr>
<td>Raw water wells – pumps / control systems</td>
</tr>
<tr>
<td>WTP – Structures</td>
</tr>
<tr>
<td>Hydrants</td>
</tr>
<tr>
<td>Water storage tanks</td>
</tr>
<tr>
<td>Water storage tank maintenance</td>
</tr>
</tbody>
</table>

HCWD1 Response: HCWD1 has reviewed the cost estimates and does not recommend any changes to the RCN values.

Assumed Useful Lifes

New Issue 18: The following table provides a comparison of the projected design lifes reflected in the Government’s estimate and HCWD1’s proposal. The yellow highlights indicate the design life assumptions which differ. HCWD1 is requested to provide justification for each projected design life at variance with a corresponding Government projected design life.
<table>
<thead>
<tr>
<th>Component</th>
<th>Government’s Design Life</th>
<th>HCWD1’s Design Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate Water Intake / Mechanical Screens</td>
<td>75 Years</td>
<td>50 Years</td>
</tr>
<tr>
<td>Raw water wells – structures</td>
<td>75 Years</td>
<td>75 Years</td>
</tr>
<tr>
<td>Raw water wells – pumps / control systems</td>
<td>25 Years</td>
<td>25 Years</td>
</tr>
<tr>
<td>WTP – Structures</td>
<td>75 years</td>
<td>75 years</td>
</tr>
<tr>
<td>WTP - Pumps / Control / Chemical Feed Systems</td>
<td>25 years</td>
<td>25 years</td>
</tr>
<tr>
<td>WTP – Filter Structures</td>
<td>75 years</td>
<td>75 years</td>
</tr>
<tr>
<td>Sludge Lagoons</td>
<td>NA</td>
<td>60 years</td>
</tr>
<tr>
<td>Pipe and services</td>
<td>50 years</td>
<td>50 years</td>
</tr>
<tr>
<td>Meters and main valves</td>
<td>25 years</td>
<td>25 years</td>
</tr>
<tr>
<td>Hydrants</td>
<td>25 years</td>
<td>40 years</td>
</tr>
<tr>
<td>Backflow preventors</td>
<td>20 years</td>
<td>50 years</td>
</tr>
<tr>
<td>Water storage tanks</td>
<td>75 years</td>
<td>75 years</td>
</tr>
<tr>
<td>Pump Station – Structure</td>
<td>75 years</td>
<td>75 years</td>
</tr>
<tr>
<td>Pump Station - Pumps / Control Systems</td>
<td>25 years</td>
<td>25 years</td>
</tr>
<tr>
<td>Pressure Reducing Stations</td>
<td>25 years</td>
<td>50 years</td>
</tr>
<tr>
<td>Emergency Generators</td>
<td>35 years</td>
<td>35 years</td>
</tr>
<tr>
<td>SCADA and Cathodic Protection</td>
<td>25 years</td>
<td>25 years</td>
</tr>
</tbody>
</table>

HCWD1 Response: HCWD1 will update the design lives to match the Government’s design lives with one exception. Main valves that are replaced with distribution pipe will have a design life of 50 years, which is equivalent to the design life of the pipe. Once HCWD1 is operating the water system, HCWD1 will implement its asset management and preventive maintenance programs which will extend the design lives of the main valves to 50 years.

Emergency Generator at the Central WTP’s HLPS

New Issue 19: Fort Knox recently replaced the 750 kW emergency generator at the Central WTP’s HLPS with a 280 kW dual-fueled (natural gas and fuel oil) emergency generator. HCWD1 is requested to revise its proposal to include appropriate changes to the RCN, purchase price, and the R&R schedule.

HCWD1 Response: HCWD1 will update the proposal to reflect replacement of the 750 kW generator at the Central WTP with a 280 kW generator in 2019.

Muldraugh WTP’s HLPS

New Issue 20: It is anticipated that the Muldraugh High Lift Pump Station (HLPS) will continue to be utilized after the Muldraugh WTP is decommissioned. The Government therefore requests that HCWD1 revise its proposal to include appropriate changes to the RCN, purchase price, and the R&R schedule. Additionally, HCWD1 is requested to review the scope of work proposed for

Source Selection Information
See FAR 2.101 and 3.104
ISDC project #29, and to remove any costs associated with the decommissioning of the Muldraugh HLPS.

HCWD1 Response: HCWD1 will update the proposal to show continued operation of the Muldraugh High Lift Pump Station (HLPS) and LO MOU per well.

Discount / Interest Rates Reflected in Levelized R&R Calculations
(See Page IV-36)

New Issue 21: HCWD1’s proposal states “(i) it is assumed that HCWD1 can earn 0.5 percent in interest on investments of surplus balances and pay 5.5 percent interest on deficit balances.” HCWD1’s proposal further states that “(t)he interest rate used to calculate the interest expense will be the “all-in total interest costs” associated with the bonds used to finance Ft. Knox water system projects.” The Government requests that HCWD1 provide the supporting documentation, justification, and calculations used to support the interest rates of 0.5 percent for surplus balances and 5.5 percent for deficit balances.

HCWD1 Response: HCWD1 has reviewed its current rate it would pay for long-term financing. After discussing bond options with two bond legal counsels, HCWD1 believes that any long-term debt issued to finance projects for the Ft. Knox water system would not qualify for tax exempt bond issues. This is in accordance with IRS tax code Section 265(b),(c), or the “rules of business test.” HCWD1 has researched current taxable bond issues sold in Kentucky, including some Build America Bonds which are available to government agencies, but are also taxable. See attachment for a partial list of these recent issues. The rates average 5.95%. HCWD1 believes it should leave the rate at 5.8% in its calculation of future long-term debt issues. HCWD1 has also updated its current investment portfolio rate. See Attachment for its latest inventory of investment report which includes 25 investment instruments. The aggregate rate of return for all of its investments is 1.89%. Investment rates range from 0.25% to 5.2% (long-term CD’s). Some active funds accounts earn zero interest. Based on this updated analysis, HCWD1 has changed its rate of earnings on surplus funds in its pricing to 2.0%.

Initial System Deficiency Correction Projects

Cost Estimates

New Issue 22: The Government requests that HCWD1 review and verify the cost estimates for its proposed ISDC projects. Please pay particular attention to the ISDC projects identified in the table below.

<table>
<thead>
<tr>
<th>Initial System Deficiency Correction Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. System Survey/Assessment and Re-Map the Utility Systems</td>
</tr>
<tr>
<td>3. Leak Detection Survey</td>
</tr>
<tr>
<td>4. Hydraulics Model</td>
</tr>
<tr>
<td>6. 20-inch Valves</td>
</tr>
</tbody>
</table>

Source Selection Information
See FAR 2.101 and 3.104
Initial System Deficiency Correction Projects

<table>
<thead>
<tr>
<th>11. Central WTP Clearwell</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. Fire Hydrants</td>
</tr>
<tr>
<td>14. Rehabilitate Water Storage No. 5</td>
</tr>
<tr>
<td>16. Line Between Otter Creek PS &amp; Central WTP</td>
</tr>
<tr>
<td>20. SCADA System</td>
</tr>
<tr>
<td>35. Decommission Muldraugh WTP</td>
</tr>
</tbody>
</table>

HCWD1 Response: HCWD1 has reviewed its ISDC projects and has updated the cost of ISDC 20" - 24" inch valves to reflect the purchase and installation of six 24" gate valves.

Transitional Surcharge
(See Page IV-41)

New Issue 23: HCWD1's proposal states "(t)he proposed Transition Surcharge assumes that the transition period will last 4 months. A longer transition period will require that an interest charge be assessed to the Government for funds expensed during the transition but not recovered until the first month of operation. The annual interest rate for that charge is 5.5 percent." The Government requests that HCWD1 provide the calculation of the interest expense reflected in the $542,170 transition period surcharge. Additionally, the Government requests that HCWD1 provide the basis for the 5.5 percent interest rate. Lastly, does HCWD1 propose any other adjustments to the transition surcharge for actual rather than proposed costs?

HCWD1 Response: The one month Transition Surcharge did not include any interest cost added, and was assuming this were paid at the beginning of the fifth month of operations. There would be no adjustment to actual expenses if varying from this amount. As included elsewhere in the proposal, if the actual costs were less, those surplus funds paid by the Government would stay in the Ft. Knox Water Fund and become available for other future project funding, or O&M costs, to the benefit of the Government. If actual costs were higher, HCWD1 does not intend to request additional funding. However, HCWD1 does believe that should the payment be delayed for any reason other than HCWD1’s direct control, it will need to impose a monthly added targeted discount rate added to the surcharge of $1,694 month. This is based on a rate of 3.75%. As HCWD1 plans to use short-term borrowing for the expenses related to the transition, it will use a current line of credit with a local bank. This rate includes that cost plus 0.5% for HCWD1 processing and carrying costs of this loan. All other retail customers are charged a targeted discount after their water or sewer bill due date of 10%. This rate and or fixed amount has been included in the revised rate sheet and will also subject to approval by the PSC.

Source Selection Information
See FAR 2.101 and 3.104
Fort Knox Water Utility Privatization Team

Fort Knox COTR

HCWD1 General Manager
Jim Bruce

Safety & Security
David Simmons

Project Manager
Preston Pendley

Capital Improvements
Robert Neath

Water Treatment/Supply
Jim Smith

Operations Manager
Brett Pyles

Senior Advisory Panel
HCWD1
LWC
CH2M HILL

Distribution Operations Supervisor
Richard Stranahan
**Tank No.**  WT005

**Type:** Elevated

**Capacity:** 300,000 Gallons

**Location:** Van Voorhis Housing

**Built/Upgrade:** 1958/1994

**Exterior Condition:** Poor condition, Corrosion, leak on lower riser.

**Exterior Repairs:** Full abrasive cleaning: Surface Preparation SSPC SP 6
   Primer: Apply epoxy primer 3-4 mils DFT.
   2nd Coat: Apply epoxy primer 3-4 mils DFT.
   3rd Coat: Apply urethane coating 2-3 mils DFT.

**Interior Condition:** Condition unknown, spot cleaning performed in 1994

**Interior Repairs:** Full abrasive cleaning: Surface Preparation SSPC SP 10
   Spot prime: Apply epoxy primer 3-4 mils DFT.
   2nd Coat: Apply epoxy coating 3-4 mils DFT.
   3rd Coat: Apply epoxy coating 3-4 mils DFT.
   Repair riser (welding to stop leak)

**Repair Timetable:** 0-1 years
Hardin County Water District No.1 (HCWD1)
RFP: SP0600-08-R-0803
Negotiation Message #3
New Issue 4– Response

**Tank No.** WT006

<table>
<thead>
<tr>
<th>Type</th>
<th>Elevated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity</td>
<td>500,000 Gallons</td>
</tr>
<tr>
<td>Location</td>
<td>Frazier-Wilson</td>
</tr>
<tr>
<td>Built/Upgrade</td>
<td>1995</td>
</tr>
<tr>
<td>Exterior Condition</td>
<td>Fair to Poor condition, corrosion spots and premature coating failure.</td>
</tr>
</tbody>
</table>

**Exterior Repairs:**
- Full abrasive cleaning: Surface Preparation SSPC SP 6
- Primer: Apply epoxy primer 3-4 mils DFT.
- 2nd Coat: Apply epoxy primer 3-4 mils DFT.
- 3rd Coat: Apply urethane coating 2-3 mils DFT.

**Interior Condition:** Condition unknown.

**Interior Repairs:**
- Full abrasive cleaning: Surface Preparation SSPC SP 10
- Primer: Apply epoxy primer 3-4 mils DFT.
- 2nd Coat: Apply epoxy coating 3-4 mils DFT.
- 3rd Coat: Apply epoxy coating 3-4 mils DFT.

**Repair Timetable:** 2-3 years
Hardin County Water District No.1 (HCWD1)
RFP: SP0600-08-R-0803
Negotiation Message #3
New Issue 4—Response

**Tank No.  WT007**

<table>
<thead>
<tr>
<th><strong>Type:</strong> Elevated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capacity:</strong> 500,000 Gallons</td>
</tr>
<tr>
<td><strong>Location:</strong> Fort Knox High School, Dixie Street</td>
</tr>
<tr>
<td><strong>Built/Upgrade:</strong> 1997</td>
</tr>
<tr>
<td><strong>Exterior Condition:</strong> Fair to Poor condition, corrosion spots and premature coating failure.</td>
</tr>
</tbody>
</table>

**Exterior Repairs:**

- Full abrasive cleaning: Surface Preparation SSPC SP 6
- Primer: Apply epoxy primer 3-4 mils DFT.
- 2nd Coat: Apply epoxy primer 3-4 mils DFT.
- 3rd Coat: Apply urethane coating 2-3 mils DFT.

**Interior Condition:** Condition unknown.

**Interior Repairs:** Full abrasive cleaning: Surface Preparation SSPC SP 10

- Primer: Apply epoxy primer 3-4 mils DFT.
- 2nd Coat: Apply epoxy coating 3-4 mils DFT.
- 3rd Coat: Apply epoxy coating 3-4 mils DFT.

**Repair Timetable:** 2-3 years
<table>
<thead>
<tr>
<th>Tank No.</th>
<th>WT008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type:</strong></td>
<td>Elevated</td>
</tr>
<tr>
<td><strong>Capacity:</strong></td>
<td>500,000 Gallons</td>
</tr>
<tr>
<td><strong>Location:</strong></td>
<td>Pritchard Housing</td>
</tr>
<tr>
<td><strong>Built/Upgrade:</strong></td>
<td>1997</td>
</tr>
<tr>
<td><strong>Exterior Condition:</strong></td>
<td>Fair to Poor condition, corrosion spots and premature coating failure.</td>
</tr>
</tbody>
</table>
| **Exterior Repairs:** | Full abrasive cleaning; Surface Preparation SSPC SP 6  
Primer: Apply epoxy primer 3-4 mils DFT.  
2nd Coat: Apply epoxy primer 3-4 mils DFT.  
3rd Coat: Apply urethane coating 2-3 mils DFT. |
| **Interior Condition:** | Condition unknown. |
| **Interior Repairs:** | Full abrasive cleaning; Surface Preparation SSPC SP 10  
Primer: Apply epoxy primer 3-4 mils DFT.  
2nd Coat: Apply epoxy coating 3-4 mils DFT.  
3rd Coat: Apply epoxy coating 3-4 mils DFT. |
| **Repair Timetable:** | 2-3 years |
Tank No. **WT005**

<table>
<thead>
<tr>
<th><strong>Type:</strong> Elevated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capacity:</strong> 300,000 Gallons</td>
</tr>
<tr>
<td><strong>Location:</strong> Van Voorhis Housing</td>
</tr>
<tr>
<td><strong>Built/Upgrade:</strong> 1958/1994</td>
</tr>
<tr>
<td><strong>Exterior Condition:</strong> Poor condition, Corrosion, leak on lower riser.</td>
</tr>
</tbody>
</table>

**Exterior Repairs:** Full abrasive cleaning; Surface Preparation SSPC SP 6  
Primer: Apply epoxy primer 3-4 mils DFT.  
2nd Coat: Apply epoxy primer 3-4 mils DFT.  
3rd Coat: Apply urethane coating 2-3 mils DFT.

**Interior Condition:** Condition unknown, spot cleaning performed in 1994

**Interior Repairs:** Full abrasive cleaning; Surface Preparation SSPC SP 10  
Spot prime: Apply epoxy primer 3-4 mils DFT.  
2nd Coat: Apply epoxy coating 3-4 mils DFT.  
3rd Coat: Apply epoxy coating 3-4 mils DFT.  
Repair riser (welding to stop leak)

**Repair Timetable:** 0-1 years
Hardin County Water District No.1 (HCWD1)
RFP: SP0600-08-R-0803
Negotiation Message #3
New Issue 4—Response

**Tank No.** WT006

<table>
<thead>
<tr>
<th><strong>Type:</strong></th>
<th>Elevated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capacity:</strong></td>
<td>500,000 Gallons</td>
</tr>
<tr>
<td><strong>Location:</strong></td>
<td>Frazier-Wilson</td>
</tr>
<tr>
<td><strong>Built/Upgrade:</strong></td>
<td>1995</td>
</tr>
<tr>
<td><strong>Exterior Condition:</strong></td>
<td>Fair to Poor condition, corrosion spots and premature coating failure.</td>
</tr>
</tbody>
</table>

**Exterior Repairs:**
- Full abrasive cleaning: Surface Preparation SSPC SP 6
- Primer: Apply epoxy primer 3-4 mils DFT.
- 2<sup>nd</sup> Coat: Apply epoxy primer 3-4 mils DFT.
- 3<sup>rd</sup> Coat: Apply urethane coating 2-3 mils DFT.

| **Interior Condition:** | Condition unknown. |

**Interior Repairs:**
- Full abrasive cleaning: Surface Preparation SSPC SP 10
- Primer: Apply epoxy primer 3-4 mils DFT.
- 2<sup>nd</sup> Coat: Apply epoxy coating 3-4 mils DFT.
- 3<sup>rd</sup> Coat: Apply epoxy coating 3-4 mils DFT.

| **Repair Timetable:** | 2-3 years |
**Tank No.**  WT007

<table>
<thead>
<tr>
<th>Type</th>
<th>Elevated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capacity</strong></td>
<td>500,000 Gallons</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Fort Knox High School, Dixie Street</td>
</tr>
<tr>
<td><strong>Built/Upgrade</strong></td>
<td>1997</td>
</tr>
<tr>
<td><strong>Exterior Condition</strong></td>
<td>Fair to Poor condition, corrosion spots and premature coating failure.</td>
</tr>
</tbody>
</table>

**Exterior Repairs:**
- Full abrasive cleaning: Surface Preparation SSPC SP 6
- Primer: Apply epoxy primer 3-4 mils DFT.
- 2<sup>nd</sup> Coat: Apply epoxy primer 3-4 mils DFT.
- 3<sup>rd</sup> Coat: Apply urethane coating 2-3 mils DFT.

<table>
<thead>
<tr>
<th><strong>Interior Condition</strong></th>
<th>Condition unknown.</th>
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<tr>
<td><strong>Interior Repairs</strong></td>
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<td>Primer: Apply epoxy primer 3-4 mils DFT.</td>
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<td>2&lt;sup&gt;nd&lt;/sup&gt; Coat: Apply epoxy coating 3-4 mils DFT.</td>
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<tr>
<td></td>
<td>3&lt;sup&gt;rd&lt;/sup&gt; Coat: Apply epoxy coating 3-4 mils DFT.</td>
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| Repair Timetable     | 2-3 years                         |
### Tank No. WT008

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<tr>
<td><strong>Exterior Condition:</strong></td>
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**Exterior Repairs:**
- Full abrasive cleaning: Surface Preparation SSPC SP 6
- Primer: Apply epoxy primer 3-4 mils DFT.
- 2nd Coat: Apply epoxy primer 3-4 mils DFT.
- 3rd Coat: Apply urethane coating 2-3 mils DFT.

**Interior Condition:** Condition unknown.

**Interior Repairs:**
- Full abrasive cleaning: Surface Preparation SSPC SP 10
- Primer: Apply epoxy primer 3-4 mils DFT.
- 2nd Coat: Apply epoxy coating 3-4 mils DFT.
- 3rd Coat: Apply epoxy coating 3-4 mils DFT.

**Repair Timetable:** 2-3 years
Scope of Work for Fire Hydrants, Distribution Pipe and Main Valves

The cost estimates for fire hydrants, distribution pipes, and main valves are installed costs and include materials, labor and equipment. The costs are based on recent bid awards by local contractors on projects for Hardin County Water District 1 and Louisville Water Company.

Fire Hydrants

Fire hydrants are based on actual costs and include hydrant and concrete pad, 6” diameter riser line, 90deg. elbow fitting, 6” lateral line, 6” gate valve and valve box and T- fitting at water main.

Distribution Pipes

The pipeline unit price was estimated as a weighted average price with 75% of the trenching in an area requiring sod restoration and 25% in an area requiring roadway asphalt restoration. Unit prices presumed that pipelines 4” diameter and above would be performed with open trench excavation. Minimum 3’ cover. Medium hard excavation, partial layback, backfill compacted to 95%. Trench excavated minimum 3’ width, allowing minimum 1’ each side of pipe. Pipe laid atop 6” thick select fill bedding.

Ductile Iron pipe (DIP) is based on pressure class 350 with mechanical joints. Restrainer glands will be on all MJ fittings. Fittings will be double wrapped prior thrust block placement.

Excavation in asphalt includes saw cutting, loading hauling and disposal of debris. Asphalt paving restoration to match existing, including wearing course and binder course on compacted sub-grade and stone base, includes stripping.

Main Valves

Valves and fittings are included in the distribution piping and raw water line unit prices. Gate valves will be installed having the same diameter as the distribution pipe.
Hardin County Water District No. 1
Serving Radcliff and Hardin County for Over 50 Years

1400 Rogersville Road
Radcliff, KY 40160

March 3, 2011

Mr. Brian Koessel
Branch Chief/Contracting Officer
DLA Energy - Energy Enterprise BU
8725 John J. Kingman Road, Suite 3937
Fort Belvoir, VA 22060-6222

SUBJECT: Additional ISDC Information / Submittal - Solicitation No: SP0600-08-R-0803
Privatization of the Potable Water Utility System at Ft. Knox Army Installation, Kentucky

Dear Mr. Koessel:

In response to our most recent conference call on 8-February, we are pleased to provide this additional background information, pricing and updated information on all ISDC projects. As requested by the Government and its consultant, we have carefully checked, reviewed and updated each ISDC project. In some cases, we found the original price was outdated and needed to be revised. We have enclosed additional detail and summary of each project, pricing and source and type of estimate. This additional summary and scope information supplements that provided in our August 2010 revised proposal, Volume I, Technical Proposal, Section 1.2.1 - Initial System Deficiency Correction Plan.

Projects which are managed by HCWD1 staff have either no adder or a 10% allowance depending on the complexity of the project, with the exception of the SCADA project (ISDC 19). The SCADA system will require HCWD1 in-kind support and implementation. The projects that required outside support, including those of our team members, include a 15% allowance for contract administration, engineering and inspection services.

We also discussed changing all our ISDC pricing and surcharge to a fixed, unchangeable amount and resulting surcharge. After discussion among our team, we still believe it is in the Government’s best interest that we propose a regulated, tariff rate to fund the ISDC projects. The Government is offered protection against overcharges and use of Ft. Knox Water reserves, for other non-Ft. Knox water projects. This was explained in our responses (see response to Negotiation Message 070110, Dated 1-July-2010, response to Issue No. 7, Price Proposal, Volume IV and responses to Negotiation Message #3, dated 01/11/2011, New Issue No. 12, Volume IV Price Proposal). Therefore, we have not changed our type of initial proposal type of a 60 month surcharge to fund the ISDC projects, subject to change if cost factors change substantially and can be demonstrated to the Government and Kentucky Public Service Commission.

We look forward to answering your additional issues, or preparing and submitting a Final Proposal Revision in the upcoming weeks. The revised ISDC pricing will be incorporated into our Final Proposal Revision and Price Schedule B-1. Please feel free to contact me for additional information or to schedule another conference call.

Sincerely,

Jim Bruce, General Manager

Encl.

Phone 1-270-351-3222
FAX: 1-270-352-3055

www.HCWD.com
<table>
<thead>
<tr>
<th>ISDC No.</th>
<th>Labor and Materials</th>
<th>CWQDS 1 Supervision and Technical Support</th>
<th>Engineering/Inspection</th>
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</table>

**Subtotal**

- CWQDS GWA:

- $23,527,040
- $234,618
- $23,761,658

**Total**

- CWQDS GWA:

- $23,304,643
ISDC 1

System Survey/Assessment and Re-Map the Utility System
February 17, 2011

Hardin County Water District No. 1
Attn: Daniel Clifford
1400 Rogersville Road
Radcliff, KY 40160

Re: Hardin Co. Water District No. 1 / Ft. Knox Water

Dear Mr. Clifford,

Spatial Data Integrations, Inc. (SDI) is pleased to submit this letter in response to Hardin County Water District No. 1 (HCWD1) / Ft. Knox Water GIS opportunity. Along with this letter you will find a detailed Scope of Work defining the tasks and budget required for a successful GIS implementation of the Ft. Knox Water infrastructure. SDI envisions all data collected, acquired and/or created will be incorporated into HCWD1’s existing GIS and looks forward to the opportunity to work with HCWD1 throughout the above mentioned project.

If you have any questions, please contact me at:

Jason Wolfe, GISP
Geospatial Services Project Manager
Spatial Data Integrations, Inc.
710 West Main Street, Suite 108
Louisville, KY 40202

Phone: (317) 864-5070
Email: jwolfe@sdimaps.com

Sincerely,

Jason Wolfe
Geospatial Services Project Manager
OBJECTIVE
Implement a fully functional Geographic Information System (GIS) of the Ft. Knox Water infrastructure. At this time all data collected, acquired and/or created will be incorporated into Hardin County Water District No. 1 (HCWD1) existing GIS, SDImaps. Full consideration will be given to the future migration to a full Enterprise GIS solution.

SCOPE OF WORK
1. Project development
   a. Determine what data is currently available on Ft. Knox and determine the current state of any existing data. The quality of this data will determine the amount of fieldwork that may be required; however, based upon the previous wastewater and stormwater project we anticipate receiving the same or similar quality data. This result would lead to a complete GPS collection of the water infrastructure.
   b. Participate in any required project meetings.

2. Develop Water dataset for Ft. Knox
   a. Provide Water dataset for use in SDImaps

3. Custom Development
   a. Existing aerial photos and topographic maps will be used and not included in this proposal.
   b. Creation of new Elevation dataset from existing Ft. Knox LIDAR data.
   c. Create Grid tool to meet J1.9.3 – E
   d. Update existing SDSFIE export utility to incorporate SDSFIE release 3.0 and allow for the exportation of all water features.

