

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

FEB 8 2017

PUBLIC SERVICE
COMMISSION

In the Matter of:

The Application of Whitley County) Case No. 2017-00068
District No. 1 for Approval of)
Financing and Issuance of a)
Certificate of Convenience and Necessity)

APPLICATION

Whitley County Water District No. 1 (Whitley County), by counsel, pursuant to KRS 278.020 and 278.300, petitions the Commission for an order approving the construction of certain water facilities and the financing of the improvements through a loan from the Kentucky Infrastructure Authority.

1. Whitley County is a regulated utility district formed under KRS Chapter 74. It has no articles of incorporation. It provides water and sewer service at retail and wholesale to customers in Whitley County. Its contact information is:

Whitley County Water District
Andy Meadors, Chairman
19 South Highway 25
Williamsburg, KY 40769
Email: wcd@bellsouth.net
Telephone: 606-549-3600
Fax: 606-549-5795

2. It currently serves approximately 3,500 customers throughout Whitley County.

3. A description of its water system and its property stated at original cost by accounts is contained in its Annual Report, which is incorporated by reference - 807 KAR

5:001(17)(1) and 807 KAR 5:001(18)(b). No material changes have occurred since the end of the latest 12 month period. 807 KAR 5:001(12).

4. It proposes to construct approximately 3,700 LF of 4-inch PVC waterline; approximately 36,200 LF of 3-inch PVC waterline; and associated appurtenances such as gate valves, leak detection meters, etc. Some short segments of polyethylene pipe will be installed at directionally bored stream crossings. The water mains will primarily be constructed along the county and state highway rights-of-way. The facilities have been designed to provide the customers with a minimum pressure of 30 psi at the meter at peak flow conditions. The construction is now scheduled to begin by March 15, 2017 or upon Commission approval, and be completed by July 15, 2017.

The new water line will replace approximately 39,900 linear feet of existing water distribution line that is undersized and/or has been prone to excessive leaking. Much of the line to be replaced was initially installed by private home owners 20 or more years ago to serve only the residences that existed at the time and was never intended to serve growth or be extended. This work should also significantly lower WCWD's water loss.

Detailed description of the project is provided in Exhibit A (Copies of the Maps, Plans, Specifications and Bid Documents are provided as a separate documents along with a petition for confidentiality). 807 KAR 5:001 (15(2)(a)(c)(d).

5. The construction is in the public interest and is required to allow Whitley County to continue to provide adequate service to additional residents of the county. No new customers will be served by the project.

6. The total project cost is approximately \$937,500. The District is financing the project with a \$932,500 loan from the Kentucky Infrastructure Authority (KIA) and

\$5,000.00 of internal funds. **An extension for the funds has been granted by KIA until April 2, 2017.** If approval for the financing is not received by that date, reapplication for the loan may have to be made. See Exhibit D. 807 KAR 5:001(15)(2)(e).

7. Easements and rights of way have been acquired, see Exhibit A. The DOW approval letter is included in Exhibit B.

8. This service will not compete with any other utility in the area.

9. The proposed project, identified in Exhibit A, is scheduled to begin construction upon PSC approval. Construction period is approximately 90 days. Bid information is included with Exhibit B. **Bids expire on April 12, 2017.**

10. No new franchises are required. The DOW and encroachment permits are attached as Exhibit B. 807 KAR 5:001(20)(b).

11. Construction descriptions are in Exhibit A and Bid Documents, Exhibit F. Facts relied on to justify the public need are included in the project descriptions in Exhibit A.

12. Maps of the area showing location of the proposed facilities are in Exhibit A.

13. Estimated operating costs for operation and maintenance, depreciation and debt service after construction to the extent that there are any are shown in Exhibit E. 807 KAR 5:001(15)(2)(f).

14. Bid tabulations are provided in Exhibit F.

15. A full description of the route, location of the project, description of construction and related information is in Exhibit A.

16. The start date for construction; proposed in-service date; and total estimated cost of construction at completion are included in Exhibit A.

17. No rate adjustment is being proposed.

18. The following information is provided in response to 807 KAR 5:001 (14)(2):

a. Articles of Incorporation – None. Whitley County is a statutorily created water district under KRS Chapter 74;

19. The following information is supplied pursuant to 807 KAR 5:001(9):

a. Facts relied upon to show that the application is in the public interest: See Exhibit A.

20. The following information is provided as required by 807 KAR 5:001 (17):

a. A general description of the property is contained in the Annual Report. The 2015 Report and audited financial information is the latest available from the District.

b. No stock is to be issued; No bonds are to be issued in this case;

c. There is no refunding or refinancing;

d. The proceeds of the KIA financing are to construct the property described in Exhibits A and D.

e. The par value, expenses, use of proceeds, interest rates and other information is not applicable because no bonds are being issued at this time.

21. The following exhibits are provided pursuant to 807 KAR 5:001 (18)(2):

a. There are no trust deeds. All notes, indebtedness and mortgages are included in Exhibit H.

b. No property is to be acquired. 807 KAR 5:001(18)(2)(c).

22. The following information is provided pursuant to 807 KAR 5:001(12)(2):

a. No stock is authorized.

b. No stock is issued.

c. There are no stock preferences.

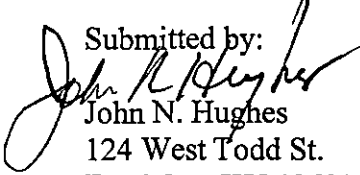
- d. Mortgages are listed in Exhibit H.
- e. Bonds are listed in Exhibit H.
- f. Notes are listed in Exhibit H.
- g. Other indebtedness is listed in Exhibit H.
- h. No dividends have been paid.
- i. Current balance sheet and income statement are attached as Exhibit G.

23. Plant additions will be classified according to USoA "Water Utility Plant Accounts": 331.

24. The Kentucky Debt Officer has been notified of the KIA loan. See Exhibit D. 807 KAR 5:001(18)(g).

25. A deviation pursuant to 807 KAR 5:001(22) is requested for use of financial information greater than 90 days old and for any other filing requirement not essential for the review and approval of the application.

For these reasons, Whitley County requests an order approving the financing and the certificate and other authorizations that may be required.

Submitted by:

John N. Hughes
124 West Todd St.
Frankfort, KY 40601
(502) 227 7270
jnhughes@johnnhughespsc.com

Attorney for Whitley County
Utility District

COMMONWEALTH OF KENTUCKY

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In the Matter of:

The Application of Whitley County)	Case No. 2017-00068
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PETITION FOR CONFIDENTIALITY

Whitley County Water District (WCWD), by counsel, petitions the Commission ("Commission"), pursuant to 807 KAR 5:001, Section 13, and all other applicable law, for confidential treatment of the Engineering Plans, Diagrams and Drawings included in Exhibit A of the Application, which are provided in a separate packet. The information in those documents contains strategic analysis of the WCWD distribution and transmission systems, including diagrams and maps of the system. WCWD also requests that the PDF electronic copy be maintained as confidential.

KRS Chapter 61 requires information filed with the Commission to be available for public inspection unless specifically exempted by statute. Exemptions from public disclosure of the information relevant to this petition are provided in KRS 61.878(1)(m). Under the Kentucky Open Records Act, the Commission is entitled to withhold from public disclosure information disclosed to it to the extent that open disclosure would "have a reasonable likelihood of threatening the public safety by exposing a vulnerability in preventing, protecting against, mitigating, or responding to a terrorist act and limited

to: . . . ,

(f) infrastructure records that expose a vulnerability referred to in this subparagraph through the disclosure of the location, configuration, or security of critical systems, including public utility critical systems. These critical systems shall include but not be limited to information technology, communications, electrical, fire suppression, ventilation, **water**, wastewater, sewage, and gas systems and;

(g) The following records when their disclosure will expose a vulnerability referred to in this subparagraph: **detailed drawings, schematics, maps, or specifications of structural elements**, floor plans, and operating, utility, or security systems of any building or facility owned, occupied, leased, or maintained by a public agency."

This Commission has recognized that similar reports with diagrams and maps "are infrastructure records that disclose the location, configuration, or security of public utility systems" and therefore, should be treated as confidential. See Case No. 2014-00166 *In the Matter of 2104 Integrated Resource Plan of Big Rivers Electric Corporation*, KY PSC Order, p. 7 (August 26, 2014).

The information contained in the specified documents provides detailed information about WCWD's distribution system and the location of critical components; as such, the disclosure of which could threaten the public safety generally and provide sensitive information relevant to the security against terroristic events. WCWD petitions the Commission to classify as confidential and protect from public disclosure the requested report. Because of the nature of the documents, providing a redacted copy

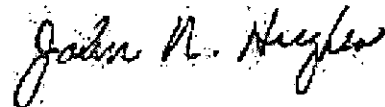
for public view would be uninformative and of no practicable value to anyone. WCWD seeks a deviation pursuant 807 KAR 5:001(22) to allow the entire documents to be considered redacted and an exemption from filing a partially redacted version of the documents for the public record.

The information for which the Company is seeking confidential treatment is not disseminated within the Company except to those employees with a legitimate business need to know and act upon the information and is generally recognized as confidential and proprietary information in the industry.

If the Commission disagrees with this request for confidential protection, WCWD requests that it hold an evidentiary hearing (a) to protect the Company's due process rights and (b) to supply the Commission with a complete record to enable it to reach a decision with regard to this matter. Utility Regulatory Commission v. Kentucky Water Service Company, Inc., Ky. App., 642 S.W.2d 591, 592-94 (1982).

WCWD requests that the information referenced herein be kept confidential for an indefinite period.

For these reasons, WCWD petitions the Commission to treat as confidential, indefinitely, the information referenced in this petition in its entirety



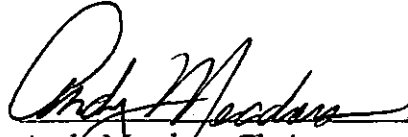
John N. Hughes
124 West Todd Street
Frankfort, Kentucky 40601
502-227-7270
inhughes@johnnhughespsc.com
Attorney for Whitley County
Water District

AFFIDAVIT

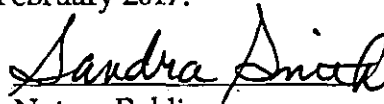
COMMONWEALTH OF KENTUCKY

COUNTY OF Whitley

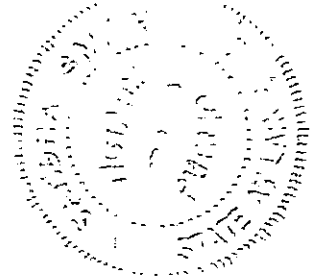
Affiant, Andy Meadors, after being first sworn, deposes and says he is authorized on behalf of Whitley County Water District to file this Petition, that the statements are true and correct to the best of his knowledge and belief except as to those matters that are based on information provided to him and as to those he believes to be true and correct.


Andy Meadors, Chairman

This instrument was produced, signed and declared by Andy Meadors to be his act and deed the 2nd day of February 2017.