4. Data Collection and Attribution
   a. GPS Collection of all water features listed in Appendix A. The estimated number of features is 2898. The exact numbers may be adjusted if more accurate information is acquired. Attributes collected during GPS collection will be a minimum and limited to feature type, location, place details, and unique feature ID (if available).
   b. Post-Processing of all GPS data to sub-foot accuracy. Estimates are based upon the current information given above and may change if more accurate information becomes available.
c. Digitizing of all water mains. The locations of each will be based upon features collected by GPS and existing record drawings. These lines will be digitized by hand using the accompanying basemap set. It is estimated to be 171.9 miles of water main on post.

d. Digitizing of all service lines. The locations of each will be digitized by hand using the accompanying basemap set and digitized water mains. The service lines will be digitized 90° off the main and continue to the mark of demarcation as defined in J1.2.1.2 of the Potable Water Utility System Utilities Privatization – Fort Knox, Kentucky RFP. Estimates for service lines are unknown at this time; however, an estimate of 6,632 linear feet will be used. This is derived from the sum of all ¾” and 1” mains listed in Table 5 of section J1.2.1.4 of the Potable Water Utility System Utilities Privatization – Fort Knox, Kentucky RFP.

e. Coding attribute information that is gathered either in the field or from existing record drawings or other acquired information. Estimates are based upon the sum of GPS points collected in the field and the miles of main and service lines digitized.

5. Travel

a. Current estimates are 8 weeks (40 days) for GPS collection of water infrastructure. Mileage is calculated based upon roundtrips from our Louisville Kentucky office to Ft. Knox, approximately 82 miles, plus the estimated main mileage doubled. The rates charged were acquired from the U.S. General Services Administration Per Diem for the Ft. Knox area. Current rates are 58.5 cents per mile.

b. Per Diem and incidentals are based upon 2 people in the field for the entire collection time. The rates charged were acquired from the U.S. General Services Administration Per Diem for the Ft. Knox area. Current rates are $70 for lodging and $39 for meals and incidentals.
### Infrastructure to be mapped

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<th>Quantity 1</th>
<th>Quantity 2</th>
<th>Quantity 3</th>
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</thead>
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<td>2</td>
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<td>Low Lift Pumpstation</td>
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<td>Booster Pumpstation</td>
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<tr>
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<td>3</td>
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<td>System Valves</td>
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**Total:** 2860 38 2898

***162.7 miles of main in Cantonment area***

***9.2 miles of main in Range area***
**Proposed Budget**

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<tr>
<th>Description</th>
<th>Cost</th>
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Note: Based upon the estimated feature count of 2,898, the estimated price per feature for GPS collection and post processing is $20.56/feature.
ISDC 2
Leak Detection Survey
Leak Detection Survey

**Scope.** Perform leak detection at every valve and every connection to discharge headers, transmission mains and distribution lines in the Ft Knox water system. The cost estimate assumes the system would be surveyed for leaks by a LWC Leak Survey Technician over a 3 month period. The estimates also includes charges for LWC vehicle and equipment usage.

**Cost Estimate:**

- Labor: 520 hours at $48/hr with 67% Overhead = $41,652
- Equipment & Vehicle charges @ $40/day = $2,600

**Total =** $44,252
ISDC 3

Hydraulic Model
August 11, 2008

Mr. Daniel Clifford
Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

RE: Fort Knox Potable Water System Privatization Hydraulic Modeling Proposal

Dear Daniel,

We appreciate the opportunity to submit a proposal to develop and calibrate a hydraulic model of the Fort Knox Water System in accordance with RFP Section J1.3.14.

Please find attached our understanding of the water system, proposed scope and project approach for your review. We propose to perform the six (6) tasks as outlined in the attached scope for a lump sum fee of $19,700.

Schedule
HDR has the available modeling resources to complete all work within 90 calendar days from Notice-to-Proceed.

Resources
HDR resources available and ready to execute this project in a timely manner include Kevin Brian, Mike Agbodo, Eric Ivanovich, Brian Bradley and Kyle Guthrie.

If you have any questions or need additional information, please give me a call.

Sincerely,

Kevin J. Brian, PE
Project Manager

Copy: Brett Pyles/HCWD No. 1
Water System Background

The Fort Knox water main system includes approximately 9.2 miles of raw water mains, 162.7 miles of distribution mains (containment and range areas), two high lift stations, one booster pump station, and eight elevated water storage tanks. The water mains range in size from 1" diameter to 24-inch diameter. The distribution system includes four (4) independent systems: Basham Corner supplied by MCWD; Cantonment Area; Yano Tank Range supplied by HCWD No. 2 and Zussman Urban site supplied by LWC.

Scope of Services/Project Approach

To gain a thorough understanding of this project the RFP was reviewed and discussions were conducted with District staff. The following paragraphs describe our proposed scope of services and project approach that will be employed by HDR Engineering (HDR) to develop and calibrate a computerized hydraulic model utilizing KY Pipe 2006, in accordance with RFP Section J1.3.14.

Item #1 – Conduct Kick-Off Meeting

Immediately after execution of the work order, the HDR Project Manager, Kevin Brian, will conduct a kick-off meeting with key modeling team members and Hardin County Water District No. 1 (District) management and operations staff to review project scope and schedule, establish lines of communication, obtain GIS data and facilities information, and discuss distribution system operations. Prior to this meeting, a detailed list of information (pump curves, tank and pump station as-builts, operations procedures, trend data, etc.) needed to complete the modeling activities will be sent to the District.

Item #2 – Develop Pipe Network

The modeling and system information and reports obtained at the kick-off meeting will be reviewed. The pipe network will be built from GIS data (geodatabase MDB format) of the water system provided by the District. The District will also provide a check on connectivity of pipes, valves and fire hydrants prior to providing the data. Hydraulic data of active control valves, pump stations, tanks, interconnects and other boundary facilities will be added to the model by HDR.

Item #3 – Develop and Allocate Water Demands

Consumption records are not available since Fort Knox does not have individual meters for businesses, facilities and residential areas. Average daily usage or base demands will be estimated and assigned manually to the model nodes based on zone production, hourly pumping data and residential unit counts (via polygons in the geodatabase) provided by the District. From this data HDR will estimate and allocate base demands throughout the system.

August 11, 2008

HDR Engineering
Nodes will be added at locations of large user demand. Global demand multipliers will be incorporated to reflect non-revenue and unaccounted for water.

Once base demands have been allocated to the model the next step is to determine how demand varies according to location and time. Seasonal and diurnal variations can be expected for the Fort Knox water system. Variations in demand will be calculated and limited to operations data obtained from District staff, records and SCADA. SCADA information provided by the District includes flows, pressures, alarms, tank levels and equipment information, such as on/off status for pumps.

Item #4 – Perform Model Calibration

C-factors are friction coefficients that relate flow to head loss in each pipe element. C-factors are a very sensitive parameter in calculating flow and pressure for higher pipe velocities. HDR will identify locations throughout the distribution system to perform c-factor tests based on pipe sizes and materials and old and new pipes. The District will conduct field tests that involve measuring flow and headloss (pressure drop) between hydrants and recording boundary conditions at the time the test is performed. Information obtained from the field test will be utilized to adjust pipe c-factors and calibrate the model for a regular steady state condition.

Item #5 – Modeling Scenarios

Once the model has been developed and calibrated as described in Items #4 and #5 scenarios will be run for average day and maximum day conditions. A maximum day will be determined by a review of production/pumpage data over the last 12 months. A fire flow simulation will be performed to estimate how much water can be delivered at various hydrants throughout the distribution.

Item #6 – Technical Memorandum (TM)

HDR will prepare a TM to document the process for developing and calibrating the model. Results of modeling scenarios will be included as an appendix to the TM. A compact disc of the Pipe 2006 input and output files and a node map of the distribution system will be provided.
February 11, 2011

Mr. Daniel Clifford
Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

RE: Fort Knox Potable Water System Privatization
Hydraulic Modeling Proposal - Confirmation

Dear Daniel,

Please allow this letter to serve as confirmation that that HDR proposal dated August 11, 2008 is still valid.

Under available resources, we will be using Sasa Tomic for QC review. Mike Agbodo and Brian Bradley are no longer with HDR. HDR has the available resources to perform the work within 90 days of receiving the GIS information.

Please call if you have any questions. Thanks

Sincerely,

Kevin J. Brian, PE
Project Manager
ISDC 4

Master Flow Meters at the WTPs
### Item #4 – Master Flow Meters at WTPs

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<td>$4,289</td>
<td>$12,867</td>
<td>Meters are rated at 7,486 gpm each</td>
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<td>Fittings, couplings, other material</td>
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<td>$9,113</td>
<td>$9,113</td>
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<td>$24,480</td>
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ISDC 5

24-inch Valves
# 24" Valve Replacement
## Preliminary Cost and Time Estimate
**02/11/11**

### PIPE INSTALLATION

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<tr>
<th>Size</th>
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<th>Location</th>
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<th>Cost</th>
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<td>Millard</td>
<td>Millog</td>
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### OTHER PIPE WORK

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<td>ea/day</td>
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<td>Pressure Testing / Water Sampling</td>
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<td>days</td>
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</table>

### PROJECT COST DATA

- **Construction Crew**: $19,160 3 days
- **Contingency**: $3,000 15%
- **Construction Crew**: $22,000 3 days
- **Cost per Foot**: $1,375.00

- **Total Pipe Footage**: 16
- **Drafting**: $1,030 8 hrs/shift
- **Engineering Design**: $4,000 12 hrs/shift
- **Marine Construction**: $2,000 24 hrs/mon
- **Construction Inspector**: $7,000 73% of labor
- **Labor**: $14,000
- **24-inch Double Iron Pipe**: $856 $41.00/Slf
- **Fittings and Valves**: $80,100
- **Materials**: $80,756
- **Construction Crew**: $22,000

- **Total Project Cost**: $116,756
- **Total Cost per Valve**: $19,459.33

- **Prevailing Wage Rate**:
  - **Construction Crew**: $22,000 18.8%
  - **Labor**: $14,000 12.0%
  - **Materials**: $80,756 65.2%

- **Total**: $116,756 100%

---

*Estimate Prepared by:*

Anthony F. Williams, P.E.
Project Engineer, Capital Planning & Hydraulics
Louisville Water Company
502.569.2600 x2219 Fax: 502.569.3691
ISDCs 6, 15, 20, 21, 22, 23, 24, 25

New Raw Water Lines and Distribution Mains
Scope of Work

The pipeline unit price was estimated as a weighted average price with 75% of the trenching in an area requiring sod restoration and 25% in an area requiring roadway asphalt restoration. Unit prices presumed that pipelines 4” diameter and above would be performed with open trench excavation. Minimum 3’ cover. Medium hard excavation, partial layback, backfill compacted to 95%. Trench excavated minimum 3’ width, allowing minimum 1’ each side of pipe. Pipe laid atop 6” thick select fill bedding.

Ductile iron pipe (DIP) is based on pressure class 350 with mechanical joints. Restrainer glands will be on all hi joint fittings. Fittings will be double wrapped prior to thrust block placement. Excavation in asphalt includes saw cutting, loading hauling and disposal of debris. Asphalt paving restoration to match existing, including wearing course and binder course on compacted sub-grade and stone base, includes stripping.

Valves and fittings are included in the distribution piping and raw water line unit prices. Gate valves will be installed having the same diameter as the distribution pipe.
### ISDCs 6, 15, 20, 21, 22, 23

**Raw Water and Distribution Pipe**

Page 2 of 2

<table>
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<tr>
<th>ISDC</th>
<th>Pipe Dia (in)</th>
<th>Pipe Length (ft)</th>
<th>Unit Cost ($/ft)</th>
<th>Construction Cost ($)</th>
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ISDC 7

Otter Creek Pump Station
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<td>Repair creek side erosion</td>
<td>$34,000</td>
<td>Depending on severity of erosion, solution will vary</td>
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<tr>
<td>Replace windows</td>
<td>$26,500</td>
<td>Costs are generated from recent construction costs at the District's Pirtle Spring Water Plant renovation</td>
</tr>
<tr>
<td>Replace doors</td>
<td>$19,000</td>
<td>Costs are generated from recent construction costs at the District's Pirtle Spring Water Plant renovation</td>
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<tr>
<td>Roof replacement</td>
<td>$23,000</td>
<td>Costs are generated from vendor quote in 08/2008</td>
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<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>$102,500</strong></td>
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</table>
Attention Richard - here are the numbers. I will work up a formal proposal to explain these.

Creek Pump House: $23,033.00 (remove slate roof and haul away and install pre-finished 24-gauge standing seam metal roof).
ISDC 8

Muldraugh High Lift Pump Station
Item #8 – Muldraugh HLPS

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<tr>
<td>Replace Windows</td>
<td>$35,000</td>
<td>Costs are generated from recent construction costs at the District’s Pirtle Spring Water Plant renovation</td>
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<tr>
<td>Replace Doors</td>
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<td>Costs are generated from recent construction costs at the District’s Pirtle Spring Water Plant renovation</td>
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<tr>
<td>Replace Roof</td>
<td>$32,000</td>
<td>Quote provided by contractor (Judy Construction)</td>
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<td><strong>TOTAL:</strong></td>
<td><strong>$88,000</strong></td>
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February 10, 2011

Hancock County Water District #1
1400 Rogersville Road
Radcliff, KY 40160

Attn: Mr. Bre Poole
Operations Manager

Ref: Muldraugh HIPS
Roofing Replacement

Dear Mr. Poole,

We are pleased to submit an estimated cost for the roof replacement at the Muldraugh Filtration Building. Our pricing includes material, labor and equipment for the work as described below.

Since the above is the only information available, we have had to make some assumptions in our pricing as follows:

- Removal of the existing roofing materials to be done by industry standards (Not Corps of Engineers standards)
- Removal and disposal into standard dumpsters; no hazardous materials handling is included
- No asbestos or lead paint disposal is included
- Corps of Engineers' specifications and or inspections not included
- Price is for 50 linear feet only
- Price is based upon listed materials; if a different roof system or materials are desired, pricing may need to be adjusted
- Prevailing wage rates are not included

Scope of work:

1. Tear off the present roof down to the existing lightweight insulation concrete deck and haul same from premises.
3. Install 6-12mm glass felt type VI in solid mopping of hot steep asphalt
4. Install flashings and SBS base flashing to the walls and corns
5. Install new roof drain leads.
6. Install new aluminum coping cap
7. Laid the gravel surface in a pouring of hot steep asphalt.
8. Re-work & replace the metal counter flashing where the lower roof butts the upper.
The lump sum price for the new roof is $32,000.00.

Please review and let us know if you have any questions.

Sincerely,

Judy Construction Company

Dave Wilson

Attachments

cc: Bill

Kista Thomas

Dwit
ISDC 9

Central Water Treatment Plant
February 01, 2011

Barren County Water District
1400 Ruggs Valley Road
Racine, KY 42565

Mr. Blevins
Operations Manager

Re: 11th Knob Filtration Plant
Roofing Replacement

Dear Mr. Blevins,

We are pleased to submit an estimated cost for the roof replacement at the 11th Knob Filtration Building. Our pricing is based upon the reduced copy of the November 19, 1955 drawing 0505.525 from the Office of the Quartermaster General noted as Fort Knox - Knob 11 Filtration Plant.

Since the above is the only information available, we have had to make some assumptions. In our pricing we assume the following:

1. Removal of the existing roofing materials to be done by industry standards of Corps of Engineers standards
2. Removal and disposal into standard dumpsters; no hazardous materials handling is included
3. No asbestos or lead paint disposal is included
4. Corps of Engineers specifications and or inspections not included
5. Price good for 30 days only
6. Price is based upon listed materials; if a different roof system or materials are desired, pricing may need to be adjusted
7. Prevailing wage rates are not included

Scope of work:

1. Tear off the present roof down to the existing light weight insulation concrete deck and tar and remove from premises
2. Supply of PPA
3. Install 2 ply felt type V1 in solid mopping of hot steep asphalt
4. Install composition SBS base flashing on the walls and curbs
5. Install new roof deck sheat
6. Install new aluminum copings cap
7. Install the gravel surface in a pouring of hot steep asphalt
8. Re-work replace the metal counter flashing where the lower roof butts the upper
THE Lump sum price for the new roof is $45,200.00.

Please review and let us know if you have any questions.

Sincerely,

[Signature]

Baker Construction Company

[Date]

J. Dale Wilson

Attachments

cc: Mr.

Sandra Thomas

ED P.: 1
ISDC 10

Central Water Treatment Plant Clearwell
February 14, 2011
Brett Pyles
Hardin County Water District No.1
1400 Rogersville Road
Radcliff, KY 40160

RE: Central Water Treatment Plant – Clearwell No.2

Mr. Pyles,

Please find below the estimated costs to make the necessary repairs to the tanks at the Ft. Knox water system. Please note that these are estimates based on similar projects that my company has provided inspection services for. These estimates were originally generated in July of 2008 and were revised in February, 2011.

Please let me know if you have any questions.

Sincerely,

Mike Topple
Horizon QC

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<tr>
<th>Quan</th>
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<th>Unit Cost</th>
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<td>$1,255,000</td>
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<td>1</td>
<td>Installation of interior liner system on sidewalls and floor</td>
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<td>$145,000</td>
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<tr>
<td>1</td>
<td>Replacement of existing vents</td>
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Grand Total: $1,565,000
ISDC 11

Fire Hydrants
# Preliminary Fire Hydrant Cost Estimate

**Date Estimate Prepared:** 02/28/11  
**Purpose of Estimate:** Preliminary  
**Estimate Prepared By:** AFW

## A. Replace Fire Hydrant Utilizing Existing Tee

### Material Cost

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<td>in</td>
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<td>4&quot; 6&quot; long, Double Pumper Fire Hydrant</td>
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Material Sub-total: $1,415  
Sales Tax (6.0%): $85.00  
**Material Estimate:** $1,415

### Contract Labor

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**Contract Labor Estimate:** $1,500

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<td>$600</td>
</tr>
<tr>
<td>Total</td>
<td>$1,749,000</td>
</tr>
</tbody>
</table>

* Replacement cost assumes that the existing hydrants have operable isolation valves and there is no requirement to provide an isolation valve or temporary water service.

---

*Address:* Williams, ME  
*Project Engineer: Capital Planning & Hydraulics*  
*Town Wide Water Company*  
*$222-500-5279 - Fax: $222-569-3640*
ISDCs 13, 16, 17, 18

Water Storage Tank Nos. 5, 6, 8, 7
February 11, 2011
Brett Pyles
Harrison County Water District No. 1
2001 Rogersville Road
Memphis, TN 40160

RE: Water Tank Repair Estimates

Mr. Pyles

I have found below the estimated costs to make the necessary repairs to the tanks at the Ft. Knox water system. It should assure that these are estimates based on similar projects that my company has provided coatings and inspection services for. These estimates were originally generated in July of 2008 and to the best of my knowledge, should provide accurate estimates. As we were not able to visually inspect the interior of the tanks, their condition is unknown.

Please let me know if you have any questions.

Sincerely,

Mike Topk
Horizon QC

Tank Painting Project Cost

- Tank No. 5 – Labor $237,187.50
  Material $79,052.50
  $316,250.00

- Tank No. 6 – Labor $116,494.00
  Material $38,812.50
  $155,250.00

- Tank No. 7 – Labor $125,062.50
  Material $68,397.50
  $166,750.00

- Tank No. 8 – Labor $125,062.50
  Material $168,750
  $166,750.00
ISDC 14

Automatic Transfer Switches
Dear Mr. Tyler,

Operations Manager
Hardin County Water District No. 1
1200 Dogwood Road
LaGrange, Kentucky 40031

Re: Estimate for Transfer Switches for Costa

Dear Mr. Tyler,

Per your email, I have generated the following cost estimates for purchasing and installing automatic transfer switches at three of your facilities. These costs are based on power data presented in your email plus an assumed normal amount of miscellaneous load. Each of these transfer switches are service rated to stand alone outside of the building with dedicated normal and emergency switches for serving one while the others remain in service.

**Facility A**
- 480V, 1,200A ATS: $25,000
- Installation: $40,000
- Equipment: $25,000
- Total: $80,000

**Facility B**
- 480V, 1,000A ATS: $30,000
- Installation: $40,000
- Equipment: $25,000
- Total: $75,000

**Facility C**
- 480V, 1,000A ATS: $25,000
- Installation: $40,000
- Equipment: $25,000
- Total: $87,000

Please let me know if you have any questions.

Sincerely,

[Signature]

Date: [Date]

David A. Loomis, PE

[Consultant Name]
ISDC 19

SCADA System
Item #19 — SCADA System

<table>
<thead>
<tr>
<th>Item</th>
<th>Est Cost</th>
<th>Comments</th>
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</thead>
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<tr>
<td>Contractor</td>
<td>$244,903</td>
<td>Includes engineering, installation and material</td>
</tr>
<tr>
<td>District labor, G&amp;A</td>
<td>$85,097</td>
<td>Includes District labor, G&amp;A, oversight</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$330,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
February 16, 2011

Curt Pickerell
Hardin County Water District #1
1400 Rogersville Road
Radcliff, KY 40160

Curt:

Please see the information below regarding Budgetary Pricing for Fort Knox Water Plant SCADA System:

**ESTIMATE: PUMP STATIONS AND TANKS**

<table>
<thead>
<tr>
<th>Material</th>
<th>ea</th>
<th>unit</th>
<th>cost</th>
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</thead>
<tbody>
<tr>
<td>ControlView32-5000 tag, Dev., Linx, 1-R.T.</td>
<td>12</td>
<td>3,200</td>
<td>38,400</td>
</tr>
<tr>
<td>ControlView32-5000 tag, Linx, 1-R.T.</td>
<td>12</td>
<td>1,400</td>
<td>16,800</td>
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<td>RSLogix-500</td>
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<td>1,200</td>
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<tr>
<td>Computers / Monitors??</td>
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<td>5,000</td>
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<tr>
<td>Tank telemetry equipment</td>
<td>8</td>
<td>12,128.46</td>
<td>97,028</td>
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<tr>
<td>Pump station telemetry equipment</td>
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<td>6,060</td>
<td>18,180</td>
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<tr>
<td>Water plant telemetry equipment</td>
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<td>6,060</td>
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**Engineering (incl. Dwgs)**

<table>
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<tr>
<th>Hrs</th>
</tr>
</thead>
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<tr>
<td>Engineering</td>
</tr>
<tr>
<td>Programming</td>
</tr>
<tr>
<td>HMI Screen programming</td>
</tr>
<tr>
<td>Shop Test</td>
</tr>
<tr>
<td>Install</td>
</tr>
<tr>
<td>Startup</td>
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<tr>
<td>T &amp; V</td>
</tr>
<tr>
<td>Training</td>
</tr>
<tr>
<td>On-Site Assistance and Remote Support</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Grand Total for Remote Sites as listed

| 244,903 |

Thank you for this opportunity,

Allan Sewell
Sewell Industrial Electronics, Inc.
ISDC 24

Water Storage Tank No. 1
Tank No.  WT001

Type:  Elevated

Capacity  250,000 Gallons

Location  Education Center, #1 Dixie Street

Built/Upgrade:  1935/2004

Exterior Condition:  Good to excellent – Minor corrosion found on bolt heads and over-flow pipe.

Exterior Repairs:  Spot cleaning: Surface Preparation SSPC SP 2 & 3
Spot prime: Apply epoxy primer 3-4 mils DFT.
2nd Coat: Apply urethane coating 2-3 mils DFT.

Interior Condition:  Condition unknown.  Spot cleaning performed in 2004

Interior Repairs:  Spot cleaning: Surface Preparation SSPC SP 2 & 3
Spot prime: Apply epoxy primer 3-4 mils DFT.
2nd Coat: Apply epoxy coating 3-4 mils DFT.

Repair Timetable:  2 to 3 years

Repair Estimate:  Exterior $3,000
Interior  $12,000
Total:  $15,000
ISDC 25

Water Storage Tank No. 2
**Tank No.**  WT002

**Type:** Elevated

**Capacity:** 500,000 Gallons

**Location:** Education Center, #2 Dixie Street

**Built/Upgrade:** 1937/2004

**Exterior Condition:** Good to excellent – Minor corrosion found on exterior

**Exterior Repairs:** Spot cleaning; Surface Preparation SSPC SP 2 & 3
- Spot prime: Apply epoxy primer 3-4 mils DFT.
- 2nd Coat: Apply urethane coating 2-3 mils DFT.

**Interior Condition:** Condition unknown, spot cleaning performed in 2004

**Interior Repairs:** Spot cleaning; Surface Preparation SSPC SP 2 & 3
- Spot prime: Apply epoxy primer 3-4 mils DFT.
- 2nd Coat: Apply epoxy coating 3-4 mils DFT.

**Repair Timetable:** 2 to 3 years

**Repair Estimate:**
- Exterior: $3,000
- Interior: $12,000
- Total: $15,000
ISDC 26

Water Storage Tank No. 4
<table>
<thead>
<tr>
<th><strong>Tank No.</strong></th>
<th>WT004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type:</strong></td>
<td>Elevated</td>
</tr>
<tr>
<td><strong>Capacity:</strong></td>
<td>500,000 Gallons</td>
</tr>
<tr>
<td><strong>Location:</strong></td>
<td>Old Ironsides, Brave Rifles Ave</td>
</tr>
<tr>
<td><strong>Built/Upgrade:</strong></td>
<td>1941/2002</td>
</tr>
<tr>
<td><strong>Exterior Condition:</strong></td>
<td>Good to excellent – Minor corrosion found on the exterior.</td>
</tr>
</tbody>
</table>
| **Exterior Repairs:** | Spot cleaning: Surface Preparation SSPC SP 2 & 3  
Spot prime: Apply epoxy primer 3-4 mils DFT.  
2nd Coat: Apply urethane coating 2-3 mils DFT.  
Install new 8" overflow pipe |
| **Interior Condition:** | Condition unknown, spot cleaning performed in 2002 |
| **Interior Repairs:** | Spot cleaning: Surface Preparation SSPC SP 2 & 3  
Spot prime: Apply epoxy primer 3-4 mils DFT.  
2nd Coat: Apply epoxy coating 3-4 mils DFT. |
| **Repair Timetable:** | 2 to 3 years |
| **Repair Estimate:** | Touch up & Repairs: $15,000  
New overflow pipe: $15,000  
Total: $30,000 |
ISDC 27

West Point Well Field
February 11, 2011

Mr. Brett Pyles
Hardin County Water District No.1
1400 Rogersville Road
Radcliff, KY 40160

RE: Ft.Knox Well Platforms

Mr. Pyles,

Please find below the estimated costs to make the necessary repairs to the well field platforms in the Ft. Knox well fields near West Point, KY. Please note that these are estimates based on similar projects that my company has provided coating inspection services for. These estimates were originally generated in July of 2008 and to the best of my knowledge, should still be accurate estimates.

Please let me know if you have any questions.

Sincerely,

Mike Topp
Horizon QC

- Well Platforms (14)

Repairs: Surface Preparation – SSPC SP 3 Power Tool Cleaning on all corrosion spots.
  Spot prime epoxy mastic 4.0 – 6.0 mils dft.
  Finish coating UV compatible coating 3.0–4.0 mils dft.

Cost: $4,000.00 each or $56,000.00 for all (14)
February 11, 2011

Mr. Brett Pyles
Hardin County Water District No.1
1400 Rogersville Road
Radcliff, KY 40160

RE: Van Voorhis Pump House

Mr. Pyles,

Please find below the estimated costs to make the necessary repairs to the Van Voorhis Pump House in the Ft. Knox water system. Please note that these are estimates based on similar projects that my company has provided coating inspection services for. These estimates were originally generated in July of 2008 and to the best of my knowledge, should still be accurate estimates.

Please let me know if you have any questions.

Sincerely,

Mike Topp
Horizon Q/C

---

Van Voorhis Pump House

Repairs: Surface Preparation – SSPC SP 3 Power Tool Cleaning on all corrosion spots.
   - Spot prime epoxy mastic 4.0 – 6.0 mils dft.
   - Finish coating - compatible coating 3.0–4.0 mils dft.

Cost: $7,500.00
ISDC 29

Decommission Muldraugh Water Treatment Plant
ISDC 29
Decommission Muldraugh WTP

General Project Description

The client for this project is Fort Knox. The location of the project is in Muldraugh, KY. The project will include demolition of an existing treatment plant on the Fort Knox Military Reserve. Demolition will include two buildings which house equipment for the treatment facility, one garage, one clarifier tank, one sludge holding tank, two settling tanks, dirt to back fill the facility sites, and ground restoration of the existing facilities.

Scope of Work

The scope includes:

<table>
<thead>
<tr>
<th>Facility</th>
<th>Length (ft)</th>
<th>Width (ft)</th>
<th>Radius (ft)</th>
<th>Area (ft²)</th>
<th>Unit Cost</th>
<th>Cost</th>
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</thead>
<tbody>
<tr>
<td>Clarifier Tank</td>
<td>2000</td>
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<td>25</td>
<td>2000</td>
<td>$8.00</td>
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<tr>
<td>Sludge Holding Tank</td>
<td>40</td>
<td>40</td>
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<td>1600</td>
<td>$8.00</td>
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<td>Garage</td>
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<td>1800</td>
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<td>Settling Tank</td>
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<td>3000</td>
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<td>Settling Tank</td>
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<td>Ground Restoration</td>
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<td></td>
<td></td>
<td>25000</td>
<td>$1.90</td>
<td>$47,500</td>
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</table>

Subtitle $295,700

Engineer/Admin/inspection $44,355

Total $340,055

The following assumptions were made with the costs/quotes provided by the engineer:

- No special disposal of lead paint or hazardous materials.
- Demolition debris could be covered with top soil or taken to disposal area on site with no tipping fee.
- Any concrete such as foundations will be cut to 6 inches below grade and covered with top soil as to not interfere with future use of the site.
- Building and tank dimensions are all approximate.
- Contractor shall keep all salvageable items.
ISDCs 30, 31, 32, 33, 34

Muldraugh Water Treatment Plant Operation

Years 1 - 5
# Base - LABOR & EXPENSES - Water Treatment (Muldraugh Only) - Years 1 - 5

## LABOR

<table>
<thead>
<tr>
<th>Labor Category</th>
<th># of Emph</th>
<th>U/M</th>
<th>Total Avg Raw HRS</th>
<th>Year 1 HRS</th>
<th>Year 2-5 HRS</th>
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<td>Water Treatment Operator</td>
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<td>Hr</td>
<td>$47.03</td>
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<td>Electrical &amp; C</td>
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<td>RAW LABOR</td>
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<tr>
<td>Fringe</td>
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<td>664,765.45</td>
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<td><strong>TOTAL LABOR (Raw + Fringe)</strong></td>
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<td>664,765.45</td>
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<td><strong>TOTAL LABOR</strong></td>
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## EXPENSES

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<th>Category</th>
<th>U/M</th>
<th>Unit Rate</th>
<th>QTY</th>
<th>$</th>
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<td>Bulk Lime</td>
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<td>Carbon Dioxide</td>
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<td>Alum</td>
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<td>Fluoride</td>
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<td>Security Supplies</td>
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<td>Vehicle Repair and Maintenance</td>
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<td>Impact Fees</td>
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<tr>
<td>Overhead &amp; Admin</td>
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</tr>
<tr>
<td><strong>OUTSIDE SERVICES / SUBCONTRACTS / PURCHASES</strong></td>
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<tr>
<td>Uniforms</td>
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<tr>
<td>Internet Access Service</td>
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<td>Email/Phone/Pagers</td>
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<td><strong>TOTAL EXPENSES</strong></td>
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</tbody>
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## Use or disclosure of data contained in this sheet is subject to the restriction on the title page of this proposal.
HCWD1 General and Administrative Cost
### Updated Ft. Knox Sewer Rate - October, 2010

**Revised: July, 2010**  
**Previous revision - July 2008**

#### HC WD1 Maint & Admin

<table>
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<tr>
<th></th>
<th>94.5%</th>
<th>15.5%</th>
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</thead>
<tbody>
<tr>
<td>Staff and Benefits</td>
<td>$ 69,422</td>
<td>$ 12,734</td>
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<tr>
<td>Audit</td>
<td>$ 51,172</td>
<td>$ 9,386</td>
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<tr>
<td>Sub-Total &gt;</td>
<td>$120,593</td>
<td>$22,121</td>
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<td></td>
<td>4.4%</td>
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#### Operations & Maintenance

<table>
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<th>94.5%</th>
<th>15.5%</th>
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</thead>
<tbody>
<tr>
<td>Laboratory</td>
<td>$ 90,094</td>
<td>$ 21,131</td>
</tr>
<tr>
<td>And Freight</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-Total &gt;</td>
<td>$115,435</td>
<td>$32,262</td>
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<tr>
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<td>2.4%</td>
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#### System Replacement

<table>
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<th></th>
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<th>15.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials</td>
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<td>$ 0</td>
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<tr>
<td>And Freight</td>
<td></td>
<td></td>
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<tr>
<td>Sub-Total &gt;</td>
<td>$ 248,736</td>
<td>$ 0</td>
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<td></td>
<td>5.1%</td>
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</table>

### Notes

- **July 2008 Fee**
  - $2,687,484
  - $486,357
  - $3,174,031

- **Yr Change**
  - 2.7% 
  - 4.21% 
  - 1.7%
# Initial System Deficiency Corrections
## Summary Table

<table>
<thead>
<tr>
<th>ISDC No.</th>
<th>Labor and Materials</th>
<th>HCWD1 Supervision and Technical Support</th>
<th>Engineering/Inspection</th>
<th>Total</th>
<th>Quote Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>System Survey/Assessment and Re-Map the Utility System</td>
<td>$108,650</td>
<td>$10,865</td>
<td>$119,515</td>
<td>Vendor (SDI) quote</td>
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<tr>
<td>2</td>
<td>Leak Detection Survey</td>
<td>$44,252</td>
<td>$4,425</td>
<td>$48,677</td>
<td>LWC estimate</td>
</tr>
<tr>
<td>3</td>
<td>Hydraulic Model</td>
<td>$19,700</td>
<td>$1,970</td>
<td>$21,670</td>
<td>Vendor (HDR) quote</td>
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<tr>
<td>4</td>
<td>Water Flow Meters at the WTP</td>
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<td>HCWD1 estimate</td>
</tr>
<tr>
<td>5</td>
<td>24-inch Raw Valves</td>
<td>$101,756</td>
<td>$14,000</td>
<td>$115,756</td>
<td>LWC estimate</td>
</tr>
<tr>
<td>6</td>
<td>New Raw Water Main from the Muldraugh WTP to the 16-inch Raw Water Line Between Otter Creek PS</td>
<td>$1,863,200</td>
<td>$249,480</td>
<td>$1,912,680</td>
<td>CH2M HILL estimate based on LWC and HCWD1 recent unit bid prices</td>
</tr>
<tr>
<td>7</td>
<td>Otter Creek Pump Station</td>
<td>$102,500</td>
<td>$10,250</td>
<td>$112,750</td>
<td>Vendor (Archway Roofing) quote and HCWD1 estimate</td>
</tr>
<tr>
<td>8</td>
<td>Muldraugh Pump Station</td>
<td>$88,000</td>
<td>$8,800</td>
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TO: Hardin County Water District No. 1 (HCWD1)  
Mr. Jim Bruce, General Manager  
1400 Rogersville Road  
Radcliff, KY 40160  
Telephone: (270) 351-3222  
Email: jbruce@hcwd.com  

REQUEST DATE: May 13, 2011  
RESPONSE DATE: June 3, 2011  
RFP: SP06000-08-R-0803 – Fort Knox, Kentucky  
SUBJECT: Negotiation Message #4 – 05/13/2011

General

1. The attached message is provided for Hardin County Water District No. 1 (HCWD1) to review and to provide responses to the issues identified by the Government. The Government intends to conduct telephonic and face-to-face discussions with HCWD1 as frequently as necessary in order to resolve any outstanding issues with HCWD1’s proposal.

2. Note that statements indicating that information provided by the Offeror has been “accepted,” “satisfactory,” “acceptable,” etc., or that no further information is requested simply mean that such information answers the Government’s questions, and in no way reflect how that information will be evaluated by the Source Selection Evaluation Team(s) and/or Source Selection Authority.

3. In accordance with Section M.3, Comparison of Offered Prices with the Government Should-Cost Estimate, and 10 U.S.C. § 2688, authority to privatize a utility system is subject to the action being in the long-term economic interest of the Government.

4. HCWD1 is requested to carefully review the most recent update to 10 U.S.C. § 2688, which includes a new requirement that conveyance of the utility system will reduce the long term cost of utility services by 10% versus the long term cost of utility services performed by the Government. Additionally, in order to reduce potentially substantial upfront costs by the Army for utilities privatization contracts, it is preferred that Offerors consider amortization of the recovery of initial system deficiency corrections (ISDCs) in lieu of receiving lump sum payments.

5. To determine whether those criteria in items 3 and 4 above are met, the Government will use the CLIN data in Schedule B-1, Schedule B-2, Schedule B-3, or Schedule B-4 to develop a projected 50-year cash flow. The present value of the projected cash flow will be calculated and compared to the Government’s present value estimate for a 50-year cash flow for Government ownership and operations and maintenance. Present values will be calculated at the discount rate specified in Appendix C of the Office of Management and Budget (OMB) Circular A-94 that is

Source Selection Information  
See FAR 2.101 and 3.104
current at the time proposals are due. The appropriate discount rate may be found at the following hyperlink: [http://www.whitehouse.gov/omb/circulars/a094/a094_appx-e.html](http://www.whitehouse.gov/omb/circulars/a094/a094_appx-e.html).

6. HCWD1 is advised that proposals and negotiation messages will not be incorporated by reference into any resultant Contract. Rather, the terms and conditions contained in Sections B through K of the RFP will form the terms and conditions of the Contract, with appropriate modifications to reflect: a) exceptions properly made in accordance with Section L.6.2. of the RFP and accepted by the Contracting Officer (CO); b) agreements reached as a result of negotiations; c) the actual system(s) awarded; and d) changes in terminology indicating the transition from Offeror/RFP to Contractor/Contract. Only discrete schedules and plans from the successful proposal(s) will be made a part of the contract as attachments (e.g. Contingency Operations Plan, Section B Pricing Schedule, etc.)

7. General questions regarding the RFP, the system being conveyed, or similar issues not specific to the content of the Offeror's proposal must be submitted to the CO in writing so that the Government can publish the answers to all Offerors. While the Government will conduct discussions during any face-to-face or telephonic negotiation sessions, the Government will not discuss these types of general questions. This ensures that sufficient time is allotted for the negotiation sessions and that information is distributed to all Offerors in a consistent manner.

8. Assumptions will be considered by the Government solely for evaluation purposes. Unless identified as an exception in accordance with Section L.6.2 and accepted as such by the CO, assumptions will not be deemed to be a part of any resulting contract and will not form the basis for any pricing adjustments.

9. The Government has reviewed HCWD1's alternate proposal and has decided not to accept it at this time. Thus, the attached message only discusses HCWD1's base proposal.

10. Responses to this negotiation message are due by COB June 3, 2011. HCWD1 must return this document after inserting responses to each issue. The responses incorporated into this document must be sent via email to the following addresses: brian.koessel@dlra.mil and taina.rivera@dlra.mil.

11. Fort Knox is willing to accommodate site visits from the date of this message until two weeks prior to the due date for final proposal revisions. To schedule a site visit, please contact Taina Rivera at taina.rivera@dlra.mil or 703-767-8130.

12. The Government requests that CD versions (2 with tracked changes and 2 with changes accepted) of the Final Proposal Revision (FPR) be submitted by COB June 3, 2011. One (1) clean hard copy of the FPR shall follow by COB June 7, 2011. The CD version will be considered the official version.

Lastly, please be advised that you may call me at 703-767-1595 for any further questions and/or concerns.

Brian Koessel, Contracting Officer, sends...

Source Selection Information
See FAR 2.101 and 3.104
Hardin County Water District No. 1 – Potable Water Proposal (Base)

Volume I – Technical Proposal

1.2.1 O&M Plan
See Page I-28 (Reference: RFP Sections J1.3.7 and J1.3.8)

New Issue 1: The Government requests that HCWD1 demonstrate how it intends to satisfy the planning and programming and request for action requirements. HCWD1’s proposal states that it will meet the Government’s requirements, but it is unclear which human capital resources HCWD1 intends to utilize. The level of effort proposed for the General Manager and Operations Manager (0.25 FTEs each), does not appear to be enough to meet this requirement.

HCWD1 Response: HCWD1 has added a new position to its organization chart shown on Exhibits L.1-3 and L.2-1. See attachment for revised organizational chart. Preston Pendley will be designated as Project Manager with a budgetary staffing level of 0.4 FTE. Preston will be the primary contact for planning and programming and requests for action. Jim Bruce will remain as the Governments primary contact for contract issues. Brett Pyles will remain as operations manager, overseeing the distribution operation supervisor.

Government Response (May 13, 2011): The Government requests that HCWD1 revise its proposal further to include the Project Manager position, its qualifications, and Mr. Pendley’s credentials in Exhibit 1.2-6, p. I-31. The Government also requests that HCWD1 confirm that the Project Manager will fulfill the duties and responsibilities associated with the planning and programming, and request for action requirements in addition to the proposed Project Manager tasks outlined in Vol. I, page I-58, and revise its proposal accordingly. Lastly, please revise all applicable Exhibits to include the addition of the new position.

HCWD1 Response (May 17, 2011): The FPR will include the requested information and changes.

1.3.1 Initial System Deficiency Correction Plan

New Issue 2: The Government requests that HCWD1 demonstrate how it plans to provide dedicated manpower to ensure adequate project management and oversight of the ISDC projects during the first 5-years of privatization. The level of effort proposed for the General Manager and Operations Manager (0.25 FTEs each), does not appear to be enough to meet this requirement. HCWD1 does state that CH2M HILL will provide management of the capital improvement program, but what that means in terms of day-to-day support is unclear.

HCWD1 Response: Preston Pendley (0.4 FTE) will also be the primary contact for oversight of ISDC projects and Capital Improvement Program. CH2M HILL will provide engineering support to HCWD1 in developing the capital improvement program and preparing engineering plans and...
specifications. Depending on the size and complexity of the project, day-to-day inspections will be performed by HCWD1, CH2M HILL, or qualified inspectors through subcontract agreements.

**Government Response (May 13, 2011):** The Government requests that HCWD1 revise its proposal, including any applicable exhibits, to include a description of the ISDC and CIP oversight responsibilities and any additional functions proposed to be performed by the Project Manager position.

**HCWD1 Response (May 17, 2011):** The requested descriptions will be included in the FPR.

**New Issue 3:** The Government requests that HCWD1 revise its proposal to include a more detailed description of the scope of work for each ISDC project proposed, with particular attention to the projects identified in Issues 4-6, infra.

**HCWD1 Response:** HCWD1 will revise its proposal showing the scope of works for projects identified in New Issues 4-6, below. HCWD1 believes that the current scopes of work on pages L-59 to L-63 provide sufficient detail for the remaining ISDC projects. HCWD1 has updated the cost estimate for ISDC #5 and will clarify that this project includes replacement of six 20” gate valves.

**Government Response (May 13, 2011):** The Government has remaining questions concerning the following eight ISDC projects:

a) **ISDC #1 System Survey/Assessment and Re-map the utility system:** The Government requests that HCWD1 revise its proposal to confirm that all maps and associated data will comply with the latest version of SDSFIE, and that the data collected in the computerized model will be made available to the Government upon reasonable request and with reasonable notice. The Government also requests that HCWD1 revise its proposal to state that it will maintain all maps and data collected for the Fort Knox system separately from HCWD1’s existing GIS, SDI maps.

**HCWD1 Response (May 17, 2011):** The FPR will include a reference to the additional scope description for ISDC 1, submitted on 3-MAR-2011. In that scope, HCWD1 and its sub-consultant reference complying with current SDSFIE requirements. HCWD1 can also confirm that copies of the map will be provided to the Government and all data and maps will be kept separate from HCWD1’s other GIS mapping systems and records.

b) **ISDC #5 Replace 20 Inch Valves – West Point Field:** The Government requests that HCWD1 revise its proposal to correct the valve sizes from 24 inches to 20 inches and adjust its price as necessary.

**HCWD1 Response (May 17, 2011):** The requested change will be made in the FPR and final pricing as required.

c) **ISDC #7 Otter Creek PS:** The Government requests that HCWD1 revise its proposal to include lightning protection for the metal roof and adjust its price as necessary.

Source Selection Information
See FAR 2.101 and 3.104
d) ISDC #8 Muldraugh High Lift Pump Station: The Government requests that HCWD1 explain in detail the materials to be used to replace the roof at Muldraugh HLPS.

**HCWD1 Response (May 17, 2011):** HCWD1 has requested from the Government a material specification or description of the roofing materials that the Government will require to be installed. Once that information is provided, HCWD1 will revise its pricing for this ISDC, if required, and include with FPR.

c) ISDC #9 Central Water Treatment Plant: The Government requests that HCWD1 revise its proposal to include any testing fees and/or removal costs associated with potential asbestos or lead-based paint materials and adjust its price as necessary.

**HCWD1 Response (May 17, 2011):** HCWD1 will revise its pricing for this ISDC, if required, and include with the FPR.

f) ISDC #14 Automatic Transfer Switches: The Government requests that HCWD1 revise its proposal to address in detail the integration of the automatic transfer switches with the SCADA system and adjust its price as necessary.

**HCWD1 Response (May 17, 2011):** HCWD1 can confirm that its scope and pricing for this ISDC already included equipment as needed to provide this integration. It is assumed that additional PLC programming for the ATS’s will include status of switch (active or not active) run time since last active and any other discrete alarm or status conditions available from the ATS control panel.

g) ISDC #27 Rehab Well Platforms: The Government requests that HCWD1 confirm the quantity of platforms (and associated well numbers) that will be rehabilitated. It appears that HCWD1’s August 2010 proposal included 6 platforms whereas the documentation provided on March 3, 2011 included 14 platforms. Please note that there are only 13 Government-owned platforms at West Point Well Field.

**HCWD1 Response (May 17, 2011):** HCWD1 can confirm that the reference to 14 wells was a typographical error and that the pricing for ISDC 27 only included the 6 platforms originally mentioned, therefore no change would be needed to pricing.

b) ISDC #29 Decommission Muldraugh Water Treatment Plant: The Government requests that HCWD1 revise its proposal to include lead-based paint testing, special disposal of potentially hazardous materials and appropriate disposal of demolition debris outside of Fort Knox’s premises and adjust its price as necessary.

**HCWD1 Response (May 17, 2011):** HCWD1 will revise its FPR pricing, as required, to include this requirement and added cost for removal and disposal of lead based paint and other hazardous materials related to ISDC 29.

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Source Selection Information
See FAR 2.101 and 3.104
New Issue 4: The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it intends to accomplish for the complete renovation of Elevated Storage Tanks #5, #6, #7, and #8. Additionally, the Government requests that HCWD1 describe the approach it intends to take and the scope of work it intends to accomplish when rehabilitating all eight of the elevated storage tanks.

HCWD1 Response: HCWD1 updated the cost estimates to renovate Tanks #6, #7, and #8. See attachment for scopes of work.

Government Response (May 13, 2011): After reviewing the scopes of work and cost estimates for the renovation of Tanks #5, #6, #7, and #8, it is still uncertain whether HCWD1’s proposed scopes of work sufficiently address the Government identified deficiencies. Therefore, the Government requests that HCWD1 revise its proposal to ensure that it addresses all of the elevated storage tank deficiencies identified by the Government in RFP Sections J1.2.1.1, Table 2, and J1.12, Table 12. Additionally, the Government requests that HCWD1 review RFP Amendment 0003, and revise its proposal to adjust its scope of work for Tank #7.

HCWD1 Response (May 17, 2011): HCWD1 will include additional reference in its FPR to verify that all required deficiencies and required work for storage tanks, and any impact to cost of Amendment 0003, and make required changes to work description and pricing.

New Issue 5: The Government requests that HCWD1 revise its proposal to provide a detailed description of the scope of work it plans to accomplish for ISDC project #19, SCADA System.

HCWD1 Response: HCWD1 reviewed its proposal for ISDC project #19, SCADA System and verified that the scope of work and cost estimate is accurate. See attachment for scope of work.

Government Response (May 13, 2011): No further information is requested.

New Issue 6: The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it plans to accomplish for the renewal and replacement of fire hydrants (ISDC project #11), distribution pipes, and main valves (ISDC project #s 20-23).

HCWD1 Response: HCWD1 reviewed its proposal for ISDC projects #11, 20, 21, 22, and 23 and verified that the scope of work and cost estimate is accurate. See attachment for scopes of work.

Government Response (May 13, 2011): The Government requests that HCWD1 revise its proposal to expand the scope of work for ISDCs #20, 21, 22, and 23 to identify the number of valves included in the cost estimate. Additionally, the Government requests that HCWD1 clarify whether labor and equipment costs are included in its proposal. The Government further requests that HCWD1 review the amended completion date for replacement of fire hydrants (ISDC #11), and revise its proposal accordingly. The Government also requests that HCWD1 review its assumption regarding the presence and operability of isolation valves and revise its proposal to include costs to provide operable isolation valves where none currently exist.

Source Selection Information
See FAR 2.101 and 3.104
1.3.2 Offeror Recommended Additional Upgrades
See Page 1-63 (Reference: RFP Sections C.11.2.5, J1.2.1.1, p. J1-10, and J1.2.1.4, Table 5)

New Issue 7: It is anticipated that the Muldraugh High Lift Pump Station (HLPS) will continue to be utilized after the Muldraugh WTP is decommissioned. The Government therefore requests that HCWD1 revise its proposal to include appropriate changes to the renewal and replacement plan.

HCWD1 Response: HCWD1 will update its proposal to show continued operation of the Muldraugh High Lift Pump Station (HLPS) and 1.0 MG Clearwell.

Government Response (May 13, 2011): The Government requests that HCWD1 revise its proposal to include renewal and replacement of the Muldraugh High Lift Pump Station (HLPS) and 1.0 MG Clearwell in addition to any potential FTE impacts for the 50-year contract term.

HCWD1 Response (May 17, 2011): HCWD1 will revise its pricing and FPR to include the R&R costs for the above two facilities, if required.

1.3.4 Description of the Contractor’s Conceptual Methodology for Scheduling R&R for Contract Duration
See Page 1-65 (Reference: RFP Sections C.11.2, L.4.3.4, J1.2.1.1, Table 1 and J1.2.1.4, Table 5)

New Issue 8: The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it plans to accomplish for the renewal and replacement of the Raw Water Wells (and associated components) identified in Tables 1 and 5.

HCWD1 Response: The scope of work for the Raw Water Wells includes replacement of the well pump, motor, controls and well screen.

Government Response (May 13, 2011): No further information is requested.

New Issue 9: Fort Knox recently replaced the 750 kW emergency generator at the Central WTP’s HLPS with a 280 kW dual-fueled (natural gas and fuel oil) emergency generator. HCWD1 is requested to revise its proposal to include appropriate changes to the renewal and replacement plan.

HCWD1 Response: HCWD1 will update the proposal to reflect the Government’s replacement of the 750kW generator at the Central WTP with a 280kW generator in 2010.

Government Response (May 14, 2011): No further information is requested.

New Issue 10: The Government requests that HCWD1 revise its proposal to include a detailed 50-year renewal and replacement plan with the technical proposal (without costs).