Notary Public

My Commission expires: Nov. 28, 2020



APPLICATION
to
KENTUCKY PUBLIC SERVICE COMMISSION
for
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
CONSTRUCTION AND FINANCING
PURSUANT TO KRS 278.020(1)

Project: Water System Improvements Project

Applicant: Whitley County Water District
Andy Meadors, Chairman
19 South Highway 25
Williamsburg, KY 40769

Email: WhitleyCountyWD@yahoo.com

Telephone: 606-549-3600

Fax: 606-549-5795

Competing Utilities: None

Plans & Specifications: 1 PDF and 2 paper

Exhibits

- A) Two copies of Plans and Specifications and One PDF Disk
Construction Required by Public Convenience or Necessity
- B) KDOW Construction Approval
KY Transportation Encroachment Permits
Whitley Co. Fiscal Court Right-of-Way Resolution
- C) Project Narrative
Final Engineering Report
- D) Project Funding:
KIA Conditional Commitment Letter
KIA Board Meeting Minutes April 2, 2015
KIA Loan Resolution
KIA Time Extension letter
KIA Funding Application
KY Debt Officer Notification
- (E) Estimated Cost of Operation
- (F) Engineer's Letter of Recommendation
Tabulation of Bids Received
Estimated Project Costs (As-Bid Budget)
- (G) 2016 Financial Statement
- (H) Existing Long Term Debt

**A. Two Copies of Plans and Specifications and One PDF Disk
Construction Required by Public Convenience or Necessity**

(Attached to Submittal)

PUBLIC CONVENIENCE OR NECESSITY

The Whitley County Water District (WCWD) was originally formed to provide a safe, dependable supply of potable water to the citizens in the rural areas of Whitley County. Since its inception, the WCWD has grown until it now serves more than 3,500 customers over a large portion of Whitley County. WCWD has nearly reached its goal of making treated water available to every citizen within its boundary, with only a few small and/or low population density areas left unserved.

The proposed construction will include approximately 3,700 LF of 4-inch PVC waterline; approximately 36,200 LF of 3-inch PVC waterline; and associated appurtenances such as gate valves, leak detection meters, etc. Some short segments of polyethylene pipe will be installed at directionally bored stream crossings. The water mains will primarily be constructed along the county and state highway right-of-ways. The facilities have been designed to provide the customers with a minimum pressure of 30 psi at the meter at peak flow conditions. The construction is now scheduled to begin by March 15, 2017 and be completed by July 15, 2017.

The new water line will replace approximately 39,900 linear feet of existing water distribution line that is undersized and/or has been prone to excessive leaking. Much of the line to be replaced was initially installed by private home owners 20 plus years ago to serve only the residences that existed at the time and was never intended to serve growth or be extended. This work should also significantly lower WCWD's water loss.

The project funding will also allow the District to purchase approximately 700 radio read meters to replace the last of the conventional meters in its distribution system.

No new customers will be served by the project however approximately 233 existing underserved customers will directly benefit from improved service and WCWD's entire customer base will benefit financially from lower costs. The project will reduce purchased water costs by replacing existing leak prone lines; reduce maintenance costs resulting from frequent leak repairs; and reduce transportation/personnel costs associated with the monthly meter reading. It will also improve service to users on small undersized lines who experience significant pressure loss during times of peak system use and when leaks occur in the system.

**B. KY DOW Authorization to Bid
KY DOW Construction Approval
KY Transportation Cabinet Encroachment Permits
and
Whitley County Fiscal Court Right-of-Way Resolution**



MATTHEW G. BEVIN
GOVERNOR

CHARLES G. SNAVELY
SECRETARY

ENERGY AND ENVIRONMENT CABINET
Department for Environmental Protection

Aaron B. Keatley
COMMISSIONER

300 SOWER BOULEVARD
FRANKFORT, KENTUCKY 40601

December 2, 2016

Mr. Albert Mahan
Whitley County Water District
19 S US 25 W
Williamsburg, KY 40769-

RE: F15-030
Whitley Co Water District No 1--34133
Water System Improvements
Activity ID: FGL20150005

Dear Mr. Mahan:

The Kentucky Division of Water (DOW) has reviewed for completeness and adequacy the construction plans and specifications submitted for the above referenced contract(s). The DOW has previously granted technical approval on March 24, 2016. The plans include the construction of approximately 3,700 LF of 4-inch PVC and 33,750 LF of 3-inch PVC water line. The approval conditions and a list of eligible/ineligible items are enclosed. Please note that ineligible items cannot be funded using State Revolving Fund (SRF) monies, and must be paid by other funding sources.

We previously sent one (1) set of approved plans and specifications. An identical set should be made available at the project site at all times. If modifications are made to these plans and specifications before bidding, two (2) complete sets of as-bid plans and specifications must be submitted to the DOW for approval. A second DOW construction approval must be issued by separate correspondence before proceeding with advertising for bids. Any red line changes that were made by DOW personnel on the approved plans shall be incorporated into the bid set plans unless an alternative is approved.

You may now advertise for bids on the construction of this project. In addition to other notifications, this project must be advertised in the newspaper of the largest daily circulation in the project area.

You are cautioned not to advertise unless you have a proper wage decision. The Federal Davis-Bacon wage rates and Kentucky prevailing wage rates are applicable for this project. Please contact all other funding sources for their requirements pertaining to federal or state wage rates.

F15-030
Whitley Co Water District No 1--34133
Water System Improvements
Activity ID: FGL20150005
December 2, 2016
Page 2 of 3

You are reminded that the construction contracts are subject to the equal employment opportunity requirements contained in Executive Order 11246. Equal employment opportunity affirmative action by the prime contractors and all subcontractors is mandated throughout the duration of the contract. Documentation of efforts to comply with Executive Order 11246, Equal Employment Opportunity is required to be kept by the borrower.

Review the attached Project Review and Cost Summary form for details of the information to be collected and retained in your files or to be submitted to DOW for review and approval. This form must be completed, signed by the recipient, and with the necessary information be then forwarded to the DOW. This signature will certify that all the information to be retained by the recipient has been secured and is available for review by the Division at the pre-construction conference. The required information must be approved by the DOW before executing any contracts.

Along with the Project Review and Cost Summary form, the following items must be submitted to the DOW for review and approval before executing any contracts:

- The bid advertisement
- Revised Project Budget
- Certified bid tabulation
- Documentation of compliance with DBE Good Faith Effort in accordance with 40 CFR 33.301

These items will be reviewed as a part of the Authority to Award process. The DOW will authorize you to award the contracts once these documents are approved

After the Notice to Proceed is signed, the DOW will need a copy of the executed contract documents, including plans and specifications.

Changes orders will require approval from the DOW before payment can be authorized from the State Revolving Fund. Submission of plans and specifications may be required for change order work.

Upon completion of the project, as-built drawings shall be provided to the DOW. As-builts shall be stamped, signed and dated by a professional engineer. A written certification stating that the project was constructed according to the approved plans shall be provided to the DOW by a professional engineer.

The construction permit included in this letter has been issued under the provisions of KRS Chapter 224 and the regulations promulgated pursuant thereto. Issuance of this approval does not relieve the applicant from the responsibility of obtaining any other approvals, permits or licenses required by this Cabinet and other state, federal and local agencies.

F15-030
Whitley Co Water District No 1--34133
Water System Improvements
Activity ID: FGL20150005
December 2, 2016
Page 3 of 3

You are cautioned that the advertisement and award of this contract will be subject to the laws and regulations that govern the State Revolving Fund (SRF) and to the conditions of your loan agreement. If we can be of further assistance, please call Fred Sarabi, Project Engineer, at (502) 782-7058.

Sincerely,



Terry Humphries, P.E.
Supervisor, Engineering Section
Water Infrastructure Branch
Division of Water

Enclosures

Eligible List, Ineligible List, Approval Conditions
Project Review and Cost Summary Form

C: Kenvirons, Inc.
Kentucky Infrastructure Authority
Cabinet for Economic Development
Whitley County Health Department

SRF ELIGIBLE ITEMS:

Contract No. I: No ineligible items identified

SRF INELIGIBLE ITEMS:

Contract No. I: None Identified

APPROVAL CONDITIONS:

1. Provide Clear Site Certificates
2. Complete and return the Project Review and Cost Summary Form.
3. Include the latest version of the SRF Supplemental General Conditions(Dated February 2016) in the as-bid specifications..

MATTHEW G. BEVIN
GOVERNOR



CHARLES G. SNAVELY
SECRETARY

ENERGY AND ENVIRONMENT CABINET

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

DIVISION OF WATER

200 FAIR OAKS LANE, 4TH FLOOR

FRANKFORT, KENTUCKY 40601

www.kentucky.gov

March 24, 2016

Mr. Albert Mahan
Whitley Co Water District No 1
19 S US 25 W
Williamsburg, KY 40769

RE: Whitley Co Water District No 1
AI # 34133, APE20160001
PWSID # 1180468-16-001
Water System Improvements-SRF Project
Whitley County, KY

Dear Mr. Mahan:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of approximately 3,700 LF of 4-inch PVC and 33,750 LF of 3-inch PVC water line. This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the requirements contained in the attached construction permit.

Based on DOW records, this project is being funded by a State Revolving Fund (SRF) loan. Therefore, this approval is for the technical aspects of the project only. Currently, the environmental review related to this project has yet to be completed. **Therefore, you are NOT authorized to advertise for bids at this time. Should you choose to proceed with the bidding and award a contract prior to DOW approval, this will be at your own risk and payment from the SRF program is not guaranteed**

If you have any questions concerning this project, please contact Mr. Fred Sarabi at 502-564-3410 extension 4825.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Humphries".

Terry Humphries, P.E.
Supervisor, Engineering Section
Water Infrastructure Branch
Division of Water

TH:FS

Enclosures

C: Kenvirons Inc
Whitley County Health Department
Public Service Commission
Division of Plumbing

Distribution-Major Construction

Whitley Co Water District No 1

Facility Requirements

Activity ID No.: APE20160001

Page 1 of 5

PORT000000025 (Water System Improvement) 3,700 LF of 4-inch PVC, 33,750 LF of 3-inch PVC :

Narrative Requirements:

Condition No.	Condition
T-1	Construction of this project shall not result in the water system's inability to supply consistent water service in compliance with 401 KAR 8:010 through 8:600. [401 KAR 8:100 Section 5]
T-2	The public water system shall not implement a change to the approved plans without the prior written approval of the cabinet. [401 KAR 8:100 Section 4(3)]
T-3	A proposed change to the approved plans affecting sanitary features of design shall be submitted to the cabinet for approval in accordance with Section 2 of this administrative regulation. [401 KAR 8:100 Section 4(2)]
T-4	During construction, a set of approved plans and specifications shall be available at the job site. Construction shall be performed in accordance with the approved plans and specifications. [401 KAR 8:100 Section 3(1)]
T-5	Unless construction begins within two (2) years from the date of approval of the final plans and specifications, the approval shall expire. [401 KAR 8:100 Section 3(3)]
T-6	Upon completion of construction, a professional engineer shall certify in writing that the project has been completed in accordance with the approved plans and specifications. [401 KAR 8:100 Section 4(1)]
T-7	The system shall be designed to maintain a minimum pressure of 20 psi at ground level at all points in the distribution system under all conditions of flow. [Recommended Standards for Water Works 8.2.1, Drinking Water General Design Criteria IV.1.a]
T-8	Water lines should be hydraulically capable of a flow velocity of 2.5 ft/s while maintaining a pressure of at least 20 psi. [Drinking Water General Design Criteria IV.1.b]
T-9	The normal working pressure in the distribution system at the service connection shall not be less than 30 psi under peak demand flow conditions. Peak demand is defined as the maximum customer water usage rate, expressed in gallons per minute (gpm), in the pressure zone of interest during a 24 hour (diurnal) time period. [Drinking Water General Design Criteria IV.1.d]
T-10	When static pressure exceeds 150 psi, pressure reducing devices shall be provided on mains or as part of the meter setting on individual service lines in the distribution system. [Drinking Water General Design Criteria IV.1.c]