Source Selection Information
See FAR 2.101 and 3.104
HCWD1 Response: HCWD1 will revise its proposal to include a detailed 50-year renewal and replacement plan with the technical proposal (without costs).

Government Response (May 13, 2011): No further information is requested.

1.4.1.3 Implementing New Meter Requirements
See Page 1-71 (Reference: RFP Sections C.3.3, L.4.4.3, and J1.5)

New Issue 11: The Government requests that HCWD1 revise its proposal to provide a more detailed description of the scope of work it plans to accomplish for the renewal and replacement of meters.

HCWD1 Response: HCWD1 will revise its proposal to provide a more detailed description of the scope of work it plans to accomplish for the renewal and replacement of meters. See attachment.

Government Response (May 13, 2011): HCWD1's proposed meter replacement procedures are acceptable to the Government. However, the Government requests that HCWD1 describe the following: meter types proposed; whether installation will occur inside or outside; whether a vault will be installed (if so, how large); and if installing in a mechanical room, whether an external display will be used to avoid the need to access the mechanical room to read the meter.

HCWD1 Response (May 17, 2011): HCWD1 will include additional reference in its FPR to add the additional requested information listed above.

Source Selection Information
See FAR 2.101 and 3.104
Volume IV – Price Proposal

General Comments / Questions

Regulated Tariff – Regulatory Process for Future Price Changes
(See Pages IV-1, IV-44, IV-45)

New Issue 12: HCWD1’s proposal states that it “proposes to provide water utility service to Fort Knox under a tariff regulated by the Kentucky Public Service Commission (PSC).” The Government requests that HCWD1 provide an estimate of the frequency of the anticipated rate changes and the timelines associated with the rate change process.

HCWD1 Response: Each year HCWD1 must complete a financial audit of its previous year. With the Ft. Knox sewer contract, HCWD1 has increased the Government’s rate two times since 2005. The first was after three years, the second after two more years. On the sewer contract, the aggregate of the two increases are equivalent to 1.8% per year, since 2005. Our current contract for the sewer requires we notify the Government before February, for any requested increase going into effect that October.

Government Response (May 13, 2011): The Government requests that HCWD1 revise its proposal to include an annual notification to the Contracting Officer of anticipated rate adjustments (increases or decreases) in conjunction with submittal of the Annual System Deficiency Corrections/Upgrades and Renovations and Replacements Plan.

HCWD1 Response (May 17, 2011): HCWD1 will note said timing for any annual tariff rate changes to be in conjunction with the above referenced annual submittal and revise its FPR as required.

Monthly Credit for Purchase Price Credit
(See Page IV-4, IV-5)

New Issue 13: HCWD1’s proposal states that it “…proposes to pay $8,162,000 for the Ft. Knox potable water system…” through a monthly credit of “…$82,249 per month for 120 months.” However, there is no reference to the proposed credit for the purchase price included in the tariff sheet. Additionally, it does not appear as though the credit was used to offset the monthly service charge identified in CLIN 0001. The Government requests that HCWD1 revise its proposal to include the calculation of the purchase price credit on the tariff sheet over the initial 120 months of the service.

HCWD1 Response: HCWD1 will update the Rate Schedule FKW – Water Service within Fort Knox, Kentucky on page IV-3 to show the Purchase Price Credit. The purchase price, monthly credit and recovery surcharge will also be updated to reflect the changes in the revised proposal.

Source Selection Information
See FAR 2.101 and 3.104
Government Response [May 13, 20X1]: No further information is requested.
O&M / G&A Expenses

Staffing

New Issue 14: As previously noted, it does not appear that HCWD1 adequately addressed the planning and programming or request for action requirements. The Government requests that HCWD1 review RFP Sections 11.3.7 Planning and Programming and 11.3.8 Request for Action (RFA) Process and revise its proposal, as necessary, to address these requirements.

HCWD1 Response: HCWD1 has added a new position to its organization chart shown on Exhibit 11-3. Preston Pendley will be designated as Project Manager with a budgetary staffing level of 0.4 FTE. Preston will be the primary contact for planning and programming and requests for action.

Government Response (May 13, 2011): The Government requests that HCWD1 revise its proposal to include the updated labor related costs and expenses associated with the additional staffing.

HCWD1 Response (May 17, 2011): HCWD1 will make certain that the latest labor costs are included in its pricing submitted with its FPR

Vehicles & Equipment

New Issue 15: The Government requests that HCWD1 review and verify its vehicle and equipment expense estimate.

HCWD1 Response: HCWD1 has updated its vehicle and equipment expense to reflect current pricing.

Government Response (May 13, 2011): The Government requests that HCWD1 revise its proposal to include the updated vehicle and equipment expenses.

HCWD1 Response (May 17, 2011): HCWD1 will revise its pricing to reflect the latest vehicle costs and revise its FPR as required

G&A Overhead Rate

(See Pages IV-4, IV-6, IV-8)

New Issue 16: HCWD1 proposed to apply a G&A overhead rate of 3.8 percent to the R&R project costs and O&M related costs. The Government requests that HCWD1 provide the basis for the 3.8 percent rate.

HCWD1 Response: The G&A rate has been adjusted in the proposal. In late 2010, HCWD1 revised its charge to the Government for its Ft. Knox Sewer rate. After updating its costs and pricing, the new G&A rate is 4.4%. See attachment for supporting documentation. These charges

Source Selection Information

See FAR 2.101 and 3.104
and impacts to overall monthly fee was reviewed and approved by the Government, and then submitted to and approved by the Kentucky Public Service Commission.

**Government Response (May 13, 2011):** The Government requests that HCWD1 revise its proposal to include the new G&A rate of 4.4%.

**HCWD1 Response (May 17, 2011):** HCWD1 will revise its FPR to include this latest G&A rate

Source Selection Information
See FAR 2.101 and 3.104
Renewals & Replacements
Replacement Cost New

**New Issue 17:** The Government requests that HCWDI review and verify the cost estimates for its proposed RCNs. Please pay particular attention to the components identified in the table below.

<table>
<thead>
<tr>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate Water Intake / Mechanical Screens</td>
</tr>
<tr>
<td>Raw water wells – structures</td>
</tr>
<tr>
<td>Raw water wells – pumps / control systems</td>
</tr>
<tr>
<td>WTP – Structures</td>
</tr>
<tr>
<td>Hydrants</td>
</tr>
<tr>
<td>Water storage tanks</td>
</tr>
<tr>
<td>Water storage tank maintenance</td>
</tr>
</tbody>
</table>

HCWDI Response: HCWDI has reviewed the cost estimates and does not recommend any changes to the RCN values.

**Government Response (May 13, 2011):** [Further clarification or response]

Assumed Useful Lives

**New Issue 18:** The following table provides a comparison of the projected design lives reflected in the Government’s estimate and HCWDI’s proposal. The yellow highlights indicate the design life assumptions which differ. HCWDI is requested to provide justification for each projected design life at variance with a corresponding Government projected design life.

<table>
<thead>
<tr>
<th>Component</th>
<th>Government’s Design Life</th>
<th>HCWDI’s Design Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate Water Intake / Mechanical Screens</td>
<td>75 Years</td>
<td>50 Years</td>
</tr>
<tr>
<td>Raw water wells – structures</td>
<td>75 Years</td>
<td>75 Years</td>
</tr>
<tr>
<td>Raw water wells – pumps / control systems</td>
<td>25 Years</td>
<td>25 Years</td>
</tr>
<tr>
<td>WTP – Structures</td>
<td>75 years</td>
<td>75 years</td>
</tr>
<tr>
<td>WTP – Pumps / Control / Chemical Feed Systems</td>
<td>25 years</td>
<td>25 years</td>
</tr>
<tr>
<td>WTP – Filter Structures</td>
<td>75 years</td>
<td>75 years</td>
</tr>
<tr>
<td>Sludge Lagoons</td>
<td>NA</td>
<td>60 years</td>
</tr>
<tr>
<td>Pipe and services</td>
<td>50 years</td>
<td>50 years</td>
</tr>
<tr>
<td>Meters and main valves</td>
<td>25 years</td>
<td>25 years</td>
</tr>
<tr>
<td>Hydrants</td>
<td>25 years</td>
<td>40 years</td>
</tr>
<tr>
<td>Backflow preventors</td>
<td>20 years</td>
<td>50 years</td>
</tr>
</tbody>
</table>

Source Selection Information
See FAR 2.101 and 3.104
<table>
<thead>
<tr>
<th>Component</th>
<th>Government’s Design Life</th>
<th>HCWD1’s Design Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water storage tanks</td>
<td>75 years</td>
<td>75 years</td>
</tr>
<tr>
<td>Pump Station – Structure</td>
<td>75 years</td>
<td>75 years</td>
</tr>
<tr>
<td>Pump Station - Pumps / Control Systems</td>
<td>25 years</td>
<td>25 years</td>
</tr>
<tr>
<td>Pressure Reducing Stations</td>
<td>25 years</td>
<td>50 years</td>
</tr>
<tr>
<td>Emergency Generators</td>
<td>35 years</td>
<td>35 years</td>
</tr>
<tr>
<td>SCADA and Cathodic Protection</td>
<td>25 years</td>
<td>25 years</td>
</tr>
</tbody>
</table>

**HCWD1 Response**: HCWD1 will update the design lives to match the Government’s design lives with one exception. Main valves that are replaced with distribution pipe will have a design life of 50 years, which is equivalent to the design life of the pipe. Once HCWD1 is operating the water system, HCWD1 will implement its asset management and preventive maintenance programs which will extend the design lives of the main valves to 50 years.

**Government Response (May 13, 2011)**: The Government requests that HCWD1 revise its proposal to include any impacts to the R&R schedule in addition to the updated RCN inventory cost and purchase price.

**HCWD1 Response (May 17, 2011)**: HCWD1 will make certain that the future R&R costs related to this item is included in its pricing submitted with its FPR.

**Muldraugh WTP’s HLPS**

**New Issue 20**: It is anticipated that the Muldraugh High Lift Pump Station (HLPS) will continue to be utilized after the Muldraugh WTP is decommissioned. The Government therefore requests that HCWD1 revise its proposal to include appropriate changes to the RCN, purchase price, and the R&R schedule. Additionally, HCWD1 is requested to review the scope of work proposed for ISDC project #29 and to remove any costs associated with the decommissioning of the Muldraugh HLPS.

**HCWD1 Response**: HCWD1 will update the proposal to show continued operation of the Muldraugh High Lift Pump Station (HLPS) and 1.0 MG Clearwell.
Government Response (May 13, 2011): The Government requests that HCWD1 revise its proposal to include costs for the maintenance, repair, and replacement of the Muldraugh High Lift Pump Station (HLPS) and 1.0 MG Clearwell for the 50-year contract term in addition to operation costs.

HCWD1 Response (May 17, 2011): HCWD1 will make certain that the O&M costs related to these facilities is included in its pricing submitted with its FFR.

Discount / Interest Rates Reflected in Levelized R&R Calculations
(See Page IV-36)

New Issue 21: HCWD1’s proposal states “(i) it is assumed that HCWD1 can earn 0.5 percent in interest on investments of surplus balances and pay 5.5 percent interest on deficit balances.” HCWD1’s proposal further states that “(ii) the interest rate used to calculate the interest expense will be the “all-in total interest costs” associated with the bonds used to finance Ft. Knox water system projects.” The Government requests that HCWD1 provide the supporting documentation, justification, and calculations used to support the interest rates of 0.5 percent for surplus balances and 5.5 percent for deficit balances.

HCWD1 Response: HCWD1 has reviewed its current rate it would pay for long term financing. After discussing bond options with two bond legal counselors, HCWD1 believes that any long term debt issued to finance projects for the Ft. Knox water system would not qualify for tax exempt bond issues. This is in accordance with IRS tax code Section 255. (b)(2)(a), or the “trade or business test”. HCWD1 has researched current taxable bond issues sold in Kentucky, including some Build America Bonds which are available to government agencies, but are also taxable. See attachment for a partial list of these recent issues. The rates average 5.95%.

HCWD1 believes it should leave the rate of 5.5% in its calculation of future long term debt issues. HCWD1 has also updated its current investment portfolio rate. See Attachment for its latest inventory of investment report which includes 25 investment instruments. The aggregate rate of return for all of its investments is 1.86%. Investment rates range from 0.25% to 5.2% (long term CD’s). Some active funds accounts earn zero interest. Based on this updated analysis, HCWD1 has changed its rate of earnings on surplus funds in its pricing to 2.0%.


Initial System Deficiency Correction Projects
Cost Estimates

New Issue 22: The Government requests that HCWD1 review and verify the cost estimates for its proposed ISDC projects. Please pay particular attention to the ISDC projects identified in the table below.

<table>
<thead>
<tr>
<th>Initial System Deficiency Correction Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. System Survey/Assessment and Re-Map the Utility Systems</td>
</tr>
<tr>
<td>2. Leak Detection Survey</td>
</tr>
</tbody>
</table>

Source Selection Information
See FAR 2.101 and 3.104
Initial System Deficiency Correction Projects

- 4. Hydraulic Model
- 6. 20-inch Valves
- 11. Central WTP Clearwell
- 12. Fire Hydrants
- 14. Rehabilitate Water Storage No. 5
- 16. Line Between Otter Creek PS & Central WTP
- 20. SCADA System
- 35. Decommission Muldraugh WTP

HCWD1 Response: HCWD1 has reviewed its ISDC projects and has updated the cost of ISDC #6 - 20-inch valves to reflect the purchase and installation of six 20" gate valves.

Government Response (May 13, 2011): As discussed during the teleconference on February 8, 2011, the Government requests that HCWD1 revise its proposal to include detailed descriptions of each ISDC project proposed (per Issue #3, supra) and more detailed explanations for the calculations which support the ISDC project cost estimates.

HCWD1 Response (May 17, 2011): HCWD1 will include and reference in its FPR all recent and additional detail on scope of work for each ISDC and latest pricing for each ISDC.

Transition Surcharge
(See Page IV-41)

New Issue 23: HCWD1’s proposal states “the proposed Transition Surcharge assumes that the transition period will last 4 months. A longer transition period will require that an interest charge be assessed to the Government for funds expended during the transition but not recovered until the first month of operation. The annual interest rate for that charge is 5.5 percent.” The Government requests that HCWD1 provide the calculation of the interest expense reflected in the $542,170 transition period surcharge. Additionally, the Government requests that HCWD1 provide the basis for the 5.5 percent interest rate. Lastly, does HCWD1 propose any other adjustments to the transition surcharge for actual rather than proposed costs?

HCWD1 Response: The one-month Transition Surcharge did not include any interest cost added, and was assumed this were paid at the beginning of the fifth month of operations. There would be no adjustment to actual expenses if varying from this amount. As included elsewhere in proposal, if the actual costs were less, those surplus funds paid by the Government would stay in the Ft. Knox Water Fund and become available for other future project funding, or O&M costs, to the benefit of the Government. If actual costs were higher, HCWD1 does not intend to request additional funding. However, HCWD1 does believe that should the payment be delayed for any reason other than HCWD1’s direct control, it will need to impose a monthly added forfeited discount rate added to the surcharge of $1,694/month. This is based on a rate of 3.75%. As HCWD1 plans to use short term borrowing for the expenses related to the transition, it will use a current line of credit with a local bank. This rate includes that cost plus 0.5% for HCWD1 processing and carrying costs of this loan. All other retail customers are charged a forfeited
discount after their water or sewer bill due date of 10%. This rate and or fixed amount has been included in the revised tariff sheet and will also subject to approval by the PSC.

Government Response: Source Selection Information

See FAR 2.101 and 3.104
AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

2. AMENDMENT/MODIFICATION NO. 0003
3. EFFECTIVE DATE 13 May 2011
4. REQUISITION/PURCHASE REQ. NO. SP0600-08-1258
5. PROJECT NO. (If applicable)

6. ISSUED BY CODE DEFENSE LOGISTICS AGENCY ENERGY
   8725 JOHN J. KINGMAN ROAD, SUITE 3830
   FT. BELVOIR, VA 22060-6222
   PHONE: (703) 767-8130 E-MAIL: Tama Rivera@dla.mil
   BUYER/SYMBOL: Tama M. Rivera/DLA Energy-EF
   PHONE: (703) 767-8130 E-MAIL: Tama Rivera@dla.mil

7. ADMINISTERED BY CODE (If other than Item 6)

8. NAME AND ADDRESS OF CONTRACTOR (No. street, city, county, State, and ZIP Code)

9a. AMENDMENT OF SOLICITATION NO. SP0600-08-R-0803
9b. DATED (SEE ITEM 11) 1 July 2008
10a. MODIFICATION OF CONTRACT/ORDER NO. 
10b. DATED (SEE ITEM 13)

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

[X] The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [ ] is extended. [X] is not extended. Offerors must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning 1 copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)
Not Applicable.

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority)
   THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

B. THE ABOVE NUMBERED CONTRACT ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b)

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR 43.01

OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor [ ] is not, [X] is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitations/contract subject matter where feasible)

Utility Privatization of the Potable Water Utility System Infrastructure at Fort Knox, KY

See Additional Pages for Further Details.

15A. NAME AND TITLE OF SIGNER (Type or print)

15B. NAME OF CONTRACTOR/OFFEROR ________________
(Signature of person authorized to sign)

15C. DATE SIGNED ________________

16A. NAME OF CONTRACTING OFFICER (Type or print)
BRIAN J. KOESEL

16B. UNITED STATES OF AMERICA

16C. DATE SIGNED ________________
(Signature of Contracting Officer)
The purpose of this amendment is to revise and update clauses in the RFP, specifically in Section I, Contract Clauses, Section J, List of Attachments, Section K, Representations, Certifications, and other Statements of Offerors, and Section L, Instructions, Conditions, and Notices to Offerors. Changes and additions to these Clauses are presented below and shown in blue font; deletions are shown in red strikethrough font.

A. RFP Section I.2, FAR Clauses, is deleted in its entirety and replaced with the following:

**I.2 FAR Clauses**

The following FAR clauses are incorporated by reference:

<table>
<thead>
<tr>
<th>FAR Paragraph</th>
<th>Clause Title</th>
<th>IAW</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>52.202-1</td>
<td>Definitions</td>
<td>FAR 2.201</td>
<td>Jul 2004</td>
</tr>
<tr>
<td>52.203-3</td>
<td>Gratuities</td>
<td>FAR 3.202</td>
<td>Apr 1984</td>
</tr>
<tr>
<td>52.203-5</td>
<td>Covenant Against Contingent Fees</td>
<td>FAR 3.404</td>
<td>Apr 1984</td>
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<tr>
<td>52.203-6</td>
<td>Restrictions on Subcontractor Sales to the Government</td>
<td>FAR 3.503-2</td>
<td>Sep 2006</td>
</tr>
<tr>
<td>52.203-7</td>
<td>Anti-Kickback Procedures</td>
<td>FAR 3.502-3</td>
<td>Oct 2010</td>
</tr>
<tr>
<td>52.203-8</td>
<td>Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity</td>
<td>FAR 3.104-9(a)</td>
<td>Jan 1997</td>
</tr>
<tr>
<td>52.203-10</td>
<td>Price or Fee Adjustment for Illegal or Improper Activity</td>
<td>FAR 3.104-9(b)</td>
<td>Jan 1997</td>
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<tr>
<td>52.203-12</td>
<td>Limitation on Payments to Influence Certain Federal Transactions</td>
<td>FAR 3.808(b)</td>
<td>Oct 2010</td>
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<tr>
<td>52.203-13</td>
<td>Contractor Code of Business Ethics and Conduct</td>
<td>FAR 3.1004(a)</td>
<td>Apr 2010</td>
</tr>
<tr>
<td>52.204-4</td>
<td>Printing or Copied Double-Sided on Recycled Paper</td>
<td>FAR 4.303</td>
<td>Aug 2000</td>
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<tr>
<td>52.204-5</td>
<td>Women-Owned Business Other Than Small Business</td>
<td>FAR 4.607(b)</td>
<td>May 1999</td>
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<tr>
<td>52.204-7</td>
<td>Central Contractor Registration</td>
<td>FAR 4.1104</td>
<td>Apr 2008</td>
</tr>
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<td>52.204-10</td>
<td>Reporting Executive Compensation and First-Tier Subcontract Awards</td>
<td>FAR 4.1403(a)</td>
<td>Jul 2010</td>
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<tr>
<td>52.207-3</td>
<td>Right of First Refusal of Employment</td>
<td>FAR 7.305(c)</td>
<td>May 2006</td>
</tr>
<tr>
<td>52.209-6</td>
<td>Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment</td>
<td>FAR 9.409</td>
<td>Dec 2010</td>
</tr>
<tr>
<td>52.215-2</td>
<td>Audit and Records - Negotiations</td>
<td>FAR 15.209(b)</td>
<td>Oct 2010</td>
</tr>
<tr>
<td>52.215-8</td>
<td>Order of Precedence - Uniform Contract Format (See Section C.1 of contract)</td>
<td>FAR 15.209(h)</td>
<td>Oct 1997</td>
</tr>
<tr>
<td>FAR Paragraph</td>
<td>Clause Title</td>
<td>IAW</td>
<td>Date</td>
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<tr>
<td>---------------</td>
<td>------------------------------------------------------------------------------</td>
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<tr>
<td>52.215-11</td>
<td>Price Reduction for Defective Certified Cost or Pricing Data— Modifications</td>
<td>FAR 15.408(c)</td>
<td>Oct 2010</td>
</tr>
<tr>
<td>52.215-13</td>
<td>Subcontractor Certified Cost or Pricing Data— Modifications</td>
<td>FAR 15.408(e)</td>
<td>Oct 2010</td>
</tr>
<tr>
<td>52.215-21</td>
<td>Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data— Modifications</td>
<td>FAR 15.408(m)</td>
<td>Oct 2010</td>
</tr>
<tr>
<td>52.219-4</td>
<td>Notice of Price Evaluation for HUBZone Small Business Concerns</td>
<td>FAR 19.1309(b)</td>
<td>Jan 2011</td>
</tr>
<tr>
<td>52.219-8</td>
<td>Utilization of Small Business Concerns</td>
<td>FAR 19.708(a)</td>
<td>Jan 2011</td>
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<tr>
<td>52.219-9</td>
<td>Small Business Subcontracting Plan w/ Alt II below</td>
<td>FAR 19.708(b)</td>
<td>Jan 2011</td>
</tr>
<tr>
<td>52.219-9</td>
<td>Alternate II</td>
<td>FAR 19.708(b)(1)(ii)</td>
<td>Oct 2001</td>
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<tr>
<td>52.219-16</td>
<td>Liquidated Damages—Subcontracting Plan</td>
<td>FAR 19.708(b)(2)</td>
<td>Jan 1999</td>
</tr>
<tr>
<td>52.219-25</td>
<td>Small Disadvantaged Business Participation Program – Disadvantaged Status and Reporting</td>
<td>FAR 19.1204(b)</td>
<td>Dec 2010</td>
</tr>
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<td>52.219-28</td>
<td>Post-Award Small Business Program Representation</td>
<td>FAR 19.309(d)</td>
<td>Apr 2009</td>
</tr>
<tr>
<td>52.222-1</td>
<td>Notice to the Government of Labor Disputes</td>
<td>FAR 22.103-5(a)</td>
<td>Feb 1997</td>
</tr>
<tr>
<td>52.222-3</td>
<td>Convict Labor</td>
<td>FAR 22.202</td>
<td>Jun 2003</td>
</tr>
<tr>
<td>52.222-4</td>
<td>Contract Work Hours and Safety Standards Act - Overtime Compensation</td>
<td>FAR 22.305</td>
<td>Jul 2005</td>
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<tr>
<td>52.222-21</td>
<td>Prohibition of Segregated Facilities</td>
<td>FAR 22.810(a)(1)</td>
<td>Feb 1999</td>
</tr>
<tr>
<td>52.222-26</td>
<td>Equal Opportunity</td>
<td>FAR 22.810(e)</td>
<td>Mar 2007</td>
</tr>
<tr>
<td>52.222-35</td>
<td>Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans</td>
<td>FAR 22.1310(a)(1)</td>
<td>Sep 2010</td>
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<tr>
<td>52.222-36</td>
<td>Affirmative Action for Workers with Disabilities</td>
<td>FAR 22.1408(a)</td>
<td>Oct 2010</td>
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<tr>
<td>52.222-37</td>
<td>Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans</td>
<td>FAR 22.1310(b)</td>
<td>Sep 2010</td>
</tr>
<tr>
<td>52.222-39</td>
<td>Notification of Employee Rights Concerning Payment of Union Dues or Fees</td>
<td>FAR 22.1605</td>
<td>Dec 2004</td>
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<tr>
<td>52.222-40</td>
<td>Notification of Employee Rights Under the National Labor Relations Act</td>
<td>FAR 22.1605</td>
<td>Dec 2010</td>
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<td>52.222-50</td>
<td>Combating Trafficking in Persons</td>
<td>FAR 22.1705(a)</td>
<td>Feb 2009</td>
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<td>52.222-54</td>
<td>Employment Eligibility Verification</td>
<td>FAR 22.1803</td>
<td>Jan 2009</td>
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<td>Pollution Prevention and Right-to-Know Information</td>
<td>FAR 23.1005</td>
<td>Aug 2003</td>
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<td>52.223-6</td>
<td>Drug-Free Workplace</td>
<td>FAR 23.505</td>
<td>May 2001</td>
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<td>52.223-12</td>
<td>Refrigeration Equipment And Air Conditioners</td>
<td>FAR 23.804(b)</td>
<td>May 1995</td>
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<td>52.223-13</td>
<td>Certification of Toxic Chemical Release Reporting</td>
<td>FAR 23.906(a)</td>
<td>Aug 2003</td>
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<td>52.223-14</td>
<td>Toxic Chemical Release Reporting</td>
<td>FAR 23.906(b)</td>
<td>Aug 2003</td>
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<td>52.228-5</td>
<td>Insurance-Work on a Government Installation</td>
<td>FAR 28.310</td>
<td>Jan 1997</td>
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<td>52.229-3</td>
<td>Federal, State, and Local Taxes</td>
<td>FAR 29.401-3</td>
<td>Apr 2003</td>
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<td>52.232-1</td>
<td>Payments</td>
<td>FAR 32.111(a)(1)</td>
<td>Apr 1984</td>
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<td>52.232-8</td>
<td>Discounts for Prompt Payment</td>
<td>FAR 32.111(b)(1)</td>
<td>Feb 2002</td>
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<td>52.232-11</td>
<td>Extras</td>
<td>FAR 32.111(c)(2)</td>
<td>Apr 1984</td>
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<td>52.232-17</td>
<td>Interest</td>
<td>FAR 32.611(a) &amp; (b)</td>
<td>Oct 2010</td>
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<tr>
<td>52.232-18</td>
<td>Availability of Funds</td>
<td>FAR 32.705-1(a)</td>
<td>Apr 1984</td>
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<tr>
<td>52.232-23</td>
<td>Assignment of Claims</td>
<td>FAR 32.806(a)(1)</td>
<td>Jan 1986</td>
</tr>
<tr>
<td>52.232-25</td>
<td>Prompt Payment</td>
<td>FAR 32.908(c)</td>
<td>Apr 1984</td>
</tr>
<tr>
<td>52.232-33</td>
<td>Payment by Electronic Funds Transfer --Central Contractor Registration</td>
<td>FAR 32.1110(a)(1)</td>
<td>Oct 2003</td>
</tr>
<tr>
<td>52.233-1</td>
<td>Disputes</td>
<td>FAR 33.215</td>
<td>Jul 2002</td>
</tr>
<tr>
<td>52.233-3</td>
<td>Protest after Award</td>
<td>FAR 33.106(b)</td>
<td>Dec 1991</td>
</tr>
<tr>
<td>52.233-4</td>
<td>Applicable Law for Breach of Contract Claim</td>
<td>FAR 33.215(b)</td>
<td>Aug 1996</td>
</tr>
<tr>
<td>52.237-2</td>
<td>Protection of Government Buildings, Equipment, and Vegetation</td>
<td>FAR 37.110(b)</td>
<td>Oct 2004</td>
</tr>
<tr>
<td>52.237-3</td>
<td>Continuity of Services</td>
<td>FAR 37.110(c)</td>
<td>Apr 1984</td>
</tr>
<tr>
<td>52.242-1</td>
<td>Notice of Intent to Disallow Costs</td>
<td>FAR 42.802</td>
<td>Jan 1991</td>
</tr>
<tr>
<td>52.242-13</td>
<td>Bankruptcy</td>
<td>FAR 42.903</td>
<td>Jul 1995</td>
</tr>
<tr>
<td>52.243-1</td>
<td>Changes – Fixed-Price ALT 1</td>
<td>FAR 43.205(a)(1)</td>
<td>Aug 1987</td>
</tr>
<tr>
<td>52.244-6</td>
<td>Subcontracts for Commercial Items</td>
<td>FAR 44.403</td>
<td>Apr 1984</td>
</tr>
<tr>
<td>52.249-2</td>
<td>Termination for Convenience of the Government (Fixed Price)</td>
<td>FAR 49.502(b)(1)(i)</td>
<td>May 2004</td>
</tr>
<tr>
<td>52.249-8</td>
<td>Default (Fixed Price Supply and Service)</td>
<td>FAR 49.504(a)(1)</td>
<td>Apr 1984</td>
</tr>
<tr>
<td>52.252-6</td>
<td>Authorized Deviations in Clauses</td>
<td>FAR 52.107(f)</td>
<td>Apr 1984</td>
</tr>
</tbody>
</table>
B. RFP Section I.3, *DFARS Clauses Incorporated by Reference*, is deleted in its entirety and replaced with the following:

**I.3 DFARS Clauses Incorporated by Reference**

The use in this solicitation or contract of any Defense Federal Acquisition Regulation Supplement (48 CFR Chapter 2) clause with an authorized deviation is indicated by the addition of "(DEVIAION)" after the name of the regulation.

The following DFARS clauses are incorporated by reference:

<table>
<thead>
<tr>
<th>DFARS Paragraph</th>
<th>Clause Title</th>
<th>IAW</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>252.203-7001</td>
<td>Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies</td>
<td>DFARS 203.570-35</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>252.203-7002</td>
<td>Requirement to Inform Employees of Whistleblower Rights</td>
<td>DFARS 203.970</td>
<td>Jan 2009</td>
</tr>
<tr>
<td>252.204-7000</td>
<td>Disclosure of Information</td>
<td>DFARS 204.404-70(a)</td>
<td>Dec 1991</td>
</tr>
<tr>
<td>252.204-7003</td>
<td>Control of Government Personnel Work Product</td>
<td>DFARS 204.404-70(b)</td>
<td>Apr 1992</td>
</tr>
<tr>
<td>252.205-7000</td>
<td>Provision of Information to Cooperative Agreement Holders</td>
<td>DFARS 205.470</td>
<td>Dec 1991</td>
</tr>
<tr>
<td>252.209-7004</td>
<td>Subcontracting with Firms that Are Owned or Controlled by the Government of a Terrorist Country</td>
<td>DFARS 209.409</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>252.219-7003</td>
<td>Small Business Subcontracting Plan (DoD Contracts)</td>
<td>DFARS 219.708(b)(1)(A)</td>
<td>Oct 2010</td>
</tr>
<tr>
<td>252.223-7004</td>
<td>Drug-Free Work Force</td>
<td>DFARS 223.570-2</td>
<td>Sep 1988</td>
</tr>
<tr>
<td>252.223-7006</td>
<td>Prohibition on Storage and Disposal of Toxic and Hazardous Materials</td>
<td>DFARS 223.7103(a)</td>
<td>Apr 1993</td>
</tr>
<tr>
<td>252.225-7031</td>
<td>Secondary Arab Boycott of Israel</td>
<td>DFARS 225.7605</td>
<td>Jun 2005</td>
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<tr>
<td>252.226-7001</td>
<td>Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns</td>
<td>DFARS 226.104</td>
<td>Sep 2004</td>
</tr>
<tr>
<td>252.231-7000</td>
<td>Supplemental Cost Principles</td>
<td>DFARS 231.100-70</td>
<td>Dec 1991</td>
</tr>
<tr>
<td>252.235-7003</td>
<td>Frequency Authorization</td>
<td>DFARS 235.072(b)</td>
<td>Dec 1991</td>
</tr>
<tr>
<td>252.247-7023</td>
<td>Transportation of Supplies by Sea</td>
<td>DFARS 247.574(b)(1)</td>
<td>May 2002</td>
</tr>
</tbody>
</table>
C. RFP Section I.5, *Non-Regulated Utility Clauses Incorporated by Reference*, is deleted in its entirety and replaced with the following:

**I.5 Non-Regulated Utility Clauses Incorporated by Reference**

The following FAR clauses are incorporated by reference if award is made to an entity that is non-regulated, non-Governmental:

<table>
<thead>
<tr>
<th>Paragraph</th>
<th>Clause Title</th>
<th>IAW</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>52.222-41</td>
<td>Service Contract Act of 1965, as amended</td>
<td>FAR 22.1006(a)</td>
<td>Nov 2007</td>
</tr>
<tr>
<td>52.222-44</td>
<td>Fair Labor Standards Act and Service Contract Act – Price Adjustment</td>
<td>FAR 22.1006(c)(2)</td>
<td>Sep 2009</td>
</tr>
<tr>
<td>52.230-2</td>
<td>Cost Accounting Standards</td>
<td>FAR 30.201-4(a)</td>
<td>Oct 2010</td>
</tr>
<tr>
<td>52.230-6</td>
<td>Administration of Cost Accounting Standards</td>
<td>FAR 30.201-4(d)(1)</td>
<td>Jun 2010</td>
</tr>
</tbody>
</table>

D. RFP Section I.6, *Other Clauses*, is revised to insert FAR Clause 52.209-9, *Updates of Publicly Available Information Regarding Responsibility Matters*, as follows:


(a)(1) The Contractor shall update the information in the Federal Awardee Performance and Integrity Information System (FAPIIS) on a semi-annual basis, throughout the life of the contract, by posting the required information in the Central Contractor Registration database at [http://www.ccr.gov](http://www.ccr.gov).

(2) At the first semi-annual update on or after April 15, 2011, the Contractor shall post again any required information that the Contractor posted prior to April 15, 2011.

(b)(1) The Contractor will receive notification when the Government posts new information to the Contractor’s record.

(2) The Contractor will have an opportunity to post comments regarding information that has been posted by the Government. The comments will be retained as long as the associated information is retained, i.e., for a total period of 6 years. Contractor comments will remain a part of the record unless the Contractor revises them.

(3)(i) Public requests for system information posted prior to April 15, 2011, will be handled under Freedom of Information Act procedures, including, where appropriate, procedures promulgated under E.O. 12600.

(ii) As required by section 3010 of Public Law 111-212, all information posted in FAPIIS on or after April 15, 2011, except past performance reviews, will be publicly available.

(End of clause)
E. RFP Section J, Attachment J1, *Fort Knox Potable Water Utility System*, is deleted in its entirety and replaced with the following:

![Attachment J1 - Water - Fort Knox - \*]

F. RFP Section J, Attachment J41, *Subcontracting Plan*, is deleted in its entirety and replaced with the following:

![Attachment J41 - Subcontracting Plan - ]

G. RFP Section J, Attachment J42, *Sample Bill of Sale*, and Attachment J43, *Sample Easement*, are deleted in their entirety and replaced with the following:

![Attachment J43 - UP Model Easement - Jul]

H. RFP Section J, Attachment J44, *Wage Determination*, is deleted in its entirety and replaced with the following:

![Attachment J44 - Wage Determination - ]

I. RFP Section K, *Representations, Certifications, and other Statements of Offerors*, is deleted in its entirety and replaced with the following:

Offerors shall complete electronic annual representations and certifications at [http://orca.bpn.gov](http://orca.bpn.gov) in conjunction with required registration in the Central Contractor Registration (CCR) database.

**52.204-8 ANNUAL REPRESENTATIONS AND CERTIFICATIONS (Jan 2011)**

(a)(1) The North American Industry Classification System (NAICS) code for this acquisition is **221310 (Water Supply and Irrigation Systems)**.

(2) The small business size standard is **$7.0 million**.

(3) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.

(b)(1) If the clause at **52.204-7**, Central Contractor Registration, is included in this solicitation, paragraph (d) of this provision applies.
(2) If the clause at 52.204-7 is not included in this solicitation, and the offeror is currently registered in CCR, and has completed the ORCA electronically, the offeror may choose to use paragraph (d) of this provision instead of completing the corresponding individual representations and certifications in the solicitation. The offeror shall indicate which option applies by checking one of the following boxes:

[ ] (i) Paragraph (d) applies.

[ ] (ii) Paragraph (d) does not apply and the offeror has completed the individual representations and certifications in the solicitation.

(c)(1) The following representations or certifications in ORCA are applicable to this solicitation as indicated:

(i) 52.203-2, Certificate of Independent Price Determination. This provision applies to solicitations when a firm-fixed-price contract or fixed-price contract with economic price adjustment is contemplated, unless—

(A) The acquisition is to be made under the simplified acquisition procedures in Part 13;

(B) The solicitation is a request for technical proposals under two-step sealed bidding procedures; or

(C) The solicitation is for utility services for which rates are set by law or regulation.

(ii) 52.203-11, Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions. This provision applies to solicitations expected to exceed $150,000.

(iii) 52.204-3, Taxpayer Identification. This provision applies to solicitations that do not include the clause at 52.204-7, Central Contractor Registration.

(iv) 52.204-5, Women-Owned Business (Other Than Small Business). This provision applies to solicitations that—

(A) Are not set aside for small business concerns;

(B) Exceed the simplified acquisition threshold; and

(C) Are for contracts that will be performed in the United States or its outlying areas.

(v) 52.209-5, Certification Regarding Responsibility Matters. This provision applies to solicitations where the contract value is expected to exceed the simplified acquisition threshold.

(vi) 52.214-14, Place of Performance—Sealed Bidding. This provision applies to invitations for bids except those in which the place of performance is specified by the Government.

(vii) 52.215-6, Place of Performance. This provision applies to solicitations unless the place of performance is specified by the Government.

(viii) 52.219-1, Small Business Program Representations (Basic & Alternate I). This provision applies to solicitations when the contract will be performed in the United States or its outlying areas.

(A) The basic provision applies when the solicitations are issued by other than DoD, NASA, and the Coast Guard.

(B) The provision with its Alternate I applies to solicitations issued by DoD, NASA, or the Coast Guard.

(ix) 52.219-2, Equal Low Bids. This provision applies to solicitations when contracting by sealed bidding and the contract will be performed in the United States or its outlying areas.

(x) 52.222-22, Previous Contracts and Compliance Reports. This provision applies to solicitations that include the clause at 52.222-26, Equal Opportunity.

(xi) 52.222-25, Affirmative Action Compliance. This provision applies to solicitations, other than those for construction, when the solicitation includes the clause at 52.222-26, Equal Opportunity.

(xii) 52.222-38, Compliance with Veterans’ Employment Reporting Requirements. This provision applies to solicitations when it is anticipated the contract award will exceed the simplified acquisition threshold and the contract is not for acquisition of commercial items.
(xiii) 52.223-1. Biobased Product Certification. This provision applies to solicitations that require the delivery or specify the use of USDA-designated items; or include the clause at 52.223-2. Affirmative Procurement of Biobased Products Under Service and Construction Contracts.

(xiv) 52.223-4. Recovered Material Certification. This provision applies to solicitations that are for, or specify the use of, EPA-designated items.

(xv) 52.225-2. Buy American Act Certificate. This provision applies to solicitations containing the clause at 52.225-1.

(xvi) 52.225-4. Buy American Act—Free Trade Agreements—Israeli Trade Act Certificate. (Basic, Alternate I, and Alternate II) This provision applies to solicitations containing the clause at 52.225-3.

(A) If the acquisition value is less than $25,000, the basic provision applies.

(B) If the acquisition value is $25,000 or more but is less than $50,000, the provision with its Alternate I applies.

(C) If the acquisition value is $50,000 or more but is less than $67,826, the provision with its Alternate II applies.

(xvii) 52.225-6. Trade Agreements Certificate. This provision applies to solicitations containing the clause at 52.225-5.

(xviii) 52.225-20. Prohibition on Conducting Restricted Business Operations in Sudan—Certification. This provision applies to all solicitations.

(xix) 52.225-25. Prohibition on Engaging in Sanctioned Activities Relating to Iran—Certification. This provision applies to all solicitations.

(xx) 52.226-2. Historically Black College or University and Minority Institution Representation. This provision applies to—

(A) Solicitations for research, studies, supplies, or services of the type normally acquired from higher educational institutions; and

(B) For DoD, NASA, and Coast Guard acquisitions, solicitations that contain the clause at 52.219-23. Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns.

(2) The following certifications are applicable as indicated by the Contracting Officer:

[Contracting Officer check as appropriate.]

- (i) 52.219-22. Small Disadvantaged Business Status.

  - (A) Basic.
  - (B) Alternate I.
  - (ii) 52.222-18. Certification Regarding Knowledge of Child Labor for Listed End Products.
  - (iv) 52.222-52. Exemption from Application of the Service Contract Act to Contracts for Certain Services—Certification.
  - (v) 52.223-9. with its Alternate I. Estimate of Percentage of Recovered Material Content for EPA-Designated Products (Alternate I only).
  - (vii) 52.227-6. Royalty Information.

    - (A) Basic.
    - (B) Alternate I.
  - (viii) 52.227-15. Representation of Limited Rights Data and Restricted Computer Software.
(d) The offeror has completed the annual representations and certifications electronically via the Online Representations and Certifications Application (ORCA) website at http://orca.bpn.gov. After reviewing the ORCA database information, the offeror verifies by submission of the offer that the representations and certifications currently posted electronically that apply to this solicitation as indicated in paragraph (c) of this provision have been entered or updated within the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201); except for the changes identified below [offeror to insert changes, identifying change by clause number, title, date]. These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, complete as of the date of this offer.

<table>
<thead>
<tr>
<th>FAR Clause</th>
<th>Title</th>
<th>Date</th>
<th>Change</th>
</tr>
</thead>
</table>

Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted on ORCA.

(End of provision)

J. RFP Section L.6.2.1, Waiver of Applicability of Cost Accounting Standards and Deviations from Specific Parts of Federal Acquisition Regulation (FAR) Part 31, is deleted in its entirety and replaced with the following:

**L.6.2.1.1 Cost Accounting Standards (CAS) Waiver**

Offerors otherwise subject to CAS (See FAR Part 30 and FAR 52.230-1), who seek to have the utilities privatization CAS waiver allowed by the Cost Accounting Standards Board¹ applied to any resultant contract must submit the following information in writing as part of the proposal:

1. Certification that the business segment offering will not, at the time of award, be performing on any other contract that is subject to Cost Accounting Standards;
2. Disclosure of the Offeror’s established accounting practices for allocating costs to contracts for which CAS has been waived; and
3. Certification that offeror will consistently use the disclosed practices to prepare current and future pricing.

Additionally, all the following provisions must be met for the CAS Waiver to be applied:

1. The contract type must be Firm-Fixed Price (FFP), Fixed-Price with Economic Price Adjustment (FPEPA), or Fixed-Price with Prospective Price Redetermination (FPPPR).
2. Cost or Pricing Data as defined in the FAR was not obtained during the award process.
3. Accounting practices used must be disclosed and comply with those laid out in Clause G.4.2.
4. Contractor agrees that adjustments to contract pricing can be made by the Government if accounting practices disclosed are not used (see Clause G.4, Price Adjustment For Noncompliance with Accounting Procedure).
5. Any resulting contract includes FAR Clause 52.215-2.

¹ A copy of the UP CAS Waiver can be found at http://www.desc.dla.mil/DCM/DCMPage.asp?pagid=601.
6. For FPPPR contracts, statutorily unallowable costs and costs typically not allowed by cognizant State regulatory bodies (as applicable) are not used for price redetermination.

L.6.2.1.2 FAR Part 31 Deviation
Offerors seeking a waiver from any otherwise applicable FAR Part 31 provisions, as permitted by the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (OUSD-AT&L) Class Deviation 2011-O0006 dated March 31, 2011, must provide the following information and the following criteria must be met:

1. FAR 31.205-20 Interest and Other Financial Costs,
   a. A description as to why allowing costs otherwise disallowed by the cost principle will significantly reduce the costs to the Government under any resulting contract or price adjustment.
   b. Interest costs must be directly related financial costs incurred to obtain loans or borrow capital from third-party financial institutions and are reasonable.

2. FAR 31.205-41 Taxes
   a. For Federal Income Tax directly related to a Contribution in Aid of Construction (CIAC) Tax, an offer should be constructed in a manner to ensure no such tax liability is incurred. However, if, prior to award, a CIAC liability is identified, the offer shall notify the Contracting Officer and provide a written description as to why the liability exists, the amount of the liability, and why an offer cannot be structured to eliminate the tax.
   b. The allowable portion of any CIAC obligation would be limited to the portion of the actual CIAC tax attributable to the difference between:
      i. The fair market value determinations of the Government using a generally accepted valuation methodology, and
      ii. The fair market value determination of the Internal Revenue Service in assessing the tax.
   c. Please refer to Section H, Contribution in Aid of Construction (CIAC) Tax Liability, for CIAC obligations arising after contract award.

3. General Deviation from FAR Part 31
   a. The following criteria must be met in order for a waiver to be granted:
      i. Offeror must request a waiver from FAR Part 31, or a specific part of FAR Part 31, and provide a rationale as to why it is in the best interest of the Government to do so.
      ii. The contract contemplated must be FFP, FPEPA, or FPPPR and include FAR Clause 52.215-2.
      iii. The offer must be either exempt from CAS or have CAS requirements waived for the contract.
      iv. The initial fixed-price, fixed-price with economic price adjustment or fixed-price with price redeterminations must:
         1. Meet the limitations for any deviation granted from FAR 31.205-20, Interest and other financial costs;
         2. Meet the limitations specified for any deviation granted from FAR 31.205-41 Taxes;
         3. Exclude costs listed in 10 U.S.C. § 2324(c); and
         4. If a regulated entity, exclude costs typically consider to be unallowable by the cognizant State regulatory body.

K. All other Terms and Conditions shall remain unchanged and in full force and effect.

End of Amendment

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ATTACHMENT J1

Fort Knox Potable Water Utility System

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J1 Fort Knox Potable Water Utility System

J1.1 Fort Knox Overview

The U.S. Army Garrison at Fort Knox is located roughly 36 miles southwest of Louisville and 14 miles northwest of Elizabethtown, Kentucky. The Army’s main cantonment and range areas cover over 109,000 acres spread across Hardin, Bullitt and Nelson counties. The Federal government acquired the initial portion of the Installation in 1903 for the purpose of conducting Army maneuvers. Named for Major General Henry Knox, the first Secretary of War, Camp Knox was established in 1918 as an artillery training center to provide military training to personnel in response to the US involvement in World War I. Camp Knox was later designated Fort Knox in 1933.

In 1936 the U.S. Treasury Department began construction of the U.S. Bullion Depository and the Gold Vault opened in January 1937. During World War II, the U.S. Bullion Depository continued to operate at Fort Knox, receiving more and more shipments of the country's gold reserves. The Gold Vault was also used to store and to safeguard the English crown jewels and the Magna Carta, along with the gold reserves of several of the countries of occupied Europe. In December 1941, the Gold Vault also received the original documents of the Constitution, the Bill of Rights, and the Declaration of Independence for safekeeping. These historic documents left Fort Knox on Oct 1, 1944, and were returned to Washington DC for public display.

The Army created its first armored force at Fort Knox in 1940 and as a result the Installation is often referred to as “the Home of Armor”. During World War II, four combat armored divisions were trained at Installation. Since first established in 1918, Fort Knox has played a key role in the development of military tactics, doctrine, and equipment, and has been an integral part of the training establishment for the active Army and Army Reserve.

Today, the Armor Center and School is the largest organization on Fort Knox and performs the mission of training all armor Soldiers and Marines. The Army Recruiting Command headquarters conducts the mission of bringing men and women into the U.S. Army. Additionally, the Eastern Region of the ROTC is headquartered at Fort Knox. The Army Accessions Command has personnel on post and will relocate the headquarters here as a result of the BRAC decisions of 2005. Units located on Fort Knox are considered “Partners in Excellence” and include active duty Army organizations, Army Reserve, National Guard and the U.S. Marine Corps.

According to current information published by Fort Knox (http://www.knox.army.mil/), the Installation supports a total population of over 23,000 Soldiers, family members and civilians.

J1.1.1 Army Family Housing

Fort Knox recently privatized the Army Family Housing on Post to Knox Hills, a partnership between Fort Knox and Actus Lend Lease. This Residential Community Initiative (RCI) transfers ownership and maintenance responsibility of all of the housing units to a private contractor. Under this RCI agreement, Knox Hills will also remodel, renovate, demolish some structures and build new units in multiple phases over the initial years of the 50-year contract term. It should be pointed out that this RCI initiative does not involve the transfer of land nor does it include the transfer of
the existing potable water utility system components within the housing areas. The existing
distribution system components in the housing areas which have not been renovated have been
retained by the Government and are, therefore, included as part of this UP action. The ownership
of the new potable water utility system components in the housing areas will be transferred from
Knox Hills to Fort Knox for ownership, operation and maintenance and will also be part of the
utility privatization action. It is important to note that the RCI process will result in some
reconfiguration of the remaining housing areas with resultant changes in the utility systems serving
those neighborhoods. The utility system owner should expect to be very much involved in these
future changes.

**J1.2 Potable Water Utility System Description**

**J1.2.1 Potable Water Utility System Fixed Equipment Inventory**

Fort Knox’s potable water utility system consists of all appurtenances physically connected to
the system from the point at which the Government ownership currently starts to the point of
demarcation defined by the real estate instruments. Generally, the point of demarcation will be
the building footprint. The system may include, but is not limited to, the raw water wells, the
surface water intake structures at the dams, the low lift pump station (LLPS), the water treatment
plants (WTP), the clear wells, the high lift pump stations (HLPS), the booster pump station
(BPS), the elevated water storage tanks and the distribution lines including raw water and
finished water transmission lines and the service laterals. The following description and
inventory is included to provide the Offeror with a general understanding of the size and
configuration of the potable water utility system. The Offeror shall base the proposal on site
inspections, information in the bidders’ library, other pertinent information, and to a lesser
degree the following description.

Ownership of the potable water system utility components including, but not limited to, the raw
water wells, the surface water intake structures at the dams, the LLPS, the WTP facilities, the
clear wells, the HLPSs, the BPS, the elevated water storage tanks and the distribution lines
including raw water and finished water transmission lines and the service laterals will be
transferred to the Utility Privatization (UP) Contractor. There are currently no plans to transfer
any land ownership inside the main cantonment area. An easement will be provided for the land
on which the potable water system structures are located (i.e., the pump stations, the water
storage tanks, etc.). Fort Knox will retain all its water rights. All structures transferred must
comply with the Installation’s fire protection and security standards.

Specifically excluded from the potable water utility system privatization package:

- The Army-owned dams and impoundment structures at McCracken Spring and Otter
  Creek
- Raw water intake structures which are contained within the dams
- Golf course / landscaping irrigation systems
- Swimming pool facilities
- Wash rack facilities
The following description and inventory is included to provide the Offeror with a general understanding of the size and configuration of the potable water utility system. The description and inventory were developed based on the best available data.

The Offeror shall base its proposal on site inspections, information in the technical library, and other pertinent information, as well as the following description and inventory. If after award the Offeror identifies additional inventory not listed in Paragraph J1.2.1.4, the Offeror may submit to the Contracting Officer a request for an equitable adjustment. If the Offeror determines that the inventory listed in Paragraph J1.2.1.4 is overstated, the Offeror shall report the extent of the overstatement to the Contracting Officer, in accordance with C.11.1, *Due Diligence Adjustment*.