Distribution-Major Construction

Whitley Co Water District No 1
Facility Requirements

Activity ID No.: APE20160001

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PORT0000000025 (continued):

Narrative Requirements:

Condition No.	Condition
T-11	The minimum size of water main in the distribution system where fire protection is not to be provided should be a minimum of three (3) inch diameter. Any departure from minimum requirements shall be justified by hydraulic analysis and future water use, and can be considered only in special circumstances. [Recommended Standards for Water Works 8.2.2, Drinking Water General Design Criteria IV.2.b]
T-12	Water mains not designed to carry fire-flows shall not have fire hydrants connected to them. [Recommended Standards for Water Works 8.4.1.b]
T-13	Flushing devices should be sized to provide flows which will give a velocity of at least 2.5 feet per second in the water main being flushed. [Recommended Standards for Water Works 8.2.4.b, Recommended Standards for Water Works 8.4.1.b]
T-14	No flushing device shall be directly connected to any sewer. [Recommended Standards for Water Works 8.2.4.b, Recommended Standards for Water Works 8.4.1.b]
T-15	Pipe shall be constructed to a depth providing a minimum cover of 30 inches to top of pipe. [Drinking Water General Design Criteria IV.3.a]
T-16	Water mains shall be covered with sufficient earth or other insulation to prevent freezing. [Recommended Standards for Water Works 8.7]
T-17	A continuous and uniform bedding shall be provided in the trench for all buried pipe. Backfill material shall be tamped in layers around the pipe and to a sufficient height above the pipe to adequately support and protect the pipe. Stones found in the trench shall be removed for a depth of at least six inches below the bottom of the pipe. [Recommended Standards for Water Works 8.7]
T-18	Water line installation shall incorporate the provisions of the AWWA standards and/or manufacturer's recommended installation procedures. [Recommended Standards for Water Works 8.7]
T-19	All materials used for the rehabilitation of water mains shall meet ANSI/NSF standards. [Recommended Standards for Water Works 8.1]
T-20	Packing and jointing materials used in the joints of pipe shall meet the standards of AWWA and the reviewing authority. [Recommended Standards for Water Works 8.1]
T-21	All tees, bends, plugs and hydrants shall be provided with reaction blocking, tie rods or joints designed to prevent movement. [Recommended Standards for Water Works 8.7]

Distribution-Major Construction

Whitley Co Water District No 1
Facility Requirements

Activity ID No.: APE20160001

Page 3 of 5

PORT0000000025 (continued):

Narrative Requirements:

Condition No.	Condition
T-22	All materials including pipe, fittings, valves and fire hydrants shall conform to the latest standards issued by the ASTM, AWWA and ANSI/NSF, where such standards exist, and be acceptable to the Division of Water. [Recommended Standards for Water Works 8.1]
T-23	Water mains which have been used previously for conveying potable water may be reused provided they meet the above standards and have been restored practically to their original condition. [Recommended Standards for Water Works 8.1]
T-24	Manufacturer approved transition joints shall be used between dissimilar piping materials. [Recommended Standards for Water Works 8.1]
T-25	Pipes and pipe fittings containing more than 8% lead shall not be used. All products shall comply with ANSI/NSF standards. [Recommended Standards for Water Works 8.1]
T-26	The minimum size of water main which provides for fire protection and serving fire hydrants shall be six-inch diameter. [Recommended Standards for Water Works 8.2, Drinking Water General Design Criteria IV.2.a]
T-27	Gaskets containing lead shall not be used. Repairs to lead-joint pipe shall be made using alternative methods. [Recommended Standards for Water Works 8.1]
T-28	Pipe materials shall be selected to protect against both internal and external pipe corrosion. [Recommended Standards for Water Works 8.1]
T-29	Dead end mains shall be equipped with a means to provide adequate flushing. [Recommended Standards for Water Works 8.2]
T-30	The hydrant lead shall be a minimum of six inches in diameter. Auxiliary valves shall be installed on all hydrant leads. [Recommended Standards for Water Works 8.4.3]
T-31	A sufficient number of valves shall be provided on water mains to minimize inconvenience and sanitary hazards during repairs. [Recommended Standards for Water Works 8.3]
T-32	Wherever possible, chambers, pits or manholes containing valves, blow-offs, meters, or other such appurtenances to a distribution system, shall not be located in areas subject to flooding or in areas of high groundwater. Such chambers or pits should drain to the ground surface, or to absorption pits underground. The chambers, pits and manholes shall not connect directly to any storm drain or sanitary sewer. Blow-offs shall not connect directly to any storm drain or sanitary sewer. [Recommended Standards for Water Works 8.6]

Distribution-Major Construction

Whitley Co Water District No 1

Facility Requirements

Activity ID No.: APE20160001

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PORT000000025 (continued):

Narrative Requirements:

Condition No.	Condition
T-33	At high points in water mains where air can accumulate provisions shall be made to remove the air by means of air relief valves. [Recommended Standards for Water Works 8.5.1]
T-34	Automatic air relief valves shall not be used in situations where flooding of the manhole or chamber may occur. [Recommended Standards for Water Works 8.5.1]
T-35	The open end of an air relief pipe from automatic valves shall be extended to at least one foot above grade and provided with a screened, downward-facing elbow. [Recommended Standards for Water Works 8.5.2.c]
T-36	Discharge piping from air relief valves shall not connect directly to any storm drain, storm sewer, or sanitary sewer. [Recommended Standards for Water Works 8.5.2.d]
T-37	Water pipe shall be constructed with a lateral separation of 10 feet or more from any gravity sanitary or combined sewer measured edge to edge where practical. If not practical a variance may be requested to allow the water pipe to be installed closer to the gravity sanitary or combined sewer provided the water pipe is laid in a separate trench or undisturbed shelf located on one side of the sewer with the bottom of the pipe at least 18 inches above the top of the gravity sanitary or combined sewer pipe. [Drinking Water General Design Criteria IV.3.b]
T-38	Water lines crossing sanitary, combined or storm sewers shall be laid to provide a minimum vertical distance of 18 inches between the outside of the water main and the outside of the sanitary, combined or storm sewer with preference to the water main located above the sanitary, combined or storm sewer. [Drinking Water General Design Criteria IV.3.c]
T-39	At crossings, one full length of water pipe shall be located so both joints will be as far from the sewer as possible. [Recommended Standards for Water Works 8.8.3.b]
T-40	There shall be no connection between the distribution system and any pipes, pumps, hydrants, or tanks whereby unsafe water or other contaminating materials may be discharged or drawn into the system. [Recommended Standards for Water Works 8.10.1]
T-41	Water utilities shall have a cross connection program conforming to 401 KAR 8. [Recommended Standards for Water Works 8.10.1]
T-42	Installed pipe shall be pressure tested and leakage tested in accordance with the appropriate AWWA Standards. [Recommended Standards for Water Works 8.7.6]

Distribution-Major Construction

Whitley Co Water District No 1
Facility Requirements

Activity ID No.: APE20160001

PORT0000000025 (continued):

Narrative Requirements:

Condition	Condition
T-43	New, cleaned and repaired water mains shall be disinfected in accordance with AWWA Standard C651. The specifications shall include detailed procedures for the adequate flushing, disinfection, and microbiological testing of all water mains. In an emergency or unusual situation, the disinfection procedure shall be discussed with the Division of Water. [Recommended Standards for Water Works 8.7.7]
T-44	A minimum cover of five feet shall be provided over pipe crossing underwater. [Recommended Standards for Water Works 8.9.2]
T-45	Valves shall be provided at both ends of water crossings so that the section can be isolated for testing or repair; the valves shall be easily accessible, and not subject to flooding for pipes crossing underwater. [Recommended Standards for Water Works 8.9.2.b]
T-46	Permanent taps or other provisions to allow insertion of a small meter to determine leakage and obtain water samples on each side of the valve closest to the supply source for pipes crossing. [Recommended Standards for Water Works 8.9.2.c]

APPENDIX II

KENTUCKY DEPARTMENT OF HIGHWAYS

ENCROACHMENT PERMIT



Matthew G. Bevin
Governor

COMMONWEALTH OF KENTUCKY
TRANSPORTATION CABINET
Department of Highways, District 11 Office
603 Railroad Avenue
Manchester, Kentucky 40962
(606) 598-2145

March 22, 2016

Whitley County Water District
19 Us Hwy 25W S
Williamsburg, Kentucky 40769

Subject: Permit #: 11-2016-00042
Permit Type: Utilities - Water
Approval

Dear Applicant:

Attached is your permit approval and documentation for the subject permit.

Be advised that all work must be done in conformity with permit and application conditions. If you have any questions, please contact the Permits Section at this office.

Sincerely,

Chris J Jones
D11 Permits - Supervisor

Attachments



An Equal Opportunity Employer M/F/D



Kentucky Transportation Cabinet
 Department of Highways
 Division of Maintenance
 Permits Branch

ENCROACHMENT PERMIT

KEPT No.: 11-2016-00042
Permittee: Whitley County Water District
Permit Type / Subtype: Utilities / Water
Work Completion Date: 3/22/2017

INDEMNITIES		
Type	Amount Required	Tracking Number
Performance Bond	\$0.00	
Cash / Check	\$0.00	
Self-insured	\$0.00	
Payment Bond	\$0.00	
Liability Insurance	\$0.00	

This permit has been: **APPROVED** **DENIED**

Chris J Jones	D11 Permits - Supervisor	3/22/2016
SIGNATURE	TITLE	DATE

The TC 99-1(B), including the application TC-99 1(A) and all related and accompanying documents and drawings make up the permit. It is not a permit unless both the TC 99-1(A) and TC 99-1(B) are both present.

LOCATION(S)			
Description	County - Route	Latitude	Longitude
	Whitley - KY 26	36.878154	-84.132698

NOTICE OF COMPLETION OF ENCROACHMENT PERMIT WORK

PERMITEE

Name: Whitley County Water District
Contact Person:
Address: 19 Us Hwy 25W S
City: Williamsburg
State: Kentucky
Zip: 40769
Telephone:

PROJECT IDENTIFICATION

Permit Number: 11-2016-00042

I wish to notify the Department of Highways that the above mentioned permit work and any necessary right-of-way restoration have been completed and are ready for final inspection.

Applicant

Please return this form to the address below when work is completed and ready for final inspection.