Generally, the Government uses the following useful lives in determining the value of the potable water utility system to be privatized:

<table>
<thead>
<tr>
<th>Component</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw water wells – structures</td>
<td>75 Years</td>
</tr>
<tr>
<td>Raw water wells – pumps / control systems</td>
<td>25 Years</td>
</tr>
<tr>
<td>WTP – Structures</td>
<td>75 Years</td>
</tr>
<tr>
<td>WTP - Pumps / Control Systems</td>
<td>25 years</td>
</tr>
<tr>
<td>Pipe and services</td>
<td>50 years</td>
</tr>
<tr>
<td>Meters, main valves and hydrants</td>
<td>25 years</td>
</tr>
<tr>
<td>Water storage tanks</td>
<td>75 years</td>
</tr>
<tr>
<td>Pump Station – Structure</td>
<td>75 years</td>
</tr>
<tr>
<td>Pump Station - Pumps / Control Systems</td>
<td>25 years</td>
</tr>
<tr>
<td>SCADA and Cathodic Protection</td>
<td>25 years</td>
</tr>
</tbody>
</table>

### J1.2.1.1 System Description

Fort Knox’s potable water utility system includes 13 groundwater wells, two raw water intake structures at the dams, a low-lift pumping station, 48,700 linear feet (LF) (9.2 miles) of raw water line, two WTP facilities, three clear wells, two high lift pump stations, one booster pump station, eight elevated storage tanks, the main cantonment area’s potable water distribution system which includes roughly 810,329 LF (153.5 miles) of potable water distribution pipe and the range areas’ potable water distribution systems which include roughly 48,397 LF (9.2 miles).

For the purposes of this document, Fort Knox’s potable water system has been divided into the following four components: (1) raw water supply sources, (2) the WTP facilities, (3) the main cantonment area’s water distribution and storage and (4) the range areas’ water distribution systems. The schematic diagram of Fort Knox’s potable water utility system is included in the Offeror’s Technical Library.

**Raw Water Supply Sources**

The raw water is taken from four primary sources: the Otter Creek, the McCracken Spring, 13 Army-owned ground water wells and 3 leased ground water wells. The Otter Creek and McCracken Spring facilities, located southwest of the main cantonment area, are the primary sources of water to the Central WTP. Raw water from the West Point well field located north of
the main cantonment area along the Ohio River can also be pumped to the Muldraugh WTP via a 24-inch cast iron line or a 14-inch ductile iron line leased by the Army from Hardin County Water District No. 1 (HCWD No. 1) to the Central WTP. The Army’s 13 ground water wells and the 3 leased wells are the primary sources of raw water to the Muldraugh WTP.

A small impoundment and concrete dam structure below the McCracken Spring provides surface water to the Otter Creek pumping station (PS), via a gravity feed 16-inch case iron line. A small impoundment and concrete dam structure on the Otter Creek also provides surface water to the Otter Creek pumping station (Facility No. 9213). The small impoundment and dam structures were constructed in the late 1930s and have been dredged periodically over the subsequent years. The Otter Creek PS pumps the surface water withdrawn from the McCracken Spring and the Otter Creek to the Central WTP. The pumping station includes an intake structure with mechanical screens, pump controls and telemetry, one 1,200 gpm (1.728 MGD) 150 HP, pump and two 2,100 gpm (3.024 MGD) pumps (one pump is 230 HP pump whereas the second pump is 250 HP), and a 550 kilowatt (kW) diesel emergency / standby generator. Originally constructed in 1936, the Otter Creek’s mechanical screens, sluice gates, pump controls and telemetry and pumps have been replaced over the years. The 1,200 gpm and 2,100 gpm (230 HP) pumps were installed in 1983 and the other 2,100 gpm pump was installed in 2008.

Although the physical structure of the LLPS appears to be in relatively good condition given its age, the roof, doors and windows of the LLPS are in need of repair or replacement. The back side of the PS near the raw water intake on the Otter Creek is also in need of repair. The raw water lines from McCracken Spring to the Otter Creek PS and from the Otter Creek PS to the Central WTP are over 70 years old and may need to be considered for replacement in the next few years.

The Government’s 13 ground water wells and the 3 ground water wells leased by Fort Knox from HCWD No.1 are located in the West Point well field, north of the main cantonment area along the Ohio River, on land either owned by or leased by the Army. The well field is a naturally formed alluvial aquifer bounded by the Ohio River, the Salt River and the inland hills. The raw water wells utilized either vertical turbine pumps on top of the wells or submersible pumps located with the well. 12 wells have pumps rated at 750 gpm (1.080 MGD), 125 HP and one of wells is rated at 500 gpm (0.720 MGD), 75 HP.

Table 1 summarizes the facility numbers, well numbers, locations, dates of original installation and upgrades, well depth, and the rated capacity of the wells in gallons per minute (gpm) and in MGD. The table also includes the relevant information for three raw water wells leased by Fort Knox from Hardin County Water District No. 1 in the West Point well field.
### TABLE 1
Raw Water Wells
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Facility No.</th>
<th>Well</th>
<th>Location</th>
<th>Dates Installed/Upgraded</th>
<th>Estimated Depth</th>
<th>Rated Capacity (gpm)</th>
<th>Rated Capacity (MGD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8001</td>
<td>No. 1</td>
<td>West Point Well Field</td>
<td>1998</td>
<td>82 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8003</td>
<td>No. 2</td>
<td>West Point Well Field</td>
<td>2004</td>
<td>121 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8005</td>
<td>No. 3</td>
<td>West Point Well Field</td>
<td>2004</td>
<td>134 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8022</td>
<td>No. 5</td>
<td>West Point Well Field</td>
<td>2002</td>
<td>114 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8011</td>
<td>No. 6</td>
<td>West Point Well Field</td>
<td>2000</td>
<td>107 feet</td>
<td>500</td>
<td>0.720</td>
</tr>
<tr>
<td>8025</td>
<td>No. 7</td>
<td>West Point Well Field</td>
<td>1970</td>
<td>106 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8028</td>
<td>No. 8</td>
<td>West Point Well Field</td>
<td>1998</td>
<td>116 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8030</td>
<td>No. 9</td>
<td>West Point Well Field</td>
<td>1998</td>
<td>125 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8033</td>
<td>No. 10</td>
<td>West Point Well Field</td>
<td>1999</td>
<td>134 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8036</td>
<td>No. 11</td>
<td>West Point Well Field</td>
<td>2000</td>
<td>132 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8038</td>
<td>No. 12A</td>
<td>West Point Well Field</td>
<td>1985</td>
<td>113 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8001</td>
<td>No. 12B</td>
<td>West Point Well Field</td>
<td>2003</td>
<td>113 feet</td>
<td>750</td>
<td>1.080</td>
</tr>
<tr>
<td>8003</td>
<td>No. 13</td>
<td>West Point Well Field</td>
<td>1992</td>
<td>--</td>
<td>750</td>
<td>1.080</td>
</tr>
</tbody>
</table>

**Total Fort Knox Wells**

<table>
<thead>
<tr>
<th>Facility No.</th>
<th>Well</th>
<th>Location</th>
<th>Dates Installed/Upgraded</th>
<th>Estimated Depth</th>
<th>Rated Capacity (gpm)</th>
<th>Rated Capacity (MGD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>--</td>
<td>No. 4</td>
<td>West Point Well Field</td>
<td>--</td>
<td>--</td>
<td>1,000</td>
<td>1.440</td>
</tr>
<tr>
<td>--</td>
<td>No. 5</td>
<td>West Point Well Field</td>
<td>--</td>
<td>--</td>
<td>1,000</td>
<td>1.440</td>
</tr>
<tr>
<td>--</td>
<td>No. 6</td>
<td>West Point Well Field</td>
<td>--</td>
<td>--</td>
<td>1,000</td>
<td>1.440</td>
</tr>
</tbody>
</table>

**Total Leased Wells**

<table>
<thead>
<tr>
<th>Facility No.</th>
<th>Well</th>
<th>Location</th>
<th>Dates Installed/Upgraded</th>
<th>Estimated Depth</th>
<th>Rated Capacity (gpm)</th>
<th>Rated Capacity (MGD)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,000</td>
<td>4.320</td>
</tr>
</tbody>
</table>

**Total Wells**

Although the wells are routinely cleaned and maintained by Fort Knox, many of the wells are producing raw water with elevated chloride levels. It is believed that the sources of the chloride into the aquifer are from abandoned natural gas and oil wells in the nearby area which were not properly sealed and capped. The raw water from the high chloride wells is brought down to acceptable levels by combining this production with the wells with lower chloride levels. The 24-inch raw water line from the West Point well field to the Muldraugh WTP is over 70 years old and may need to be considered for replacement in the next few years.

The Army has also notified HCWD No. 1 that, if privatization occurs, it intends to terminate the lease of the three wells and the 14-inch raw line upon conveyance of the utility system. Upon termination of the lease, the three wells and 14-inch line will revert back to HCWD No.1. As a result, these system components will not be included in the privatization action.

**Water Treatment Facilities**

As previously noted, Fort Knox has two WTP facilities: the Central WTP facility and the Muldraugh WTP facility. As the name indicates, the Central WTP is located in the central area of the main cantonment area. The Muldraugh WTP is located on the northwestern side of the Installation, near the town of Muldraugh, Kentucky.
The Central WTP facility (Facility No. 1205) was initially constructed in 1937, and has been partially upgraded numerous times over the years. The primary source of raw water to the 3.5 MGD Central WTP is the surface water from the Otter Creek and McCracken Spring facilities, located southwest of the main cantonment area. When surface water is not desirable for treatment, the ground water is pumped from the West Point well field to the main cantonment area on to the Central WTP via the leased 14-inch ductile iron line.

The Central WTP facility is a combination water softening and WTP facility. As detailed in the monthly operating reports, the facility continues to produce a good quality finished-water. Although the Central WTP has historically been staffed over 24 hours, the WTP facility is currently only operated roughly 6-12 hours per day. The Central WTP is currently operated to produce finished water with chlorine residual reading in the range of 1.8 to 2.9 TAP, pH reading in the range of 8.4 to 8.8 TAP, hardness reading in the range of 100 to 110 parts per million (ppm) and fluoride in the range of 1.0 to 1.2 ppm. Should the potable water utility system be privatized, the UP Contractor will be required to operate the Central WTP in a manner that the finished water meets these levels.

The plant was originally designed to treat surface water using lime and aluminum sulfate for pH adjustment, coagulation and sedimentation prior to filtration. Today, the treatment process includes aeration, flocculation, sedimentation, filtration and chlorination before the water is pumped into the distribution system. Both pre-chlorination and post-chlorination are used. The filter media (anthracite and sand) within the three mixed media filters was recently replaced in 2008. Reinforced concrete construction was used throughout the plant with liberal use of tile and marble for interior walls and flooring. The building is sound and is an excellent example of art-nouveau architecture.

The sludge from the treatment process at the Central WTP is trucked to sludge lagoons near the landfill on the Installation where the sludge is dried and disposed of in the landfill. If the Fort Knox system is privatized, the sludge from the Central WTP will be trucked off Post by the UP Contractor for complete disposal. The sludge lagoons located at the landfill are not included in this privatization action.

From the mixed media filters, the finished water flows into either the 2.0 million gallon (MG) clear well or the 500,000 gallon clear well located in the east side of the WTP facility. The finished water is then pumped to the distribution system via the HLPS located within the Central WTP facility. The HLPS includes pump controls and telemetry, one 4,850 gpm (6.984 MGD) 250 HP pump, one 1,000 gpm (1.440 MGD) 70 HP pump and one 1,400 gpm (2.016 MGD) 60 HP pump, and a 280 kilowatt (kW) dual fuel (natural gas / fuel oil) emergency / standby generator. The HLPS also houses a 5,400 gpm pump which is used to backwash the three mixed media filters in the Central WTP facility.

The mechanical systems and overflow weirs in one of the primary clarifiers at the Central WTP facility are currently being replaced. New hand rails around the top of the clarifiers and sedimentation basins are also being installed. Although the Central WTP facility is generally in good condition considering the age of the facility, the 2.0 MG clear well is in need of immediate repair or replacement. The exterior / above ground portion of the concrete tank is spalling in several areas, the structural integrity of the roof of the tank is in question and the clear well appears to leaking underground. The Installation is planning to study the potential repair /
replacement of the clear well. One alternative under consideration involves the removal / replacement of the roof at a lower elevation below grade and the lining of the interior of the tank.

The Muldraugh WTP facility (Facility No. 3009) was initially constructed in 1941, and has been partially upgraded numerous times over the years. The primary source of raw water to the 7.0 MGD Muldraugh WTP is the ground water pumped from the Army’s 13 wells and the three leased wells in the West Point well field, located north along the Ohio River. The ground water from the wells is pumped roughly 3 miles to the Muldraugh WTP via a 24-inch case iron line.

The Muldraugh WTP facility is also a combination water softening and WTP. As detailed in the monthly operating reports, the facility continues to produce a good quality finished-water, in spite of the deteriorating equipment and facility. This is likely due to the fact that the Muldraugh WTP is generally operated at roughly 2.5 MGD, or 36 percent of the WTP’s design capacity of 7.0 MGD. The Muldraugh WTP is operated and staffed 24 hours per day / 365 days per year. The Muldraugh WTP is also currently operated to produce finished water with chlorine residual reading in the range of 1.8 to 2.9 TAP, pH reading in the range of 8.4 to 8.8 TAP, hardness reading in the range of 100 to 110 ppm and fluoride in the range of 1.0 to 1.2 ppm. Should the potable water utility system be privatized and the Muldraugh WTP still be in operation, the UP Contractor will be required to operate the WTP facility in a manner that the finished water meets these levels.

The plant was originally designed to treat surface water using lime and aluminum sulfate for pH adjustment, coagulation and sedimentation prior to filtration. Today, the treatment process includes aeration, flocculation, sedimentation, filtration and chlorination before the water is pumped into the distribution system. Both pre-chlorination and post-chlorination are used in the treatment process. The Muldraugh WTP facility is a “semi-permanent” structure. The foundations, filters, settling basins, floors and the underground clear well are of reinforced concrete construction. The walls of the above ground structure are constructed of concrete brick construction.

After flowing into the 1.0 MG clear well located on the east side of the WTP facility, the finished water is pumped through a 24-inch case iron line that connects the WTP facility to the distribution system via the Muldraugh HLPS (Facility No. 3008). The HLPS is located within a fenced area of the Muldraugh WTP facility. The HLPS includes pump controls and telemetry, one 3,500 gpm (5.040 MGD) 250 HP pump, one 4,850 gpm (6.984 MGD) 350 HP pump and one 2,200 gpm (3.168 MGD) 150 HP pump, and a 600 kW diesel emergency / standby generator. The HLPS also houses a 5,400 gpm pump used to backwash the seven filters.

There are two SCADA systems with monitoring and control equipment located at the Muldraugh WTP. Both of the systems are antiquated by today’s industry standards and are approaching the end of their respective design life. Although the SCADA information on the wells, tank level, and pumps is transmitted to the Central WTP, the wells and high lift pumps can only be controlled remotely at the Muldraugh WTP facility.

The sludge from the treatment process in the Muldraugh WTP is pumped into one of four sludge lagoons located northeast of the WTP facility. Three of the sludge lagoons are filled to capacity and are no longer operational. The fourth sludge lagoon was recently cleaned and the solids were trucked to the Installation’s landfill. The UP Contractor will not own, but will be responsible for the operation of the fourth sludge lagoon through the remaining operational life (not to exceed 5
years) of the Muldraugh WTP. When the Muldraugh WTP is taken out of operation, the Government will be responsible for the demolition / remediation of the four sludge lagoons.

Although the Muldraugh WTP facility is currently operating at an acceptable level, the WTP facility has not been maintained to the same level as that of the Central WTP facility. The filter controls and valves and the pump and controls are well beyond its respective design life. The pipe bolts, valves and other controls located in the filter pipe gallery are in poor condition. Many of the pipe connection bolts are corroded and need to be replaced; most of the valves appeared to be original and have failed or are starting to fail; and the outside of the pipe was corroded and in need of cleaning and painting. Most of the exterior doors, windows and the roofs of the WTP facility’s structures are failing and in need of replacement. The filter media within the seven rapid sand filters was last replaced in 1997. The 24-inch finished water line from the Muldraugh WTP to the connection with the main cantonment distribution system is over 65 years old and may also need to be considered for replacement in the next few years.

Given the high levels of chlorides in the raw water coupled with the age and relatively poor condition of the Muldraugh WTP facility, the Army is currently looking at purchasing potable water from a local municipality to replace the potable water capacity at the Muldraugh WTP facility. As a result, the Army does not plan to expend any significant amount of funding at the Muldraugh WTP facility other than to demolish the WTP once the facility is permanently taken out of service. The UP Contractor will be required to own, operate and maintain the Muldraugh WTP until an alternate potable water source is provided within the next 5 years.

Main Cantonment's Potable Water Distribution and Storage System

The water distribution system transports the finished water from the two WTP facilities to the various facilities located throughout the Installation. The system provides domestic, industrial and fire protection throughout the Installation. The distribution system consists of pipes, valves, meters, fire hydrants, water storage tanks and the BPS. The distribution system piping which includes mains, service lines and fire lines with known sizes ranging from less than 6-inch to 24 inches in diameter. The distribution pipe includes polyvinyl chloride, cast iron, ductile iron, and asbestos concrete. Since the majority of the water distribution pipe was installed prior to 1950, the Installation plans to replace most of the distribution lines over the next 20 years.

Fort Knox’s potable water utility system includes one BPS located in the Van Voorhis Housing area. Constructed in 1995, the Van Voorhis BPS (Facility No. 5898) includes three 175 gpm, 10 HP pumps and one diesel driven 2,000 gpm, 125 HP fire protection pump.

Eight elevated storage tanks are located throughout the system support Fort Knox’s potable water distribution system. The combined capacity of the storage tanks is approximately 3.550 million gallons. The type, location, manufacturer, date of fabrication and the capacity of each tank are summarized in Table 2.
### Table 2

#### Potable Water Storage Tanks

*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Facility No.</th>
<th>Tank No.</th>
<th>Type</th>
<th>Location</th>
<th>Installed/ Upgrade</th>
<th>Capacity (gallons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1190</td>
<td>WT001</td>
<td>Elevated</td>
<td>Education Center # 1, Dixie Street</td>
<td>1935/2004</td>
<td>250,000</td>
</tr>
<tr>
<td>1191</td>
<td>WT002</td>
<td>Elevated</td>
<td>Education Center # 2, Dixie Street</td>
<td>1937/2004</td>
<td>500,000</td>
</tr>
<tr>
<td>7100</td>
<td>WT003</td>
<td>Elevated</td>
<td>Near WWTP, Ninth Street</td>
<td>2010</td>
<td>500,000</td>
</tr>
<tr>
<td>2911</td>
<td>WT004</td>
<td>Elevated</td>
<td>Old Ironsides, Brave Rifles Ave.</td>
<td>1941/2002</td>
<td>500,000</td>
</tr>
<tr>
<td>5899</td>
<td>WT005</td>
<td>Elevated</td>
<td>Van Voorhis Housing</td>
<td>1958/1994</td>
<td>300,000</td>
</tr>
<tr>
<td>2797</td>
<td>WT006</td>
<td>Elevated</td>
<td>Frazier-Wilson</td>
<td>1995</td>
<td>500,000</td>
</tr>
<tr>
<td>7561</td>
<td>WT007</td>
<td>Elevated</td>
<td>Fort Knox High School, Dixie Street</td>
<td>1997</td>
<td>500,000</td>
</tr>
<tr>
<td>4773</td>
<td>WT008</td>
<td>Elevated</td>
<td>Pritchard Housing</td>
<td>1997</td>
<td>500,000</td>
</tr>
</tbody>
</table>

**Total** 3,550,000

Note: The tank upgrades included removal of lead paint, recoating of the tank interior, repainting of the exterior, replacement of anodes and rectifier, and replacement of altitude valve.

Tank Nos. 5, 6, 7, and 8 are in need of some immediate attention. Tank Nos. 5, 6, and 8 require complete renovation to include the coating of the interior of the tank, painting of the exterior of the tank and legs, the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks, and a new altitude valve. The exterior of Tank No. 7 will be painted during the summer of 2011. Tank No. 7 will still require coating of the interior of the tank, painting of the legs, the installation of new sacrificial anodes, a new rectifier on the outside of the tank, and a new altitude valve.

### Range Areas’ Water Distribution Systems

There are three relatively small potable water distribution systems located in the Zussman Range, Yano Range and Basham’s Corner areas, with routine environmental testing and reporting performed by the water providers.

The potable water distribution system serving the Zussman Range area, located near the Mount Eden, includes roughly 30,287 LF of PVC pipe constructed in 1997; 443 LF of PVC pipe constructed in 2002; and, 14,779 LF of polyethylene (PE) pipe installed in 2002. The potable water, supplied to this system, is purchased from the City of Louisville.

The potable water distribution system serving the Yano Range area includes roughly 2,500 LF of PVC pipe. The Yano Range distribution system was initially constructed in the 1950s and was renovated in mid-1990s with additional. The potable water, supplied to this system, is purchased from the Hardin County Water District No. 2 (HCWD No. 2).

The potable water distribution system serving the Basham’s Corner area, located Highway 60 and Highway 1882, includes roughly 388 LF of PVC pipe constructed in 2004. The potable water, supplied to this system, is purchased from the Meade County Water District.
J1.2.1.2 Points of Demarcation

Fort Knox’s potable water utility system consists of all components from the supply points to the points where water is supplied to end-users. The point of demarcation for each end user is defined as the point or component on the distribution system where ownership changes from the utility owner to the building owner. In most cases the point of demarcation is the first upstream component (e.g., meter, valve, regulator, etc.) of the system located outside of the facility footprint. However, in situations where the facility water meter is located within the facility, the point of demarcation will be inside the facility and the Contractor will be required to coordinate his work within the facility. The technical library contains a list of facilities where the point of demarcation is located within the facility.

Table 3 identifies the type of service and general location of the point of demarcation with respect to each building served by the distribution system.

**TABLE 3**
Points of Demarcation
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Point of Demarcation</th>
<th>Applicable Scenario</th>
<th>Sketch</th>
</tr>
</thead>
<tbody>
<tr>
<td>The point of demarcation is downstream of the water meter, backflow device, or valve (closest apparatus to the exterior of the structure) within five feet of the face of the structure. If greater than five feet from the face of the structure, the demarcation point is five feet from the face of the structure.</td>
<td>Water meter, backflow device, or cutoff valve is located on the service line entering the structure within five feet of the exterior of the structure.</td>
<td><img src="image1.png" alt="Sketch 1" /></td>
</tr>
<tr>
<td>Point of demarcation is the downstream side of the first water valve located downstream of the meter and/or of the main backflow prevention device.</td>
<td>Non-residential service line or dedicated fire line enters a mechanical room and a water meter and/or a main backflow prevention device is located in the mechanical room.</td>
<td><img src="image2.png" alt="Sketch 2" /></td>
</tr>
<tr>
<td>The point of demarcation is five feet from the face of the structure where the service line enters the structure for either potable water or fire protection service.</td>
<td>No water meter, backflow device, or cutoff valve exists on the service line entering the structure.</td>
<td><img src="image3.png" alt="Sketch 3" /></td>
</tr>
<tr>
<td>No point of demarcation exists; the utility service contractor will own all exterior fire suppression infrastructure, up to and including fire hydrants.</td>
<td>Exterior fire protection exists at the Installation.</td>
<td><img src="image4.png" alt="Sketch 4" /></td>
</tr>
</tbody>
</table>
Table 4 identifies the unique points of demarcation.

**TABLE 4**
Unique Points of Demarcation
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Point of Demarcation</th>
<th>Applicable Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Water Intakes at the McCraken and Otter Creek Dams</td>
<td>The upstream side of the valve or sluice gate to the raw water intake structure.</td>
</tr>
<tr>
<td>Interconnects for the Purchase of Water for the Range Areas</td>
<td>The downstream side of the potable water supplier’s meter.</td>
</tr>
</tbody>
</table>
| Interconnects for Sale of Water to HCWD No. 1              | 1.) The downstream side of the valve on the 12-inch main connects to the Prichard Elevated Water Storage Tank (WT008).  
2.) Near the intersection of Estrada and Bennett streets where the HCWD No. 1’s 10-inch water main (connected to HCWD No. 1’s booster pump station) taps Fort Knox’s 12-inch water main. |
| Interconnects for Sale of Water to the City of Muldraugh   | 1.) The downstream side of the meter located at U.S. Highway 31W, on the north end of Fort Knox’s 10-inch water main.  
2.) The downstream side of the 12-inch valve connected to Fort Knox’s 24-inch water main near Watts Street. |
| Golf course / landscaping irrigation systems               | The downstream side of the meter or main service valve.                                                                                                  |

**J1.2.1.3 Condition Assessment**

The water pipes at Fort Knox are reported to be generally in poor condition. Currently, there are some dead end lines that are flushed periodically to ensure water quality. The water valves are generally in average condition. There are an adequate number of fire hydrants located throughout the system. The hydrants are exercised over a three year period and are generally in good condition with adequate water pressure. There are service lines that do not have isolation valves on them.

**J1.2.1.4 Inventory**

The property being sold in this action will be as described in Table 5 of this utility specific attachment of the solicitation. The system will be sold in an “as is, where is” condition without any warranties, representations, or obligations on the part of the Government to make any alterations, repairs, or improvements. Any proposal that offers an alternative description of the property being sold may be deemed technically unacceptable.

Ancillary equipment attached to, and necessary for, operating the system, though not specifically mentioned herein, is considered part of the purchased utility.

When not specifically identified by system geographic information system (GIS) drawings and databases, the size and type of system components were estimated based on the size of the piping the component was connected to. Additionally, when the year of construction was not known, it was estimated based on the age of the piping or the age of the facility served.
<table>
<thead>
<tr>
<th>Component</th>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
<th>Average Year of Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RAW WATER SOURCES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>McCracken Spring Intake</td>
<td></td>
<td></td>
<td></td>
<td>1937/1980</td>
</tr>
<tr>
<td>CI Line to Otter Creek PS</td>
<td>16-inch</td>
<td>2,500</td>
<td>Linear Feet</td>
<td>1937</td>
</tr>
<tr>
<td><strong>Otter Creek PS (Facility No. 9213)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intake / Mechanical Screen</td>
<td>Structure</td>
<td>1,701</td>
<td>Square Feet</td>
<td>1936/1953</td>
</tr>
<tr>
<td>Pump controls &amp; telemetry</td>
<td></td>
<td>1</td>
<td>Each</td>
<td>1995</td>
</tr>
<tr>
<td>Pump No. 4</td>
<td>1,200 gpm, 150 HP</td>
<td>1</td>
<td>Each</td>
<td>1983</td>
</tr>
<tr>
<td>Pump No. 9</td>
<td>2,100 gpm, 230 HP</td>
<td>1</td>
<td>Each</td>
<td>1983</td>
</tr>
<tr>
<td>Pump No. 10</td>
<td>2,100 gpm, 250 HP</td>
<td>1</td>
<td>Each</td>
<td>2008</td>
</tr>
<tr>
<td>Emergency Generator</td>
<td>350 kW</td>
<td>1</td>
<td>Each</td>
<td>1981</td>
</tr>
<tr>
<td>CI Line to Central WTP</td>
<td>16-inch</td>
<td>26,400</td>
<td>Linear Feet</td>
<td>1937</td>
</tr>
<tr>
<td><strong>Central WTP (Facility No. 1205)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structure</td>
<td>3.5 MGD</td>
<td>1</td>
<td>Each</td>
<td>1937</td>
</tr>
<tr>
<td>Chemical Feed Systems</td>
<td></td>
<td>6,799</td>
<td>SF</td>
<td>1937</td>
</tr>
<tr>
<td>Clarifier</td>
<td>3.5 MG</td>
<td>1</td>
<td>Each</td>
<td>1937/2008</td>
</tr>
<tr>
<td>Multi-media filters</td>
<td>1 MG</td>
<td>3</td>
<td>Each</td>
<td>1937/2008</td>
</tr>
<tr>
<td>Filter backwash tank</td>
<td>150,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1978</td>
</tr>
<tr>
<td>Clear well No. 1</td>
<td>0.5 MG</td>
<td>1</td>
<td>Each</td>
<td>1937</td>
</tr>
<tr>
<td>Clear well No. 2</td>
<td>2 MG</td>
<td>1</td>
<td>Each</td>
<td>1945</td>
</tr>
<tr>
<td><strong>Central WTP High Lift</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pump No. 1 &amp; controls</td>
<td>4,850 gpm, 250 HP</td>
<td>1</td>
<td>Each</td>
<td>1970</td>
</tr>
<tr>
<td>Pump No. 2 &amp; controls</td>
<td>1,000 gpm, 70 HP</td>
<td>1</td>
<td>Each</td>
<td>1984</td>
</tr>
<tr>
<td>Pump No. 3 &amp; controls</td>
<td>1,400 gpm, 60 HP</td>
<td>1</td>
<td>Each</td>
<td>1984</td>
</tr>
<tr>
<td>Filter backwash pump &amp; controls</td>
<td>5,400 gpm,</td>
<td>1</td>
<td>Each</td>
<td>1994</td>
</tr>
<tr>
<td>Emergency generator - dual fuel (natural gas / fuel oil)</td>
<td>280 kW</td>
<td>1</td>
<td>Each</td>
<td>2010</td>
</tr>
<tr>
<td><strong>West Point Well Field</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Well No. 1, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>1998</td>
</tr>
<tr>
<td>Well No. 2, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>2004</td>
</tr>
<tr>
<td>Well No. 3, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>2004</td>
</tr>
<tr>
<td>Well No. 5, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>2002</td>
</tr>
<tr>
<td>Component</td>
<td>Size</td>
<td>Quantity</td>
<td>Unit</td>
<td>Average Year of Construction</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>-----------------------</td>
<td>----------</td>
<td>--------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Well No. 6, pump/controls</td>
<td>500 gpm, 75 HP</td>
<td>1</td>
<td>Each</td>
<td>2000</td>
</tr>
<tr>
<td>Well No. 7, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>1985</td>
</tr>
<tr>
<td>Well No. 8, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>1998</td>
</tr>
<tr>
<td>Well No. 9, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>1998</td>
</tr>
<tr>
<td>Well No. 10, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>1999</td>
</tr>
<tr>
<td>Well No. 11, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>2000</td>
</tr>
<tr>
<td>Well No. 12A, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>1985</td>
</tr>
<tr>
<td>Well No. 12B, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>2003</td>
</tr>
<tr>
<td>Well No. 13, pump/controls</td>
<td>750 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
<td>1992</td>
</tr>
<tr>
<td>Well Field Header</td>
<td>16-inch</td>
<td>3,960</td>
<td>Linear Feet</td>
<td>1937</td>
</tr>
<tr>
<td>CI Line to Muldraugh WTP</td>
<td>24-inch</td>
<td>15,840</td>
<td>Linear Feet</td>
<td>1937</td>
</tr>
<tr>
<td>Muldraugh WTP (Facility No. 3009)</td>
<td>7.0 MGD</td>
<td>1</td>
<td>Each</td>
<td>1941</td>
</tr>
<tr>
<td>Structure</td>
<td></td>
<td>14,860</td>
<td>SF</td>
<td>1941</td>
</tr>
<tr>
<td>Chemical Feed Systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clarifier No. 1</td>
<td>5.0 MG</td>
<td>1</td>
<td>Each</td>
<td>1978/1998</td>
</tr>
<tr>
<td>Clarifier No. 2</td>
<td>2.0 MG</td>
<td>1</td>
<td>Each</td>
<td>1998</td>
</tr>
<tr>
<td>Multi-media filters</td>
<td>1 MGD</td>
<td>7</td>
<td>Each</td>
<td>1941/1997</td>
</tr>
<tr>
<td>Filter backwash tank</td>
<td>150,000 gallon</td>
<td>1</td>
<td>Each</td>
<td>1978</td>
</tr>
<tr>
<td>Clear well</td>
<td>1.0 MG</td>
<td>1</td>
<td>Each</td>
<td>1989</td>
</tr>
<tr>
<td>Sludge Lagoons</td>
<td></td>
<td>4</td>
<td>Each</td>
<td>Various</td>
</tr>
<tr>
<td>Muldraugh High Lift (Fac. No. 3008)</td>
<td></td>
<td>1,840</td>
<td>SF</td>
<td>1977</td>
</tr>
<tr>
<td>Pump A &amp; controls</td>
<td>3,500 gpm, 250 HP</td>
<td>1</td>
<td>Each</td>
<td>1984</td>
</tr>
<tr>
<td>Pump B &amp; controls</td>
<td>4,850 gpm, 350 HP</td>
<td>1</td>
<td>Each</td>
<td>1970</td>
</tr>
<tr>
<td>Pump C &amp; controls</td>
<td>2,200 gpm, 150 HP</td>
<td>1</td>
<td>Each</td>
<td>1984</td>
</tr>
<tr>
<td>Filter backwash pump &amp; controls</td>
<td>5,400 gpm.</td>
<td>1</td>
<td>Each</td>
<td>2008</td>
</tr>
<tr>
<td>Emergency generator</td>
<td>600 kW</td>
<td>1</td>
<td>Each</td>
<td>1990</td>
</tr>
<tr>
<td>CI Line to Cantonment Area</td>
<td>24-inch</td>
<td>10,449</td>
<td>Linear Feet</td>
<td>1941</td>
</tr>
</tbody>
</table>

**Main Post**

**Distribution Pipe**

- **Cast Iron**
  - Unknown: 1,420 Linear Feet, 1935
  - .75": 1,155 Linear Feet, 1935
  - 1": 4,463 Linear Feet, 1935
<table>
<thead>
<tr>
<th>Component</th>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
<th>Average Year of Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.25&quot;</td>
<td>4,207</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>1.5&quot;</td>
<td>12,470</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>2&quot;</td>
<td>28,836</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>2.5&quot;</td>
<td>4,785</td>
<td>Linear Feet</td>
<td>1935</td>
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<tr>
<td></td>
<td>3&quot;</td>
<td>9,504</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>4&quot;</td>
<td>13,331</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>5&quot;</td>
<td>410</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>6&quot;</td>
<td>216,645</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>8&quot;</td>
<td>162,301</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>10&quot;</td>
<td>46,690</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>12&quot;</td>
<td>30,122</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>14&quot;</td>
<td>16,393</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>16&quot;</td>
<td>3,920</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>24&quot;</td>
<td>10,560</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td><strong>Total Cast Iron</strong></td>
<td>567,212</td>
<td></td>
<td>Linear Feet</td>
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<tr>
<td><strong>Ductile Iron</strong></td>
<td>1&quot;</td>
<td>180</td>
<td>Linear Feet</td>
<td>1958</td>
</tr>
<tr>
<td></td>
<td>1.25&quot;</td>
<td>7,076</td>
<td>Linear Feet</td>
<td>1958</td>
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<td>1.5&quot;</td>
<td>4,293</td>
<td>Linear Feet</td>
<td>1958</td>
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<td></td>
<td>2&quot;</td>
<td>11,436</td>
<td>Linear Feet</td>
<td>1958</td>
</tr>
<tr>
<td></td>
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<td>1958</td>
</tr>
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<td>6&quot;</td>
<td>25,835</td>
<td>Linear Feet</td>
<td>1958</td>
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<td>8&quot;</td>
<td>18,035</td>
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<td>8&quot;</td>
<td>4,118</td>
<td>Linear Feet</td>
<td>2007</td>
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<td></td>
<td>10&quot;</td>
<td>4,677</td>
<td>Linear Feet</td>
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</tr>
<tr>
<td></td>
<td>12&quot;</td>
<td>897</td>
<td>Linear Feet</td>
<td>1958</td>
</tr>
<tr>
<td></td>
<td>12&quot;</td>
<td>9,183</td>
<td>Linear Feet</td>
<td>1994</td>
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<td></td>
<td>14&quot;</td>
<td>192</td>
<td>Linear Feet</td>
<td>1958</td>
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<td><strong>Total Ductile Iron</strong></td>
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<td>Linear Feet</td>
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<tr>
<td><strong>Transite</strong></td>
<td>1&quot;</td>
<td>834</td>
<td>Linear Feet</td>
<td>1935</td>
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<tr>
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<td>1.5&quot;</td>
<td>1,988</td>
<td>Linear Feet</td>
<td>1935</td>
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<td>2&quot;</td>
<td>3,727</td>
<td>Linear Feet</td>
<td>1935</td>
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<td>3&quot;</td>
<td>284</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>6&quot;</td>
<td>4,231</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
<tr>
<td></td>
<td>8&quot;</td>
<td>6,472</td>
<td>Linear Feet</td>
<td>1935</td>
</tr>
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<td>10&quot;</td>
<td>5,927</td>
<td>Linear Feet</td>
<td>1935</td>
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<tr>
<td><strong>Total Transite</strong></td>
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<td>Linear Feet</td>
<td></td>
</tr>
<tr>
<td><strong>PVC</strong></td>
<td>1.5&quot;</td>
<td>16,608</td>
<td>Linear Feet</td>
<td>2005</td>
</tr>
<tr>
<td>Component</td>
<td>Size</td>
<td>Quantity</td>
<td>Unit</td>
<td>Average Year of Construction</td>
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<tr>
<td><strong>Total PVC</strong></td>
<td>120,904</td>
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</tbody>
</table>

| Galvanized Steel   | 2.5" | 1,264 | Linear Feet | 1995         |

| **Total Distribution Pipe** | 799,879 | Linear Feet |          |

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<tr>
<th>Valves</th>
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<td>3</td>
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<td>1&quot;</td>
<td>28</td>
<td>Each</td>
<td>1935</td>
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<td>13</td>
<td>Each</td>
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<td>3</td>
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<td>1958</td>
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<td>2008</td>
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<td>Component</td>
<td>Size</td>
<td>Quantity</td>
<td>Unit</td>
</tr>
<tr>
<td>--------------------</td>
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<td>76</td>
<td>Each</td>
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<td></td>
<td>4&quot;</td>
<td>2</td>
<td>Each</td>
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<tr>
<td></td>
<td>4&quot;</td>
<td>2</td>
<td>Each</td>
</tr>
<tr>
<td></td>
<td>4&quot;</td>
<td>15</td>
<td>Each</td>
</tr>
<tr>
<td></td>
<td>5&quot;</td>
<td>2</td>
<td>Each</td>
</tr>
<tr>
<td></td>
<td>6&quot;</td>
<td>592</td>
<td>Each</td>
</tr>
<tr>
<td></td>
<td>6&quot;</td>
<td>63</td>
<td>Each</td>
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<td>6&quot;</td>
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<td>39</td>
<td>Each</td>
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<td>4</td>
<td>Each</td>
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<td>32</td>
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<td>108</td>
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<td></td>
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<td>10</td>
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<td>12&quot;</td>
<td>5</td>
<td>Each</td>
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<td>2</td>
<td>Each</td>
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<td>16&quot;</td>
<td>15</td>
<td>Each</td>
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<td>20&quot;</td>
<td>6</td>
<td>Each</td>
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<td></td>
<td>24&quot;</td>
<td>1</td>
<td>Each</td>
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<tr>
<td></td>
<td>722</td>
<td>Each</td>
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<td></td>
<td>83</td>
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<td></td>
</tr>
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<td></td>
<td>14</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>54</td>
<td>Each</td>
<td></td>
</tr>
<tr>
<td>Meters</td>
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</tr>
<tr>
<td></td>
<td>50</td>
<td>Each</td>
<td></td>
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<td>Pressure Reducing Station</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>Each</td>
<td></td>
</tr>
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</tr>
<tr>
<td>Well Control System</td>
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<tr>
<td>Van Voorhis BPS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Facility No. 5898)</td>
<td>Structure</td>
<td>NA</td>
<td>SF</td>
</tr>
<tr>
<td>Component</td>
<td>Size</td>
<td>Quantity</td>
<td>Unit</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-----------------</td>
<td>----------</td>
<td>-------</td>
</tr>
<tr>
<td>Pump No. 1 &amp; pressure tank</td>
<td>175 gpm, 10 HP</td>
<td>1</td>
<td>Each</td>
</tr>
<tr>
<td>Pump No. 2 &amp; pressure tank</td>
<td>175 gpm, 10 HP</td>
<td>1</td>
<td>Each</td>
</tr>
<tr>
<td>Pump No. 3 &amp; pressure tank</td>
<td>175 gpm, 10 HP</td>
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<td>Each</td>
</tr>
<tr>
<td>Fire protection (diesel fueled)</td>
<td>2,000 gpm, 125 HP</td>
<td>1</td>
<td>Each</td>
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_Elevated Storage Tanks (Steel)_

<table>
<thead>
<tr>
<th>Component</th>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
<th>Average Year of Construction</th>
</tr>
</thead>
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<tr>
<td>Tank No. 1 &amp; cathodic protection</td>
<td>250,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1935/2004</td>
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<tr>
<td>Tank No. 2 &amp; cathodic protection</td>
<td>500,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1937/2004</td>
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<tr>
<td>Tank No. 3 &amp; cathodic protection</td>
<td>500,000 gallons</td>
<td>1</td>
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<td>2010</td>
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<tr>
<td>Tank No. 4 &amp; cathodic protection</td>
<td>500,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1941/2002</td>
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<tr>
<td>Tank No. 5 &amp; cathodic protection</td>
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<td>1</td>
<td>Each</td>
<td>1958/1994</td>
</tr>
<tr>
<td>Tank No. 6 &amp; cathodic protection</td>
<td>500,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1995</td>
</tr>
<tr>
<td>Tank No. 7 &amp; cathodic protection</td>
<td>500,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1997</td>
</tr>
<tr>
<td>Tank No. 8 &amp; cathodic protection</td>
<td>500,000 gallons</td>
<td>1</td>
<td>Each</td>
<td>1997</td>
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_ZUSSMAN RANGE (MT. EDEN)_

_Distribution Pipe_

<table>
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<tr>
<th>Size</th>
<th>Quantity</th>
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<td>PVC</td>
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<td></td>
<td>1″</td>
<td>383</td>
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<tr>
<td></td>
<td>1.5″</td>
<td>60</td>
<td>Linear Feet</td>
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<tr>
<td></td>
<td>4″</td>
<td>30,177</td>
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<tr>
<td>Total PVC Pipe</td>
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<table>
<thead>
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<th>Size</th>
<th>Quantity</th>
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<tr>
<td>PE</td>
<td>1″</td>
<td>1,111</td>
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<td>4″</td>
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<td>Total PE Pipe</td>
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_Valves_

<table>
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<th>Size</th>
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<th>Average Year of Construction</th>
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<tr>
<td>1″</td>
<td>4</td>
<td>Each</td>
<td>1997</td>
</tr>
<tr>
<td>1″</td>
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<td>1.5″</td>
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<td>Each</td>
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<tr>
<td>4″</td>
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<td>Each</td>
<td>1997</td>
</tr>
<tr>
<td>4″</td>
<td>13</td>
<td>Each</td>
<td>2002</td>
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</table>

_YANO RANGE_

_Distribution Pipe_

<table>
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<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
<th>Average Year of Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>PVC</td>
<td>2″</td>
<td>2,500</td>
<td>Linear Feet</td>
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</table>

_Valves_

<table>
<thead>
<tr>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
<th>Average Year of Construction</th>
</tr>
</thead>
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<tr>
<td>2″</td>
<td>2</td>
<td>Each</td>
<td>1990</td>
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</table>

_Pressure Reducing Valves_

<table>
<thead>
<tr>
<th>Size</th>
<th>Quantity</th>
<th>Unit</th>
<th>Average Year of Construction</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>2</td>
<td>Each</td>
<td>1990</td>
</tr>
<tr>
<td>Component</td>
<td>Size</td>
<td>Quantity</td>
<td>Unit</td>
</tr>
<tr>
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<td>------</td>
<td>----------</td>
<td>---------</td>
</tr>
<tr>
<td>Flush Hydrant</td>
<td>2&quot;</td>
<td>1</td>
<td>Each</td>
</tr>
<tr>
<td><strong>BASHAM’S CORNER</strong></td>
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<tr>
<td><strong>Distribution Pipe</strong></td>
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<tr>
<td>PVC</td>
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<td><strong>Total PVC Pipe</strong></td>
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<td>Valves</td>
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<td>Each</td>
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<tr>
<td></td>
<td>6&quot;</td>
<td>2</td>
<td>Each</td>
</tr>
<tr>
<td>Flush Hydrant</td>
<td>2&quot;</td>
<td>1</td>
<td>Each</td>
</tr>
<tr>
<td>Fire Hydrants</td>
<td></td>
<td>1</td>
<td>Each</td>
</tr>
<tr>
<td>Meters</td>
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<td>2</td>
<td>Each</td>
</tr>
<tr>
<td>Backflow Preventers</td>
<td></td>
<td>2</td>
<td>Each</td>
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</table>

Note:
Service lateral lengths are included in the overall distribution pipe lengths.
Service valve counts are included in the valve counts.

**J1.2.2 Potable Water Utility System Non-Fixed Equipment and Specialized Tools**

Table 6 lists other ancillary equipment (spare parts), and Table 7 lists specialized vehicles and tools included in the purchase. Offerors shall field verify all equipment, vehicles, and tools prior to submitting a proposal. Offerors shall make their own determination of the adequacy of all equipment, vehicles, and tools.

**TABLE 6**
Spare Parts
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Item</th>
<th>Make/Model</th>
<th>Description</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

No spare parts are included with the Fort Knox Potable Water Utility System.
TABLE 7
Specialized Vehicles and Tools
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Item</th>
<th>Make/Model</th>
<th>Description</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No specialized vehicles or tools are included with the Fort Knox Potable Water Utility System.</td>
</tr>
</tbody>
</table>

**J1.2.3 Potable Water Utility System Manuals, Drawings, and Records**

Table 8 lists the manuals, drawings, and records that will be transferred with the system.

**TABLE 8**
Manuals, Drawings, and Records
*Potable Water Utility System, Fort Knox, Kentucky*

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Item</th>
<th>Description</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fort Knox maintains a limited collection of technical manuals, SCADA operational manual, drawings, and records on the installed components of the Potable Water Utility System. This information will be transferred to the Contractor during the transition period. System maps will be available in the Offeror’s Technical Library.</td>
</tr>
</tbody>
</table>

**J1.3 Specific Service Requirements**

The service requirements for the Fort Knox potable water system are as defined in Section C, *Description/Specifications/Work Statement*. The following requirements are specific to the Fort Knox utility system and are additive to those found in Section C. If there is a conflict between requirements described below and Section C, the requirements listed below take precedence over those found in Section C.

**J1.3.1 On-Site Contractor Facility**

The Contractor may establish an on-site facility in order to meet response time requirements and participate in Government meetings as necessary. This location will be determined and provided by the Installation. Should the Contractor choose to construct a facility, the Contractor will immediately acquire and install a temporary facility followed by construction of a permanent, Installation Design Guide (IDG) compatible facility. This facility will be manned with an individual that is capable of representing the Contractor at Government meetings. The Contractor will be responsible for maintaining the grounds around the facility and those areas which are fenced in for Contractor use only.

In lieu of having an on-site facility, the Offeror must explain in their proposal how they will meet the Fort Knox response time requirements.

**J1.3.2 Temporary Contractor Facilities**

Temporary facilities may be placed on post for construction projects. Approval from the Contracting Officer (KO) / Contracting Officer’s Representative (COR) and appropriate staff personnel is required prior to the Contractor locating a construction trailer on post. The approval will be for a term commensurate with the construction period and will provide for termination of the approval upon completion of the work. Construction, use, duration of use, removal, and
clean-up associated with these temporary facilities will be negotiated with the Government on a project-specific basis.

**J1.3.3 Restricted Access Areas**

The areas listed below generally require more intensive security procedures to access. The Contractor will be required to obtain separate badges to access these areas:

- The U.S. Department of Treasury’s Gold Bullion Depository.
- AMMO Storage Area

The Contractor will be restricted in secure areas and during times when the post is secured due to threat or alert. The Government may limit or restrict the right of access granted for any reason considered to be necessary (e.g., national security, public safety).

**J1.3.4 Limited Access**

Fort Knox is a closed post and access may be limited at times with controlled gate openings and closures. Gate operating times and procedures are published by the Provost Marshal’s Office. Unscheduled gate closures by the Military Police may occur at any time, and personnel entering or exiting Fort Knox may experience a delay due to vehicle inspection, registrations, wearing of seat belts, etc. When an unforeseen closure of Fort Knox occurs during normal duty hours, the Contractor shall reschedule the work. The exact date and time will be coordinated with the COR. Emergency work shall continue regardless of closure of Fort Knox.

**J1.3.5 Vehicles**

The Contractor and Contractor employees shall register vehicles with Fort Knox Provost Marshal within 5 working days from date of employment and renew registration annually thereafter. The registrant shall remove the registration decal from the registered vehicle upon termination of employment or sale of vehicle. Personnel operating vehicles on government property shall possess a valid Kentucky or other state driver’s license. This registration procedure is established to facilitate access to the Installation. The Contractor shall not fuel and/or maintain personal or Contractor owned vehicles in Government-furnished facilities. However, the Contractor may use AAFES stations to fuel vehicles that remain on post at all times.

**J1.3.6 Coordination Requirements Prior to Performing Work**

The Contractor will coordinate vehicle parking areas, work staging areas, vegetative disturbance, landscaping disturbance and customer notification with the Contracting Officer’s Representative and appropriate staff personnel prior to performing this work.

**J1.3.7 Planning and Programming**

In order to function as a partner with the Fort Knox DPW, the Contractor must be fully engaged in planning and programming activities for projects that may impact the utility system(s). Costs associated with planning / programming shall be included in the Contractor’s O&M costs as part of normal operations. The following listing generally describes activities in which the UP contractor may be asked to assist the DPW:
The Contractor will assist in the development of Requests for Action (RFAs) (See Section J1.3.8). This may include providing detailed information to support scopes of work, budget estimates, etc. for any necessary changes to the utility system and/or services provided.

The Contractor will be invited to and participate in meetings for projects impacting the utility system(s) such as, but not limited to, DD1391s development of Statement of Work (SOW) for Military Construction (MILCON) projects, planning charrette for MILCON projects, Real Property Master Planning Boards, Fort Knox and SOW Line Item Reviews. As required by the Government Project Manager, the Contractor will attend the pre-design meeting, design charrette, pre-construction meetings, site visits, partnering meetings, etc.

The Installation anticipates that it will experience significant growth and expansion during the Contract period that will necessitate new and/or upgraded facilities. Therefore, as part of its regular utility services under the monthly utility service charge, the Contractor must maintain capability to prepare and provide in a timely manner complete designs for such facilities, including site maps, sketches, and/or drawings.

The Contractor shall respond to requests from the Government for new/upgraded facilities and/or demolition of existing facilities. The Contractor will coordinate the design and construction of such facilities with the Government, A/E, and construction contractors.

The Contractor shall identify future project requirements as well as system deficiencies. The Contractor will identify the specific utility requirement for each project and prepare designs and project cost proposals.

The Contractor shall participate in strategic planning and propose long-term initiatives.

The Contractor shall provide supporting information to assist the Government in developing budget estimates for unfunded projects.

The Contractor shall respond to customer questions.