Please Return to: Permit Engineer
Department of Highways, District 11 Office
603 Railroad Avenue
Manchester, Kentucky 40962
(606) 598-2145

LOCATION(S)			
Description	County - Route	Latitude	Longitude
	Whitley - KY 26	36.878154	-84.132698



received
3/22/16

Kentucky Transportation Cabinet
Department of Highways
Permits Branch

MAILED
3/22/16

TC 99-1 (A)
8/2012
Page 1 of 4

APPLICATION FOR ENCROACHMENT PERMIT

Permittee Information		KYTC No. 11-2016-00097	
Name	Whitley County Water District	Permit Information	
Address	19 South Highway 25 West	Address	
City	Williamsburg	City	
State	KY	State	KY
Zip	40769	Zip	
Phone#		County	Whitley
Contact	Albert Mahan	Route No.	KY 26
Phone	606 549-3600	Mile Point	
Cell		Longitude (X)	-84° 5'16.64"
Email		Latitude (Y)	36° 54' 30.3"
Contact		<i>Information below to be filled out by KYTC</i>	
Phone		<input type="checkbox"/> Air Right	<input type="checkbox"/> Entrance
Cell		<input checked="" type="checkbox"/> Utilities	<input checked="" type="checkbox"/> Other <i>Water</i>
Email		<input type="checkbox"/> Left	<input type="checkbox"/> Right
		<input type="checkbox"/> Full	<input type="checkbox"/> Partial
		<input type="checkbox"/> X-line	<input checked="" type="checkbox"/> by Permit

General Description of Work:

Connecting to existing 8" Waterline on right of way of KY 26 at MP 12.52 and 12.56.
Installation of 3" PVC Waterline on KY 26 right of way, parallel and West of KY 26. MP 9.11 to MP 9.90

APPROVED

THE UNDERSIGNED PERMITTEE(s) (being duly authorized representative(s) or owner(s)) DO AGREE TO ALL TERMS AND CONDITIONS ON THE TC 99-1 (A).

Albert Mahan

3/14/16

Signature

Date

This is not a permit unless and until the permittee(s) receives an approved TC 99-1(B) from KYTC. This application will become void if not approved by the cancellation date. The cancellation date will be one year from the date the permittee submits their application.



APPLICATION FOR ENCROACHMENT PERMIT

TERMS AND CONDITIONS

1. The permit, including this application and all related and accompanying documents and drawings making up the permit, remains in effect and is binding upon the Applicant/Permittee, its successors and assigns, as long as the encroachment(s) exists and also until the permittee is finally relieved by the Department of Highways from all its obligations.
2. Applicant shall meet all requirements of the Clean Water Act if the project will disturb one acre or more, the applicant shall obtain a KPDES KYR10 Permit from the Kentucky Division of Water. All disturbed areas shall meet the requirements of the Department of Highway's Standard Specifications, Sections 212 and 213, as amended.
3. **INDEMNITY:**
 - A. **PERFORMANCE BOND:** The permittee shall provide to the Department a performance bond according to the Permits Manual, Section PE-203 as a guarantee of conformance with the Department's Encroachment Permit requirements.
 - B. **PAYMENT BOND:** At the discretion of the department, a payment bond will be required of the permittee to ensure payment of liquidated damages assessed to the permittee.
 - C. **LIABILITY INSURANCE:** Liability insurance will be required of the permittee (in an amount approved by the department) to cover all liabilities associated with the encroachment.
 - D. It shall be the responsibility of the permittee, its successors and assigns, to maintain all indemnities in full force and effect until the permittee is authorized to release the indemnity by the Department.
4. A copy of this application and all related documents making up the approved permit will be given to the applicant and shall be made readily available for review at the work site at all times.
5. Perpetual maintenance of the encroachment is the responsibility of the permittee, its successors and assigns, with the approval of the Department as required, unless otherwise stated.
6. Permittee, its successors and assigns, shall comply with and agrees to be bound by the requirements and terms of (a) this application and all related documents making up the approved permit, (b) by the Department's Permits Manual, and (c) by the Manual on Uniform Traffic Control Devices, both manuals as revised to and in effect on the date of issuance of the permit, all of which documents are made a part thereof by this reference. Compliance by the permittee, its successors and assigns, with subsequent revisions to applicable provisions of either manual or other policy of the Department may be made a condition of allowing the encroachment to persist under the permit.
7. Permittee agrees that this and any encroachment may be ordered removed by the Department at any time, and for any reason, upon thirty days written notice to the last known address of the applicant or to the address at the location of the encroachment. The permittee agrees that the cost of removing and of restoring the associated right-of-way is the responsibility of the permittee, its successors and assigns.
8. Permittee, its successors and assigns, agree that if the Department determines that motor vehicular safety deficiencies develop as a result of the installation or use of the encroachment, the permittee, its successors and assigns, shall provide and bear the expenses to adjust, relocate, or reconstruct the facilities, and/or add signs, auxiliary lanes, or other corrective measures reasonably deemed necessary by the Department within a reasonable time after receipt of a written notice of such deficiency. The period within which such adjustments, relocations, additions, modifications, and/or other corrective measures must be completed will be specified in the notice.
9. Where traffic signals are required as a condition of granting the requested permit or are thereafter required to correct motor vehicular safety deficiencies, as determined by the Department, the costs for signal equipment and



APPLICATION FOR ENCROACHMENT PERMIT

installation(s) shall be borne by the permittee, its successors and assigns, and/or the Department in its reasonable discretion and only in accordance with the Department's current policy set forth in the Traffic Operations Manual and Permits Manual. Any modifications to the permittee's entrance necessary to accommodate signalization (including necessary easement(s) on private property) shall be the responsibility of the permittee, its successors and assigns, at no expense to the Department.

10. The requested encroachment shall not infringe on the frontage rights of an abutting owner without their written consent as hereinafter described. Each abutting owner shall express their consent, which shall be binding on their successors and assigns, by the submission of a notarized statement as follows, "I (we),

_____, hereby consent to the granting of the permit requested by the applicant along Route _____, which permit does affect frontage rights along my (our) adjacent real property." By signature(s) _____ subscribed and sworn by _____, on this date _____.

11. The permit, if approved, is subject to the agreement that it shall not interfere with any similar rights or permit(s) previously granted to any other party, except as otherwise provided by law.

12. Permittee shall include documentation which describes the facilities to be constructed. Permittee, its successors and assigns, agrees as a condition of the granting of the permit to construct and maintain any and all permitted facilities or other encroachments in strict accordance with the submitted and approved permit documentation and the policies and procedures of the Department. Permittee, its successors and assigns, shall not use facilities authorized herein in any manner contrary to that prescribed by the approved permit. Only normal usage as contemplated by the parties and by this application and routine maintenance are authorized by the permit.

13. Permittee, its successors and assigns, at all times from the date permitted work is commenced until such time as all permitted facilities or other encroachments are removed from the right-of-way and the right-of-way restored, shall defend, protect, indemnify and save harmless the Department from any and all liability claims and demands arising out of the work, encroachment, maintenance, or other undertaking by the permittee, its successors and assigns, related or undertaken pursuant to the granted permit, due to any claimed act or omission by the permittee, its servants, agents, employees, or contractors. This provision shall not inure to the benefit of any third party nor operate to enlarge any liability of the Department beyond that existing at common law or otherwise if this right to indemnity did not exist.

14. Upon a violation of any provision of the permit, or otherwise in its reasonable discretion, the Department may require additional action by the permittee, its successors and assigns, up to and including the removal of the encroachment and restoration of the right-of-way. In the event additional actions required by the Department under the permit are not undertaken as ordered and within a reasonable time, the Department may in its discretion cause those or other additional corrective actions to be undertaken and the Department may and shall recover the reasonable costs of those corrective actions from the permittee, its successors and assigns.

15. Permittee, its successors and assigns, shall use the encroachment premises in compliance with all requirements of federal law and regulation, including those imposed pursuant to Title VI of the Civil Right Act of 1964 (42 U.S.C. § 2000d et seq.) and the related regulations of the U.S. Department of Transportation in Title 49 C.F.R. Part 21, all as amended.

16. Permittee, its successors and assigns, agree that if the Department determines it is necessary for the facilities or other encroachment authorized by the permit to be removed, relocated or reconstructed in connection with the reconstruction, relocation or improvement of a highway, the Department may revoke permission for the



APPLICATION FOR ENCROACHMENT PERMIT

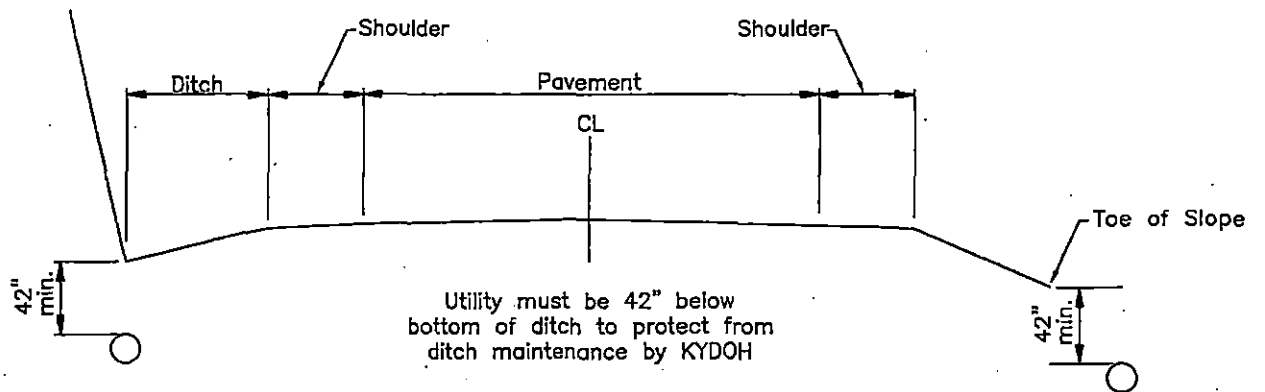
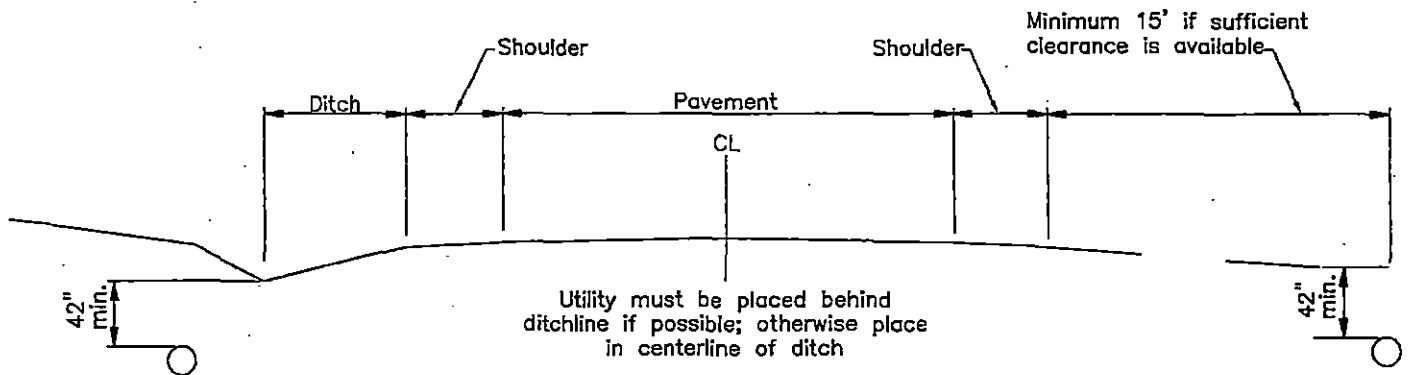
encroachment to remain under the permit and may order its removal, relocation or reconstruction by the permittee, its successors and assigns, at the expense of the permittee, except where the Department is required by law to pay any or all of those costs.

17. Permittee agrees that the authorized permit is personal to the permittee and shall remain in effect until such time as (a) the permittee's rights to the adjoining real property to have benefitted from the requested encroachment have been relinquished, (b) until all permit obligations have been assumed by appropriate successors and assigns, and (c) unless and until a written release from permit obligations has been granted by the Department. The permit and its requirements shall also bind the real property to have benefitted from the requested encroachment to the extent permitted by law. The permit and the related encroachment become the responsibility of the successors and assigns of the permittee and the successors and assigns of each property owner benefitting from the encroachment, or the encroachment may not otherwise permissibly continue to be maintained on the right-of-way. (Does not apply to utility encroachments serving the general public.)

18. If work authorized by the permit is within a highway construction project in the construction phase, it shall be the responsibility of the permittee to make personal contact with the Department's Engineer on the project in order to coordinate all permitted work with the Department's prime contractor on the project.

19. This permit is not intended to, nor shall it, affect, alter or alleviate any requirement imposed upon the permittee, its successors and assigns, by any other agency.

20. Permittee, its successors and assigns, agrees to contain and maintain all dirt, mud, and other debris emanating from the encroachment away from the surrounding right-of-way and the travel way of the highway hereafter and at all times that its obligations under the permit remain in effect.

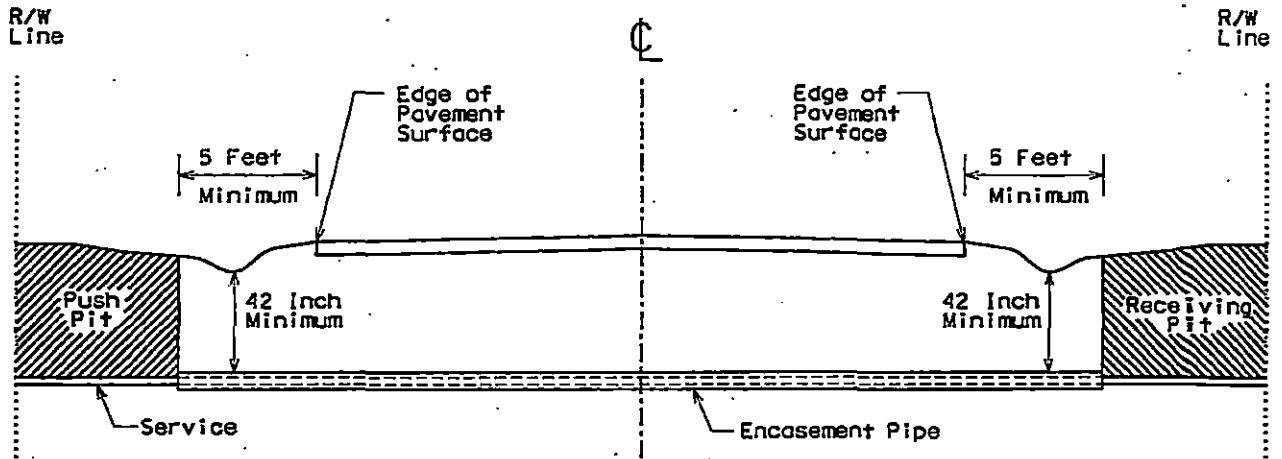


TYPICAL CONSTRUCTION ON KYDOH RIGHTS OF WAY

N.T.S.

TYPICAL HIGHWAY BORING CROSSING DETAIL

Permit No. _____
 Route No. _____
 Pavement Width _____



1. Push Pit and Receiving Pit shall be backfilled and thoroughly compacted.
2. All ditch lines are to remain open at all times.
3. Seed and straw all disturbed areas immediately after completing the work.
4. Provide traffic control as required to insure the safety of the traveling public in accordance with the current edition of the "Manual on Uniform Traffic Control Devices".

ALL SERVICES OVER 2" IN DIAMETER SHALL REQUIRE ENCASEMENT.



Kentucky Transportation Cabinet
 Department of Highways
 Division of Maintenance
 Permits Branch

ENCROACHMENT PERMIT

KEPT No.: 11-2016-00043

Permittee: Whitley County Water District

Permit Type / Subtype: Utilities / Water

Work Completion Date: 3/22/2017

INDEMNITIES		
Type	Amount Required	Tracking Number
Performance Bond	\$0.00	
Cash / Check	\$0.00	
Self-Insured	\$0.00	
Payment Bond	\$0.00	
Liability Insurance	\$0.00	

This permit has been: **APPROVED** **DENIED**

Chris J Jones D11 Permits - Supervisor 3/22/2016

SIGNATURE TITLE DATE

The TC 99-1(B), including the application TC-99 1(A) and all related and accompanying documents and drawings make up the permit. It is not a permit unless both the TC 99-1(A) and TC 99-1(B) are both present.

LOCATION(S)			
Description	County - Route	Latitude	Longitude
Whitley Co - KY 1064 - Mp 17.04	Whitley - KY 1064	36.895752	-84.080074



Matthew G. Bevin
Governor

COMMONWEALTH OF KENTUCKY
TRANSPORTATION CABINET
Department of Highways, District 11 Office
603 Railroad Avenue
Manchester, Kentucky 40962
(606) 598-2145

March 22, 2016

Whitley County Water District
19 South Highway 25 West
Williamsburg, Kentucky 40769

Subject: Permit #: 11-2016-00043
Permit Type: Utilities - Water
Approval

Dear Applicant:

Attached is your permit approval and documentation for the subject permit.

Be advised that all work must be done in conformity with permit and application conditions. If you have any questions, please contact the Permits Section at this office.

Sincerely,

Chris J Jones
D11 Permits - Supervisor

Attachments



An Equal Opportunity Employer M/F/D

NOTICE OF COMPLETION OF ENCROACHMENT PERMIT WORK

PERMITEE

Name: Whitley County Water District
Contact Person:
Address: 19 South Highway 25 West
City: Williamsburg
State: Kentucky
Zip: 40769
Telephone: (606) 549-3600

PROJECT IDENTIFICATION

Permit Number: 11-2016-00043

I wish to notify the Department of Highways that the above mentioned permit work and any necessary right-of-way restoration have been completed and are ready for final inspection.

Applicant

Please return this form to the address below when work is completed and ready for final inspection.

Please Return to: Permit Engineer
Department of Highways, District 11 Office
603 Railroad Avenue
Manchester, Kentucky 40962
(606) 598-2145

LOCATION(S)			
Description	County - Route	Latitude	Longitude
Whitley Co - KY 1064 - Mp 17.04	Whitley - KY 1064	36.895752	-84.080074



Kentucky Transportation Cabinet
 Department of Highways
 Permits Branch

MAILED
 3-22-14

TC 99-1 (A)
 8/2012
 Page 1 of 4

APPLICATION FOR ENCROACHMENT PERMIT

Permittee Information		KYTC No. <u>11-206-00093</u>	
Name	Whitley County Water District	Permit Information	
Address	19 South Highway 25 West	Address	
		City	
City	Williamsburg	State	KY Zip
State	KY Zip 40769	County	Whitley
Phone#		Route No.	KY 1064 Mile Point 17.04
Contact	Albert Mahan	Longitude (X)	-84° 4'48.22" <u>-84.080074</u>
Phone	606 549-3600 Cell	Latitude (Y)	36° 53' 44.66" <u>36.895752</u>
Email		Information below to be filled out by KYTC	
Contact		<input checked="" type="checkbox"/> Air Right	<input checked="" type="checkbox"/> Entrance
Phone	Cell	<input checked="" type="checkbox"/> Utilities	<input checked="" type="checkbox"/> Other
Email		<input type="checkbox"/> Left	<input type="checkbox"/> Right <input type="checkbox"/> X-ing
		Access	<input type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> by Permit

APPROVED

General Description of Work:

MP 17.04: Connecting to existing 8" Water Line on right of way of KY 1064. Long: -84° 4'48.22" Lat: 36° 53' 44.66"
 MP 16.24: Crossing KY 1064 with 3" PVC Water Line w/ steel encasement pipe. Long: -84° 4'51.43" Lat: 36° 53' 4.48"

THE UNDERSIGNED PERMITTEE(S) (being duly authorized representative(s) or owner(s)) DO AGREE TO ALL TERMS AND CONDITIONS ON THE TC 99-1 (A).

Signature Albert Mahan Date 3/14/16

This is not a permit unless and until the permittee(s) receives an approved TC 99-1(B) from KYTC. This application will become void if not approved by the cancellation date. The cancellation date will be one year from the date the permittee submits their application.



APPLICATION FOR ENCROACHMENT PERMIT

TERMS AND CONDITIONS

1. The permit, including this application and all related and accompanying documents and drawings making up the permit, remains in effect and is binding upon the Applicant/Permittee, its successors and assigns, as long as the encroachment(s) exists and also until the permittee is finally relieved by the Department of Highways from all its obligations.
2. Applicant shall meet all requirements of the Clean Water Act if the project will disturb one acre or more, the applicant shall obtain a KPDES KYR10 Permit from the Kentucky Division of Water. All disturbed areas shall meet the requirements of the Department of Highway's Standard Specifications, Sections 212 and 213, as amended.
3. **INDEMNITY:**
 - A. **PERFORMANCE BOND:** The permittee shall provide to the Department a performance bond according to the Permits Manual, Section PE-203 as a guarantee of conformance with the Department's Encroachment Permit requirements.
 - B. **PAYMENT BOND:** At the discretion of the department, a payment bond will be required of the permittee to ensure payment of liquidated damages assessed to the permittee.
 - C. **LIABILITY INSURANCE:** Liability insurance will be required of the permittee (in an amount approved by the department) to cover all liabilities associated with the encroachment.
 - D. It shall be the responsibility of the permittee, its successors and assigns, to maintain all indemnities in full force and effect until the permittee is authorized to release the indemnity by the Department.
4. A copy of this application and all related documents making up the approved permit will be given to the applicant and shall be made readily available for review at the work site at all times.
5. Perpetual maintenance of the encroachment is the responsibility of the permittee, its successors and assigns, with the approval of the Department as required, unless otherwise stated.
6. Permittee, its successors and assigns, shall comply with and agrees to be bound by the requirements and terms of (a) this application and all related documents making up the approved permit, (b) by the Department's Permits Manual, and (c) by the Manual on Uniform Traffic Control Devices, both manuals as revised to and in effect on the date of issuance of the permit, all of which documents are made a part thereof by this reference. Compliance by the permittee, its successors and assigns, with subsequent revisions to applicable provisions of either manual or other policy of the Department may be made a condition of allowing the encroachment to persist under the permit.
7. Permittee agrees that this and any encroachment may be ordered removed by the Department at any time, and for any reason, upon thirty days written notice to the last known address of the applicant or to the address at the location of the encroachment. The permittee agrees that the cost of removing and of restoring the associated right-of-way is the responsibility of the permittee, its successors and assigns.
8. Permittee, its successors and assigns, agree that if the Department determines that motor vehicular safety deficiencies develop as a result of the installation or use of the encroachment, the permittee, its successors and assigns, shall provide and bear the expenses to adjust, relocate, or reconstruct the facilities, and/or add signs, auxiliary lanes, or other corrective measures reasonably deemed necessary by the Department within a reasonable time after receipt of a written notice of such deficiency. The period within which such adjustments, relocations, additions, modifications, and/or other corrective measures must be completed will be specified in the notice.
9. Where traffic signals are required as a condition of granting the requested permit or are thereafter required to correct motor vehicular safety deficiencies, as determined by the Department, the costs for signal equipment and



APPLICATION FOR ENCROACHMENT PERMIT

installation(s) shall be borne by the permittee, its successors and assigns, and/or the Department in its reasonable discretion and only in accordance with the Department's current policy set forth in the Traffic Operations Manual and Permits Manual. Any modifications to the permittee's entrance necessary to accommodate signalization (including necessary easement(s) on private property) shall be the responsibility of the permittee, its successors and assigns, at no expense to the Department.