J1.3.8 Request for Action (RFA) Process

The following language GENERALLY describes the process for an RFA and may not be all inclusive. It is provided for informational purposes only, and the Government is not binding itself to follow these steps. Nonetheless, the current process is as follows: (Abbreviations: PM – DPW Project Manager; KO – Contracting Officer; COR - Contracting Officer’s Representative; UP – Utility Privatization Contractor.)

**STEP 1:** The PM prepares Work Orders and provides to the COR. The COR then forwards to the KO and the KO contacts the UP contractor regarding the potential project.

**STEP 2:** The PM develops independent government estimates (IGE) and provides to COR and KO.

**STEP 3:** The UP Contractor identifies specific utility system requirements for the project, develops a scope of work, detailed cost estimate, sketch, period of performance, and project schedule. The UP Contractor should also identify any applicable increase/decrease to the O&M/R&R

**STEP 4:** The KO, COR, and PM review the UP contractor’s proposal.
VERIFICATION

The undersigned, Mr. James S. Bruce, General Manager of the Hardin County Water District No.1, hereby verifies that he has personal knowledge of the matters set forth in the enclosed application for Acquisition of the Fort Knox Water System and that said application was served on Mr. Jeff Derouen, Executive Director, Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, KY. 40601-8204 and on the office of Attorney General, ATTENTION Mr. David Spenard, esq., 1024 Capitol Center Drive, Frankfort, KY. 40601 on the 13th Day of October, 2011 he is duly designated by the Board of Commissioners of the Hardin County Water District No. 1 to sign and submit this information its behalf.

HARDIN COUNTY WATER DISTRICT No. 1

By

JAMES S. BRUCE, GENERAL MANAGER

STATE OF KENTUCKY
COUNTY OF HARDIN

I, the undersigned, a Notary Public, do hereby certify that on this 20 day of October, 2011, personally appeared before me, James S. Bruce, who being by me first sworn, subscribed to and acknowledged that he represents the Hardin County Water District No. 1, a Kentucky Corporation, that they have signed the foregoing document as General Manager of the Corporation.

NOTARY PUBLIC, STATE OF KENTUCKY

My Commission Expires; 5-22-2023
**STEP 5:** UP Contractor, KO, COR, and PM discuss and agree on price and schedule.

**STEP 6:** The PM provides the COR with funds and work order.

**STEP 7:** Funds are provided to the KO.

**STEP 8:** KO issues modification.

**STEP 9:** The PM and/or general contractor coordinates with the UP Contractor regarding schedule.

**STEP 10:** The UP contractor completes Quality Assurance/Quality Control (QA/QC) and Inspections.

**STEP 11:** The UP contractor invoices for the project.

**STEP 12:** Modify the UP contract to include O&M and R&R for the added assets.

**J1.3.9 Mapping Requirements**

Maps shall be prepared according to the following specifications:

a. A single map of the entire site shall be prepared indicating the existing site conditions and required demolitions.

b. A single map indicating proposed utilities and other constructions to include the footprint of structures, paving (including curbing), sidewalks, and other relevant planimetric features.


d. Due north on the map will be as viewed from the bottom of the map. Rotation and translation of coordinate systems will not be allowed nor will orientation to Magnetic North. The Magnetic North orientation view may be rotated for plotting purposes but the orientation of the map must be geographically correct when selecting ‘top view’.

e. The map will contain a labeled coordinate grid with spacing appropriate to the map extents. For instance, a map scale of 1”=30’ will have coordinates labeled at 100’ intervals north/south and east/west.

f. All utilities on the map will be clearly labeled as to size and material.

**J1.3.10 Updated Utility Maps**

The Contractor is required to submit to the Installation updates to utility maps within 30 days after completion of any changes and updated utility maps annually with the Capital Plan or upon request of the Government. The Contractor is responsible for coordinating with and updating the Installation’s GIS. GIS information must be in acceptable DoD format and compatible with existing Fort Knox GIS System.
J1.3.11 Disposition of Removed or Salvaged Materials

Disposition of facilities and material removed from a system shall be the responsibility of the Contractor. If the cost structure is dependent upon in-place value, the salvage value of equipment removed from service prior to the end of its useful life shall be deducted from the in-place value of the system.

J1.3.12 Component Replacement

Infrastructure unutilized after construction can be abandoned in place, provided the abandoned infrastructure poses no immediate or future health, safety, operational, or environmental risks in compliance with industry standards. However, unsightly abandoned infrastructure may be required to be removed and disposed of properly as may be practical or common practice, such as gas metering when units have been converted to total electric. Generally, above-ground infrastructure may require demolition and removal. Abandoned infrastructure must be clearly marked on the utility maps.

J1.3.13 Excavation Marking Process

J1.3.13.1 Contractor-Provided Markings

Contractor shall subscribe to the regional process (one-call dispatch center) for notification and marking of underground utilities. The Contractor shall endeavor to mark all utilities in the time windows defined by this process. In some cases, where non-metallic lines do not have tracer wires, it may take longer to locate the lines. In these cases, the Contractor will make necessary notifications about a possible delay in the marking process. Contractor shall be responsible for all repairs, costs, and damages due to excavations by others for which he did not properly mark his utilities as part of the utility marking process.

J1.3.13.2 Notification Prior to Digging

The UP Contractor shall notify the regional Before You Dig (BUD) dispatch center of his digging requirement. The UP Contractor shall be responsible for all repairs, costs, and damages due to his excavations, including excavations extending beyond areas that have been permitted for excavation.

J1.3.14 System Survey and Assessment / Utility Record Drawings

The Contractor shall initiate a comprehensive survey of the system to identify components not shown on record drawings and identify errors on existing record drawings. Production and maintenance of record drawings shall be in accordance with RFP Paragraph C.5.1.5, Record Drawings, and all work shall conform to the latest release of the software the Government is using compatible with the latest versions of Spatial Data Standards. The Contractor will provide georeferenced data in a format that can be readily used in GIS (geographic information system) (widely used by DoD and external agencies). All maps and associated data must comply with the latest version of Spatial Data Standards for Facilities, Infrastructure and Environment (SDSFIE) available from the CADD/GIS Technology Center at http://tsc.wes.army.mil/products/TSSDS-TSFMS/tssds/html. The project must be completed no later than one year after the contract start date. Effort will include a comprehensive record search, will also require physical survey work, and may include some excavation to ascertain line location, type, and condition.
The Contractor will also develop and maintain an accurate computerized model of the utility system. The model should reflect major system components and attributes. It is envisioned that this model will be used for briefing, planning activities, contingency applications, long-range plans, analyzing system faults, and addition or deletion of new flow. The Installation is familiar with and would prefer that the UP Contractor utilize the Kentucky Pipe Model 2006. (See the Technical Library for the current model being used.)

**J1.3.15 Installation Design Guide**

The Contractor will follow the Fort Knox Installation Design Guide (IDG) and the respective environmental guide specifications for all work. The Contractor shall provide updates to the IDG with his applicable construction standards and specifications within 45 days after the contract start date.

**J1.3.16 Supervisory Control and Data Acquisition System**

The Contractor shall install and maintain a new Supervisory Control and Data Acquisition (SCADA) system to fully integrate system tank level signals, pump controls, and monitor and remotely read the advanced metering device once they are installed per the Army’s Metering Program (AMP) (See J1.5 for AMP discussion). As a minimum, the system will enable the controller to regulate tank levels, monitor system pressure, and monitor various critical water quality parameters.

**J1.3.17 Fire Control and Safety**

In all cases, the Contractor shall abide by Fort Knox fire protection requirements. Should the Contractor choose to construct an on-site facility to locate office space, warehouse, etc., the Contractor shall permit Fire Department personnel access to their facility to perform fire inspections and emergency response. Where required by federal, state or local regulation, the Contractor shall maintain the fire alarm system for all facilities owned and operated by the Contractor.

Changes to O&M processes and procedures will be coordinated with DPW and the Fire Department.

**J1.3.18 Fire Flow**

In keeping with RFP Paragraph L.4.2, the Contractor shall perform flow testing and marking of fire hydrants IAW National Fire Protection Association standards/recommended practices. The Contractor will perform the services during the late spring each year and coordinate the services with Fire/Emergency Services of Fort Knox. The annual inspection shall be documented on a written report and a copy sent to Fire Prevention Section. The Contractor shall update numbers and locations of hydrants on the Installation’s water distribution maps.

*Exception on marking the fire hydrants* – the numbers shall be 1/2” in height, placed on the back side of the bonnet, black in color. The rim of the bonnet will have reflective paint of the capacity of the fire hydrants using the color code in NFPA 291.

The Contractor shall own, operate, maintain, and test the Post water system IAW Kentucky Department of Environmental Protection, Frankfort Division of Water (Division of Water)
standards. The Contractor shall provide the Contracting Officer, COR, and DPW with copies of any and all testing information and reports submitted to the Division of Water.

The Contractor shall coordinate any changes to the potable water utility system that may affect fire flow capabilities with the DPW and the Fort Knox Fire Department.

**J1.3.19 Environmental Issues**

The Contractor shall follow all environmental rules and regulations IAW with RFP Section C.10, *Environmental Compliance*.

Trees in which the Indiana Brown Bat reside cannot be cut during the summer months. The Contractor shall notify EMD prior to cutting trees.

**J1.3.20 Required Regulatory Reports**

The Contractor shall be responsible for any reporting required by local, State and Federal regulatory bodies. The Contractor shall provide the COR with information as directed that may be necessary and in the timeframe requested to support reports required by the Department of the Army and other appropriate agencies.

**J1.3.21 Official Inspections**

The Contractor shall immediately inform the COR, Post Safety Office or Environmental Management Division (EMD), Directorate of Public Works, Fort Knox through the KO or COR when the United States Environmental Protection Agency (EPA), the Kentucky Department of Environmental Protection, Frankfort Division of Water, the County Department of Health, the MEDDAC, the Public Service Commission, or OSHA, following notification of any scheduled or unscheduled inspector visits to the Installation for an official inspection.

**J1.3.22 First Response Investigation**

Restoration of utility service is extremely important to DoD installations and expectations are generally covered well throughout this RFP. However, occasions do arise where it may not be immediately apparent who the responsible repair agency is. This frequently occurs where an apparent fault (e.g., line break, leak, etc.) is located near a point of demarcation. In these situations, someone may have to excavate to the actual fault to determine the precise location of the fault and who the appropriate repair agency is. The Contractor must plan to perform this type of “first response investigation”. This may involve pumping water and excavation. In these situations, the Contractor should proceed toward fixing the problem until such time it is determined that repair responsibility is with someone else.

**J1.3.23 Response to Service Requests**

The Contractor shall respond only to the service requests (service calls). The Contractor shall have a telephone manned 24 hours/day, 365 days/year that the customers may call to report utility system problems. There shall be only one phone number, active during duty hours and non-duty hours, for the Government to call to report system problems. For all response times, the Contractor shall respond within the allotted time, take necessary corrective actions, order necessary materials, and schedule additional repairs. The Contractor shall develop procedures for notification of utility outage to necessary personnel during the transition period.
J1.3.24 Utility Outage

Because of the critical nature of many Fort Knox mission requirements, response to utility emergencies in and around the Cantonment area must be immediate. The Contractor will respond with a knowledgeable individual to emergency utility problems within 30 minutes of notification during duty hours (0700-1700, Monday – Friday) and within 1 hour during non-duty hours. Additionally, repair crews must be on scene within one hour during duty hours and within two hours during non-duty hours. In the Zussman Range, Yano Range and Basham’s Corner areas, response times shall be 1½ hours during normal duty hours and 2 hours during non-duty hours. Work shall be continued until the problem is corrected. The above response times do not apply to conditions where inclement weather (tornadoes, ice/snow storms, major lightning storms, floods) prevents normal operation. It is recognized that extraordinary conditions will cause the response times to vary proportionally to the number and expanse of system outages, and the priority of service restoration.

The type of service request, priority and minimum response time for various service requests are furnished below.

EMERGENCY:

Emergency - Life or Death – Respond Immediately

“Life or Death” emergencies will typically be handled by Fort Knox Emergency Response agencies, like the Military Police or Fire Department. These agencies or DPW will contact the Contractor. The Contractor shall respond immediately.

Priority 1 - Emergency - Not Life or Death - Respond Same Day IAW previous paragraph

Priority 1 requests arise due to situations that, if left uncorrected, will cause significant damage to a facility, or compromise security or safety, or negatively affect productivity for an entire operation or group. The Contractor shall respond to Priority 1 request as appropriate and reduce the severity of the situation within 1 hour. The Contractor shall complete the service orders within 24 hours unless there is a delay from the Government or the Contractor cannot procure the material.

URGENT:

Priority 2 – “Health & Welfare” – Respond within 3 Working Days

Priority 2 requests arise due to situations that, if left uncorrected will measurably reduce productivity, cause discomfort or inconvenience to the customer, waste resources, or create the need for additional minor repairs. The Contractor shall respond to Priority 2 request within three working days. The Contractor shall complete the service orders within 7 business days unless there is a delay from the Government or the Contractor cannot procure the material.

ROUTINE:

Priority 3 – “Productivity Inhibitor” – Respond within 5 days

Priority 3 requests arise due to situations that, if left uncorrected, will cause measurable discomfort or inconvenience to the customer, waste resources or create the need for additional minor repairs, is esthetically unpleasant or inconvenient. The Contractor shall respond to Priority 3 request within five working days. The Contractor shall complete the service orders within 10 business days unless there is a delay from the Government or the Contractor cannot procure the material.
J1.3.25 Emergency Operations

The Contractor shall have an emergency plan in place for such occurrences. If the damage from a storm or disaster is widespread and affects the Contractor’s other customers (off the Fort Knox installation), Fort Knox’s DPW personnel must be informed of the Installation’s restoration priority. The Contractor shall notify Fort Knox’s DPW personnel of each situation/priority as soon as possible. The Contractor will provide an emergency operations plan, updated on an annual basis. The Contractor shall develop and document an emergency operations plan that addresses all aspects of the contractor’s response to emergency conditions including but not limited to system failures due to acts of God, breakdown, or demand spikes. The Government requires first priority response for service restoration to mission critical facilities during national emergencies, deployments, and alerts. The priority response will take into consideration the Contractor’s other critical civilian priorities (life-safety priorities such as hospitals). In no case will equipment and/or personnel normally used in the support of Fort Knox’s utility system be pulled to serve the Contractor’s external customers if utility service to Fort Knox is experiencing an outage that requires their service. Some personnel assigned to Fort Knox may be pulled to assist in the restoration of service to customers external to Fort Knox if the Fort Knox’s system is not experiencing an outage. A minimal staff shall remain in service to Fort Knox at all times. The priority of restoration is:

1. Medical Facilities
2. Command and Control Facilities
3. Schools
4. Food Services and Shopping
5. Barracks and Housing

J1.3.26 Temporary Service

Temporary service will be coordinated with Fort Knox’s DPW and the affected customer(s) if temporary service is required. The Contractor must make all possible preparation and coordination prior to actual outage. It is the responsibility of the Contractor to limit the length of an outage to minimum requirements.

J1.3.27 Planned Outages

The Contractor must coordinate any planned outages for construction or maintenance with the DPW and affected customers. For outages requiring 4 or more hours of interruption to service, work should be planned during off hours, such as, in the evening or weekends or holidays depending on the customers affected. In rare cases, the Contractor may be required to provide temporary or emergency services for the length of the planned outage.

J1.3.28 Cost of Supporting Utilities

The Contractor may consume reasonable quantities of supporting utilities at no charge. However, Contractor shall fully cooperate with the Government with respect to energy / water conservation measures as described in Section C.3.4, Energy and Water Efficiency and Conservation. The UP Contractor’s usage may be separately metered to provide the Army with the capability to monitor the contractor’s use of these services and to ensure that the UP contractor is practicing energy
conservation measures as prescribed by the Army through their Army Energy and Water Campaign Plan (AEWCP).

J1.3.29 Water Storage Tanks

J1.3.29.1 Equipment Mounted on Water Storage Tanks

The Contractor shall allow the Government access to operate and maintain any communication equipment, obstruction lights, emergency warning equipment, public address equipment, and other Government equipment on water storage tanks being privatized at no additional cost to the Government. The Contractor shall develop a procedure for granting the Government access. This procedure shall be submitted to the Contracting Officer for approval.

Further, the installation considers cellular telephone antennas to be mission essential. Therefore, as noted in RFP section C.4.2.2.2, the Contractor will take ownership of the water storage tanks subject to any cellular telephone antenna leases. In addition to retaining the right to locate existing antennas on water storage tanks and to continue to accrue revenue from existing contracts/leases, the installation will retain the right to locate additional antennas on privatized water storage tanks and to retain all revenue from future contracts/leases.

J1.3.29.2 Application of Logos on Water Storage Tanks

The Government reserves the right to approve the design of all logos applied to any water storage tanks. The Contractor shall submit all logos to the Contracting Officer for approval prior to application on the water storage tanks. Additional logos and/or lighting requested by the Government will be funded by the Government.

J1.3.30 Cultural Resources

Transfer of ownership of certain historic properties necessitates Government compliance with federal laws and regulations to meet historic preservation requirements. The final transfer documents will include an easement or covenant that includes adequate and legally enforceable restrictions or conditions to ensure long-term preservation of historic properties to meet these preservation requirements. As a result of this easement or covenant, the Contractor will likely be required to preserve and maintain transferred historic properties in accordance with Secretary of the Interior’s Standards for the Treatment of Historic Properties (36 CFR 68).

The Contractor shall not remove or disturb any historical, archaeological, architectural or other cultural artifacts, relics, remains, or objects of antiquity.

Activities involving ground disturbance, construction, demolition, landscape modification, or alteration of the exterior or interior of a historic building has the potential to adversely affect cultural resources. Historic districts, buildings, landscape features, or archaeological sites considered eligible for the National Register of Historic Places that may be identified in the future shall be subject to the terms of this section. With regard to the historic building / facilities to be transferred as part of the utility privatization action, please see the Offeror’s Technical Library.

The Contractor will coordinate projects that may affect cultural resources listed on the Installation Cultural Resources Management Plan as reviewed with the Contracting Officer’s Representative (COR). The COR will coordinate with the Fort Knox Cultural Resources Program to determine if consultation with the Department of Environmental Protection is required per 36 CFR 800. For
non-emergency work, the COR will respond to the Contractor within 10 working days. Initial SHPO review requires 30 days and additional consultation may be required to avoid, minimize or mitigate any adverse effect. The Contractor shall not start work until notified by the COR.

In emergency situations, the Contractor is not required to consult with Fort Knox in advance of actions to repair the utility distribution system. The Contractor will notify Fort Knox, who will notify the Department of Environmental Protection, following execution of all emergency measures affecting historic properties. The emergency exception contained in this paragraph will only apply to undertakings initiated within 10 days of the emergency. For emergency work, the Contractor may take steps to safeguard life and property, and restore service, but shall minimize impact to the site.

In the event archaeological materials are inadvertently encountered during construction or excavation activities, the activity must stop and the Contractor shall immediately notify the COR.

Costs for mitigation of damage to cultural resources (restoration, repair, or replacement) due to the Contractor’s failure to comply with historical and cultural preservation laws, regulations, or programs, that relate or may arise under performance of this contract may be deducted or offset by the Government from any monies due the Contractor, and with respect to the nature and severity of the damage. The Contractor will take any corrective or remedial actions as directed by the Contracting Officer.

**J1.3.31 Standards and Regulations**

The Contractor will provide the Installation with three hard copies and one electronic copy of the Contractor’s standards and regulations within 45 days after contract start date.

**J1.3.32 Network Access Requirements**

- **Information Assurance (IA):** Contractor personnel requiring access to U.S. Government Information Systems to fulfill their duties shall possess the required favorable security investigation, security clearance, formal access approval, and “need-to-know” prior to being granted access to any Government computer or computer network.

- **Information Technology (IT)-I Level of Security Access** is required for contractor personnel in IA positions working with infrastructure devices, IDSs, routers, System Administration or Network Administration, with privileged-level access to control, manage, or configure IA tools or devices, individual information systems, networks, and enclaves. At a minimum, such contractor personnel shall require a favorably completed NAC, initiation of SSBI, completion of Forms SF85P, SF86, and Supplemental Questionnaire.

- **IT-II Level of Security Access** is required for contractor personnel in IA positions required to work with operating systems administration of common applications or enclaves, or back-up operators with limited privileged level access to control, manage, or configure information systems or devices. At a minimum, such contractor personnel shall require a favorable review of local personnel, base / military, medical, and other security records as appropriate, initiation of a NACL, and completion of Forms SF85P or SF86 and Supplemental Questionnaire.
• IT-III Level of Security Access is required for Contractor personnel in positions as normal users, power user on individual systems for configuration with non-privileged level of access to information systems and devices. At a minimum, such contractor personnel shall require a favorable review of local personnel, base / military, medical, and other security records as appropriate, initiation of a NAC, and completion of Form SF85P and the Supplemental Questionnaire.

• Contractor personnel shall not be granted access to any Government computer systems or networks until proof of compliance to the IA clearance requirements.

• Once Contractor personnel have complied with the IA requirements as reflected above, they will be granted the appropriate IT level of security access.

• Contractor personnel shall personally pick-up and sign for Government network user identification and password at the Information Assurance Office.

• Contractor employee(s) shall be solely responsible for the safeguarding of user passwords and shall immediately report any suspected compromise or loss of the password to the Information Assurance Office.

• The Contractor is responsible for notifying the Contract Officer Representative (COR) and also the Information Assurance Office of any changes to their status or their personnel status.

J1.4 Current Service Arrangement

Fort Knox collects and treats the raw surface water and ground water and distributes the finished water throughout the Installation. Table 9 summarizes the annual volume of raw water treated and/or used by Fort Knox over the last three calendar years.

<table>
<thead>
<tr>
<th>Location</th>
<th>CY2005 (MG)</th>
<th>CY2006 (MG)</th>
<th>CY2007 (MG)</th>
<th>3-Year Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muldraugh WTP</td>
<td>842.364</td>
<td>950.172</td>
<td>903.378</td>
<td>898.638</td>
</tr>
<tr>
<td>Central WTP</td>
<td>245.598</td>
<td>140.950</td>
<td>145.844</td>
<td>177.464</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,087.962</strong></td>
<td><strong>1,091.122</strong></td>
<td><strong>1,049.222</strong></td>
<td><strong>1,076.102</strong></td>
</tr>
</tbody>
</table>
TABLE 10
Peak Day Volumes of Raw Water Treated or Used
Potable Water Utility System, Fort Knox, Kentucky

<table>
<thead>
<tr>
<th>Location</th>
<th>CY2005 (MGD)</th>
<th>CY2006 (MGD)</th>
<th>CY2007 (MGD)</th>
<th>3-Year Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muldraugh WTP</td>
<td>3.580</td>
<td>4.400</td>
<td>4.060</td>
<td>4.013</td>
</tr>
<tr>
<td>Central WTP</td>
<td>2.473</td>
<td>2.741</td>
<td>1.453</td>
<td>2.222</td>
</tr>
</tbody>
</table>

In addition to the potable water supplied by the Muldraugh and Central WTPs, Fort Knox also purchases potable water from the City of Louisville for the Zussman Range, from the Meade County Water District for Basham’s Corner area, and from HCWD No. 2 for Yano Range.

Fort Knox also sells potable water to the City of Muldraugh and the HCWD No. 1. All potable water or raw water sales agreements will be negotiated, reviewed and approved by Fort Knox and the Department of Army, and coordinated with the UP Contractor.

J1.5 Secondary Metering

Between the raw water supply points and the end-user points of demarcation, the Contractor shall own, operate and maintain the existing meters at locations throughout the Installation, as directed by the Contracting Officer in keeping with the guidance in Section C.3.3, Sub-Metering.

The Army intends to pay for the installation of new meters under the Army’s Metering Program (AMP). The Contractor shall closely work with the Army and the Army’s Contactors to facilitate the installation of advanced metering equipment on the existing meters, the installation of new meters with advanced metering capability and the integration of the advanced metering capability consistent with the AMP. (For additional information on the AMP, please see the information included in the Offeror’s technical library.) It is the Army’s intent to transfer the new meters to the UP Contractor under the utility privatization contract. Subject to the change provisions of the contract, an equitable adjustment will be negotiated between the KO and the UP Contractor for the ownership, operation and maintenance for the new meters.

J1.5.1 Existing Meters

Table 11 list the existing meters (at the time of contract award) that will be transferred to the Contractor and for which the Contractor shall provide meter readings IAW Paragraph C.3.3, Sub-Metering, and J1.6, Monthly Submittals.

TABLE 11
Existing Secondary Meters
Potable Water Utility System, Fort Knox, Kentucky

<table>
<thead>
<tr>
<th>Meter No.</th>
<th>Tenant Organization</th>
<th>Group No.</th>
<th>Building Served / Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000259</td>
<td>81st RSC</td>
<td>2271</td>
<td>Building No. 5901 - Vehicle Maintenance Shop GS</td>
</tr>
<tr>
<td>1000405</td>
<td>Anderson Guest House</td>
<td>918</td>
<td>Building No. 7961 - Anderson Guest House</td>
</tr>
<tr>
<td>1000009</td>
<td>Armed Forces Bank</td>
<td>552</td>
<td>Building No. 1507 - Armed Forces Branch Bank</td>
</tr>
<tr>
<td>Meter No.</td>
<td>Tenant Organization</td>
<td>Group No.</td>
<td>Building Served / Description</td>
</tr>
<tr>
<td>-----------</td>
<td>------------------------------------------</td>
<td>-----------</td>
<td>----------------------------------------------------</td>
</tr>
<tr>
<td>421880</td>
<td>City of Muldraugh (20J D9SC)</td>
<td>587</td>
<td>Muldraugh North Meter</td>
</tr>
<tr>
<td>1200583</td>
<td>City of Muldraugh (20J D9SC)</td>
<td>587</td>
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