10. The requested encroachment shall not infringe on the frontage rights of an abutting owner without their written consent as hereinafter described. Each abutting owner shall express their consent, which shall be binding on their successors and assigns, by the submission of a notarized statement as follows, "I _____ (we), _____, hereby consent to the granting of the permit requested by the applicant along Route _____, which permit does affect frontage rights along my (our) adjacent real property." By signature(s) _____ subscribed and sworn by _____, on this date _____.

11. The permit, if approved, is subject to the agreement that it shall not interfere with any similar rights or permit(s) previously granted to any other party, except as otherwise provided by law.

12. Permittee shall include documentation which describes the facilities to be constructed. Permittee, its successors and assigns, agrees as a condition of the granting of the permit to construct and maintain any and all permitted facilities or other encroachments in strict accordance with the submitted and approved permit documentation and the policies and procedures of the Department. Permittee, its successors and assigns, shall not use facilities authorized herein in any manner contrary to that prescribed by the approved permit. Only normal usage as contemplated by the parties and by this application and routine maintenance are authorized by the permit.

13. Permittee, its successors and assigns, at all times from the date permitted work is commenced until such time as all permitted facilities or other encroachments are removed from the right-of-way and the right-of-way restored, shall defend, protect, indemnify and save harmless the Department from any and all liability claims and demands arising out of the work, encroachment, maintenance, or other undertaking by the permittee, its successors and assigns, related or undertaken pursuant to the granted permit, due to any claimed act or omission by the permittee, its servants, agents, employees, or contractors. This provision shall not inure to the benefit of any third party nor operate to enlarge any liability of the Department beyond that existing at common law or otherwise if this right to indemnity did not exist.

14. Upon a violation of any provision of the permit, or otherwise in its reasonable discretion, the Department may require additional action by the permittee, its successors and assigns, up to and including the removal of the encroachment and restoration of the right-of-way. In the event additional actions required by the Department under the permit are not undertaken as ordered and within a reasonable time, the Department may in its discretion cause those or other additional corrective actions to be undertaken and the Department may and shall recover the reasonable costs of those corrective actions from the permittee, its successors and assigns.

15. Permittee, its successors and assigns, shall use the encroachment premises in compliance with all requirements of federal law and regulation, including those imposed pursuant to Title VI of the Civil Right Act of 1964 (42 U.S.C. § 2000d et seq.) and the related regulations of the U.S. Department of Transportation in Title 49 C.F.R. Part 21, all as amended.

16. Permittee, its successors and assigns, agree that if the Department determines it is necessary for the facilities or other encroachment authorized by the permit to be removed, relocated or reconstructed in connection with the reconstruction, relocation or improvement of a highway, the Department may revoke permission for the



APPLICATION FOR ENCROACHMENT PERMIT

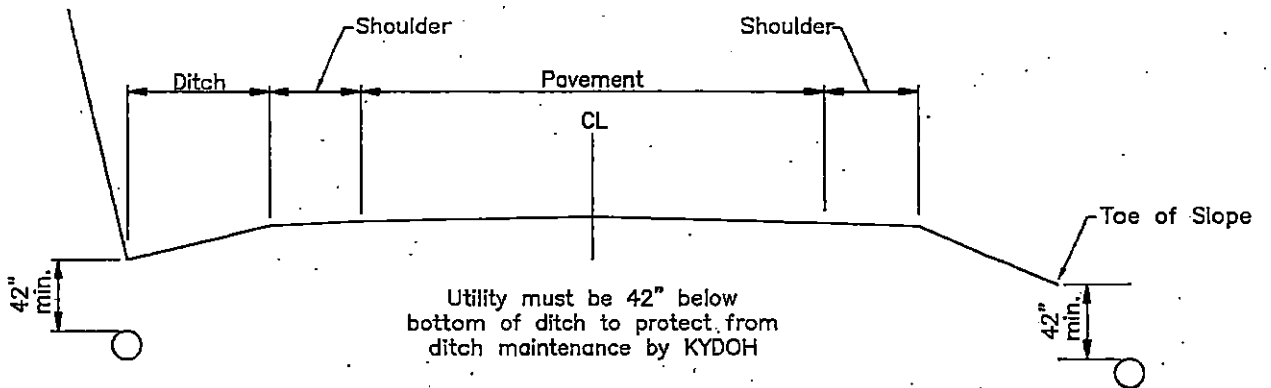
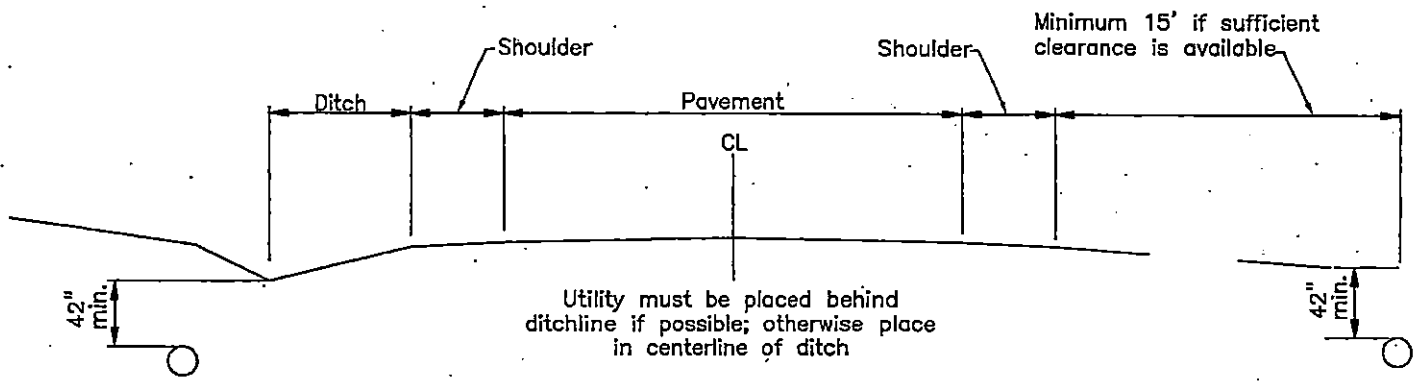
encroachment to remain under the permit and may order its removal, relocation or reconstruction by the permittee, its successors and assigns, at the expense of the permittee, except where the Department is required by law to pay any or all of those costs.

17. Permittee agrees that the authorized permit is personal to the permittee and shall remain in effect until such time as (a) the permittee's rights to the adjoining real property to have benefitted from the requested encroachment have been relinquished, (b) until all permit obligations have been assumed by appropriate successors and assigns, and (c) unless and until a written release from permit obligations has been granted by the Department. The permit and its requirements shall also bind the real property to have benefitted from the requested encroachment to the extent permitted by law. The permit and the related encroachment become the responsibility of the successors and assigns of the permittee and the successors and assigns of each property owner benefitting from the encroachment, or the encroachment may not otherwise permissibly continue to be maintained on the right-of-way. (Does not apply to utility encroachments serving the general public.)

18. If work authorized by the permit is within a highway construction project in the construction phase, it shall be the responsibility of the permittee to make personal contact with the Department's Engineer on the project in order to coordinate all permitted work with the Department's prime contractor on the project.

19. This permit is not intended to, nor shall it, affect, alter or alleviate any requirement imposed upon the permittee, its successors and assigns, by any other agency.

20. Permittee, its successors and assigns, agrees to contain and maintain all dirt, mud, and other debris emanating from the encroachment away from the surrounding right-of-way and the travel way of the highway hereafter and at all times that its obligations under the permit remain in effect.

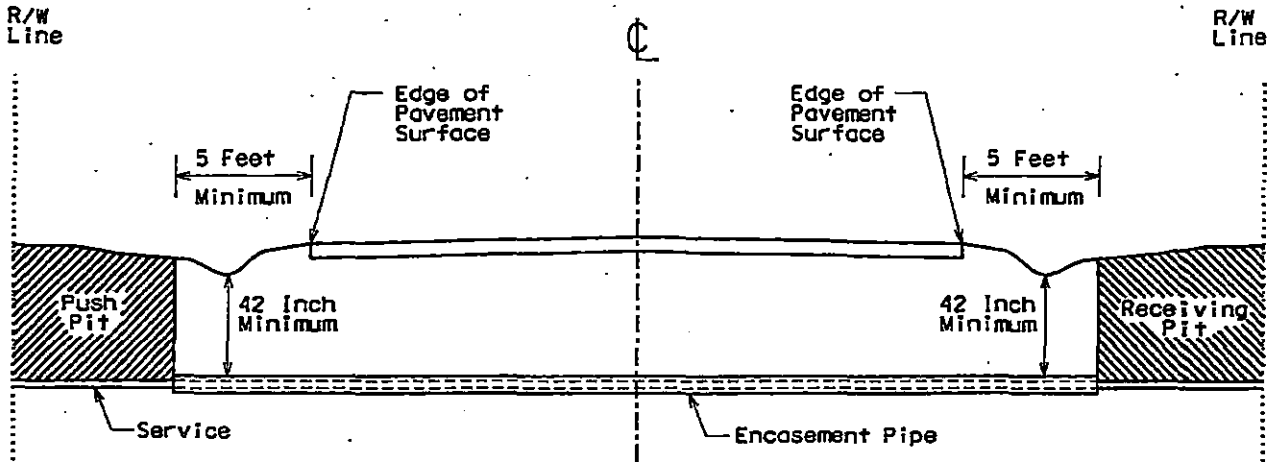


TYPICAL CONSTRUCTION ON KYDOH RIGHTS OF WAY

N.T.S.

TYPICAL HIGHWAY BORING CROSSING DETAIL

Permit No. _____
 Route No. _____
 Pavement Width _____



1. Push Pit and Receiving Pit shall be backfilled and thoroughly compacted.
2. All ditch lines are to remain open at all times.
3. Seed and straw all disturbed areas immediately after completing the work.
4. Provide traffic control as required to insure the safety of the traveling public in accordance with the current edition of the "Manual on Uniform Traffic Control Devices".

ALL SERVICES OVER 2" IN DIAMETER SHALL REQUIRE ENCASEMENT.



Kentucky Transportation Cabinet
 Department of Highways
 Division of Maintenance
 Permits Branch

ENCROACHMENT PERMIT

KEPT No.: 11-2016-00044

Permittee: Whitley County Water District

Permit Type / Subtype: Utilities / Water

Work Completion Date: 3/22/2017

INDEMNITIES		
Type	Amount Required	Tracking Number
Performance Bond	\$0.00	
Cash / Check	\$0.00	
Self-Insured	\$0.00	
Payment Bond	\$0.00	
Liability Insurance	\$0.00	

This permit has been: **APPROVED** **DENIED**

Chris J Jones	D11 Permits - Supervisor	3/22/2016
SIGNATURE	TITLE	DATE

The TC 99-1(B), including the application TC-99 1(A) and all related and accompanying documents and drawings make up the permit. It is not a permit unless both the TC 99-1(A) and TC 99-1(B) are both present.

LOCATION(S)			
Description	County - Route	Latitude	Longitude
	Whitley - US 25 W	36.715712	-84.154420



Matthew G. Bevin
Governor

COMMONWEALTH OF KENTUCKY
TRANSPORTATION CABINET
Department of Highways, District 11 Office
603 Railroad Avenue
Manchester, Kentucky 40962
(606) 598-2145

March 22, 2016

Whitley County Water District
19 Us Hwy 25W S
Williamsburg, Kentucky 40769

Subject: Permit #: 11-2016-00044
Permit Type: Utilities - Water
Approval

Dear Applicant:

Attached is your permit approval and documentation for the subject permit.

Be advised that all work must be done in conformity with permit and application conditions. If you have any questions, please contact the Permits Section at this office.

Sincerely,

Chris J Jones
D11 Permits - Supervisor

Attachments



An Equal Opportunity Employer M/F/D

NOTICE OF COMPLETION OF ENCROACHMENT PERMIT WORK

PERMITEE

Name: Whitley County Water District
Contact Person:
Address: 19 Us Hwy 25W S
City: Williamsburg
State: Kentucky
Zip: 40769
Telephone:

PROJECT IDENTIFICATION

Permit Number: 11-2016-00044

I wish to notify the Department of Highways that the above mentioned permit work and any necessary right-of-way restoration have been completed and are ready for final inspection.

Applicant

Please return this form to the address below when work is completed and ready for final inspection.

Please Return to: Permit Engineer
Department of Highways, District 11 Office
603 Railroad Avenue
Manchester, Kentucky 40962
(606) 598-2145

LOCATION(S)			
Description	County - Route	Latitude	Longitude
	Whitley - US 25 W	36.715712	-84.154420



Kentucky Transportation Cabinet
 Department of Highways
 Permits Branch

MAILED
 3-22-16

TC 99-1 (A)
 8/2012
 Page 1 of 4

APPLICATION FOR ENCROACHMENT PERMIT

Permittee Information		KYTC No. 11-2D16-00044	
Name	Whitley County Water District	Permit Information	
Address	19 South Highway 25 West	Address	
		City	
City	Williamsburg	State	KY Zip
State	KY Zip 40769	County	Whitley
Phone#		Route No.	US 25W Mile Point 10.02-10.44
Contact	Albert Mahan	Longitude (X)	-84° 9'27.8"
Phone	606 549-3600 Cell	Latitude (Y)	36° 43' 6.2"
Email		<i>Information below to be filled out by KYTC</i>	
Contact		<input checked="" type="checkbox"/> Air Right	<input type="checkbox"/> Entrance
Phone	Cell	<input type="checkbox"/> Utilities	<input checked="" type="checkbox"/> Other
Email		<input checked="" type="checkbox"/> Left	<input type="checkbox"/> Right <input type="checkbox"/> X-ing
		Access:	<input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> by Permit

APPROVED

General Description of Work:

MP 10.02 to MP 10.44: Construction of 4" PVC Parallel and North of US 25W.

THE UNDERSIGNED PERMITTEE(S) (being duly authorized representative(s) or owner(s)) DO AGREE TO ALL TERMS AND CONDITIONS ON THE TC 99-1 (A).

Albert Mahan

3/14/16

Signature

Date

This is not a permit unless and until the permittee(s) receives an approved TC 99-1(B) from KYTC. This application will become void if not approved by the cancellation date. The cancellation date will be one year from the date the permittee submits their application.



APPLICATION FOR ENCROACHMENT PERMIT

TERMS AND CONDITIONS

1. The permit, including this application and all related and accompanying documents and drawings making up the permit, remains in effect and is binding upon the Applicant/Permittee, its successors and assigns, as long as the encroachment(s) exists and also until the permittee is finally relieved by the Department of Highways from all its obligations.
2. Applicant shall meet all requirements of the Clean Water Act if the project will disturb one acre or more, the applicant shall obtain a KPDES KYR10 Permit from the Kentucky Division of Water. All disturbed areas shall meet the requirements of the Department of Highway's Standard Specifications, Sections 212 and 213, as amended.
3. **INDEMNITY:**
 - A. **PERFORMANCE BOND:** The permittee shall provide to the Department a performance bond according to the Permits Manual, Section PE-203 as a guarantee of conformance with the Department's Encroachment Permit requirements.
 - B. **PAYMENT BOND:** At the discretion of the department, a payment bond will be required of the permittee to ensure payment of liquidated damages assessed to the permittee.
 - C. **LIABILITY INSURANCE:** Liability insurance will be required of the permittee (in an amount approved by the department) to cover all liabilities associated with the encroachment.
 - D. It shall be the responsibility of the permittee, its successors and assigns, to maintain all indemnities in full force and effect until the permittee is authorized to release the indemnity by the Department.
4. A copy of this application and all related documents making up the approved permit will be given to the applicant and shall be made readily available for review at the work site at all times.
5. Perpetual maintenance of the encroachment is the responsibility of the permittee, its successors and assigns, with the approval of the Department as required, unless otherwise stated.
6. Permittee, its successors and assigns, shall comply with and agrees to be bound by the requirements and terms of (a) this application and all related documents making up the approved permit, (b) by the Department's Permits Manual, and (c) by the Manual on Uniform Traffic Control Devices, both manuals as revised to and in effect on the date of issuance of the permit, all of which documents are made a part thereof by this reference. Compliance by the permittee, its successors and assigns, with subsequent revisions to applicable provisions of either manual or other policy of the Department may be made a condition of allowing the encroachment to persist under the permit.
7. Permittee agrees that this and any encroachment may be ordered removed by the Department at any time, and for any reason, upon thirty days written notice to the last known address of the applicant or to the address at the location of the encroachment. The permittee agrees that the cost of removing and of restoring the associated right-of-way is the responsibility of the permittee, its successors and assigns.
8. Permittee, its successors and assigns, agree that if the Department determines that motor vehicular safety deficiencies develop as a result of the installation or use of the encroachment, the permittee, its successors and assigns, shall provide and bear the expenses to adjust, relocate, or reconstruct the facilities, and/or add signs, auxiliary lanes, or other corrective measures reasonably deemed necessary by the Department within a reasonable time after receipt of a written notice of such deficiency. The period within which such adjustments, relocations, additions, modifications, and/or other corrective measures must be completed will be specified in the notice.
9. Where traffic signals are required as a condition of granting the requested permit or are thereafter required to correct motor vehicular safety deficiencies, as determined by the Department, the costs for signal equipment and



APPLICATION FOR ENCROACHMENT PERMIT

installation(s) shall be borne by the permittee, its successors and assigns, and/or the Department in its reasonable discretion and only in accordance with the Department's current policy set forth in the Traffic Operations Manual and Permits Manual. Any modifications to the permittee's entrance necessary to accommodate signalization (including necessary easement(s) on private property) shall be the responsibility of the permittee, its successors and assigns, at no expense to the Department.

10. The requested encroachment shall not infringe on the frontage rights of an abutting owner without their written consent as hereinafter described. Each abutting owner shall express their consent, which shall be binding on their successors and assigns, by the submission of a notarized statement as follows, "I _____ (we),
_____ hereby consent to the granting of the
permit requested by the applicant along Route _____, which permit does affect frontage
rights along my (our) adjacent real property." By signature(s)
_____ subscribed and sworn by
_____ on this date _____.

11. The permit, if approved, is subject to the agreement that it shall not interfere with any similar rights or permit(s) previously granted to any other party, except as otherwise provided by law.

12. Permittee shall include documentation which describes the facilities to be constructed. Permittee, its successors and assigns, agrees as a condition of the granting of the permit to construct and maintain any and all permitted facilities or other encroachments in strict accordance with the submitted and approved permit documentation and the policies and procedures of the Department. Permittee, its successors and assigns, shall not use facilities authorized herein in any manner contrary to that prescribed by the approved permit. Only normal usage as contemplated by the parties and by this application and routine maintenance are authorized by the permit.

13. Permittee, its successors and assigns, at all times from the date permitted work is commenced until such time as all permitted facilities or other encroachments are removed from the right-of-way and the right-of-way restored, shall defend, protect, indemnify and save harmless the Department from any and all liability claims and demands arising out of the work, encroachment, maintenance, or other undertaking by the permittee, its successors and assigns, related or undertaken pursuant to the granted permit, due to any claimed act or omission by the permittee, its servants, agents, employees, or contractors. This provision shall not inure to the benefit of any third party nor operate to enlarge any liability of the Department beyond that existing at common law or otherwise if this right to indemnity did not exist.

14. Upon a violation of any provision of the permit, or otherwise in its reasonable discretion, the Department may require additional action by the permittee, its successors and assigns, up to and including the removal of the encroachment and restoration of the right-of-way. In the event additional actions required by the Department under the permit are not undertaken as ordered and within a reasonable time, the Department may in its discretion cause those or other additional corrective actions to be undertaken and the Department may and shall recover the reasonable costs of those corrective actions from the permittee, its successors and assigns.

15. Permittee, its successors and assigns, shall use the encroachment premises in compliance with all requirements of federal law and regulation, including those imposed pursuant to Title VI of the Civil Right Act of 1964 (42 U.S.C. § 2000d et seq.) and the related regulations of the U.S. Department of Transportation in Title 49 C.F.R. Part 21, all as amended.

16. Permittee, its successors and assigns, agree that if the Department determines it is necessary for the facilities or other encroachment authorized by the permit to be removed, relocated or reconstructed in connection with the reconstruction, relocation or improvement of a highway, the Department may revoke permission for the



APPLICATION FOR ENCROACHMENT PERMIT

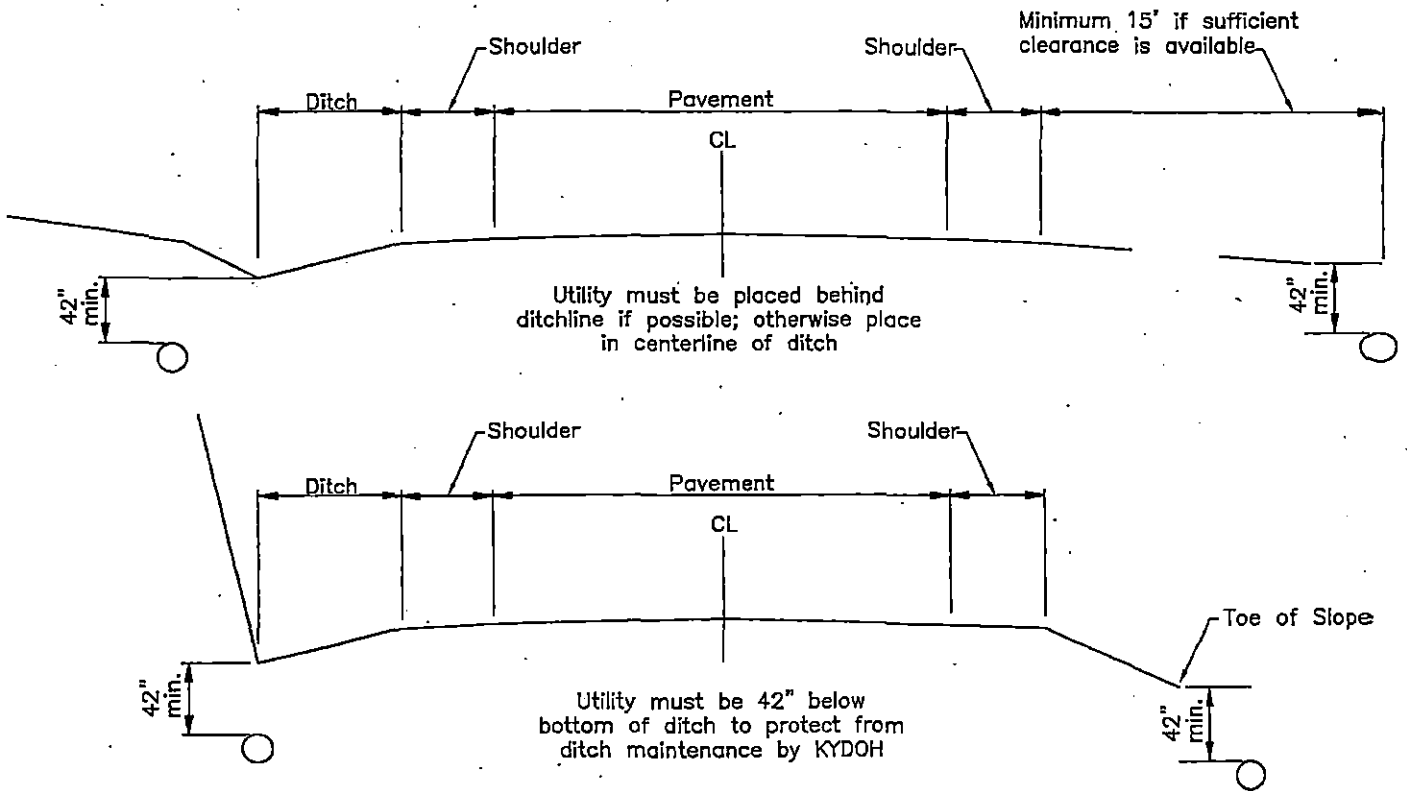
encroachment to remain under the permit and may order its removal, relocation or reconstruction by the permittee, its successors and assigns, at the expense of the permittee, except where the Department is required by law to pay any or all of those costs.

17. Permittee agrees that the authorized permit is personal to the permittee and shall remain in effect until such time as (a) the permittee's rights to the adjoining real property to have benefitted from the requested encroachment have been relinquished, (b) until all permit obligations have been assumed by appropriate successors and assigns, and (c) unless and until a written release from permit obligations has been granted by the Department. The permit and its requirements shall also bind the real property to have benefitted from the requested encroachment to the extent permitted by law. The permit and the related encroachment become the responsibility of the successors and assigns of the permittee and the successors and assigns of each property owner benefitting from the encroachment, or the encroachment may not otherwise permissibly continue to be maintained on the right-of-way. (Does not apply to utility encroachments serving the general public.)

18. If work authorized by the permit is within a highway construction project in the construction phase, it shall be the responsibility of the permittee to make personal contact with the Department's Engineer on the project in order to coordinate all permitted work with the Department's prime contractor on the project.

19. This permit is not intended to, nor shall it, affect, alter or alleviate any requirement imposed upon the permittee, its successors and assigns, by any other agency.

20. Permittee, its successors and assigns, agrees to contain and maintain all dirt, mud, and other debris emanating from the encroachment away from the surrounding right-of-way and the travel way of the highway hereafter and at all times that its obligations under the permit remain in effect.

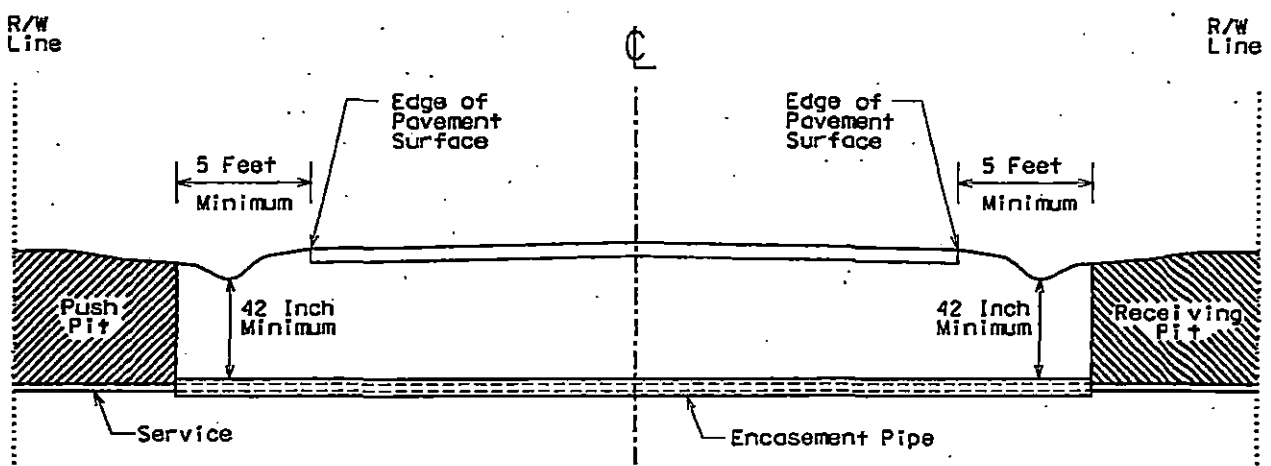


TYPICAL CONSTRUCTION ON KYDOH RIGHTS OF WAY

N.T.S.

TYPICAL HIGHWAY BORING CROSSING DETAIL

Permit No. _____
 Route No. _____
 Pavement Width _____



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ALL SERVICES OVER 2" IN DIAMETER SHALL REQUIRE ENCASEMENT.



WHITLEY COUNTY FISCAL COURT

RESOLUTION NO. 2016-14

RESOLUTION #2016-14

Use of County Road Right-of-way for Water and Sanitary Sewer Lines

A RESOLUTION OF THE WHITLEY COUNTY FISCAL COURT
AUTHORIZING THE WHITLEY COUNTY WATER DISTRICT OF WHITLEY, KENTUCKY,
TO USE COUNTY ROAD RIGHT-OF-WAY FOR WATER AND SANITARY SEWER LINES FOR
BARTON HOLLOW AML WATERLINE EXTENSION PROJECT

WHEREAS, the Whitley County Water District is responsible for operating and maintaining the water distribution and treatment and sanitary sewer collection and treatment system for the County of Whitley;

WHEREAS, the Whitley County Water District has determined that it is in the public interest to acquire grants to construct water and sanitary sewer line extensions to provide service to unserved areas;

WHEREAS, the Whitley County Water District understands that it shall not interfere with any rights or permits granted to any other party or require that Whitley County residents submit to annexation for services provided by the Whitley County Water District;

WHEREAS, the Whitley County Water District shall at all times defend, protect and save harmless Whitley County from all liabilities, claims and demands arising out of work undertaken by the Whitley County Water District due to any negligent act or omission by the Whitley County Water District, its servants, agents, employees or contractors and are to repair the given road to it's original condition and if proper repairs are not made as soon as reasonably possible to any county road or right-of-way disturbed by the Whitley County Water District, at its sole discretion, may repair the road or right-of-way and charge the Whitley County Water District for all cost of repair, as well as, any legal expenses, court cost and all attorney's fees reasonably incurred in order to collect the cost of repairs;

WHEREAS, maintenance of any damage or encroachment on the county road or right-of-way is the responsibility of the Whitley County Water District.

THEREFORE, BE IT RESOLVED, this the 20th day of September 2016, by Whitley County, Kentucky:

The Whitley County Fiscal Court gives permission to the Whitley County Water District to install and maintain water and sanitary lines and facilities in the county roads right-of-way of Barton Hollow Road.

Done this the 20th day of September, 2016. Motion by Brown and seconded by Harrison, members present voting in favor.

By: [Signature]
Pat White, Jr.
Whitley County Judge/Executive

Attest: [Signature]
Kay Smith Schwartz
Whitley County Clerk

Recorded in Fiscal Book _____ Page _____

**C. Project Narrative
and
Final Engineering Report**

**Project Narrative
Whitley County Water District
Water System Improvements Project**

The facilities will consist of approximately 3,700 LF of 4-inch PVC waterline; approximately 36,200 LF of 3-inch PVC waterline; and associated appurtenances such as gate valves, leak detection meters, etc. Some short segments of polyethylene pipe will be installed at directionally bored stream crossings. The water mains will primarily be constructed along the county and state highway right-of-ways. The construction is now scheduled to begin by March 15, 2017 and be completed by July 15, 2017.

The project funding will also allow the District to purchase approximately 700 radio read meters to replace the last of the conventional meters in its distribution system.

There are no other existing public water systems in the area.

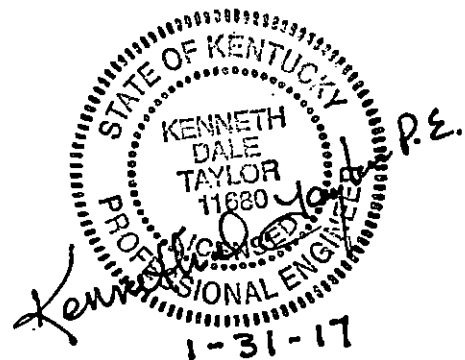
The project will reduce purchased water costs by replacing existing leak prone lines; reduce maintenance costs resulting from frequent leak repairs; and reduce transportation/personnel costs associated with the monthly meter reading. It will also improve service to users on small undersized lines who experience significant pressure loss during times of peak system use and when leaks occur in the system.

FINAL ENGINEERING REPORT

**WATER SYSTEM IMPROVEMENTS PROJECT
WHITLEY COUNTY WATER DISTRICT
WILLIAMSBURG, WHITLEY CO, KENTUCKY**

PROJECT NO. 2015010

JANUARY 2017



FINAL ENGINEERING REPORT

WATER SYSTEM IMPROVEMENTS PROJECT WHITLEY COUNTY WATER DISTRICT

I. INTRODUCTION

The Whitley County Water District (WCWD) was originally formed to provide a safe, dependable supply of potable water to the citizens in the rural areas of Whitley County. Since its inception, the WCWD has grown until it now serves more than 3,500 customers over a large portion of Whitley County. WCWD has nearly reached its goal of making treated water available to every citizen within its boundary, with only a few small and/or low population density areas left unserved.

II. PROPOSED FACILITIES AND SERVICES

General Description. The proposed construction will include approximately 3,700 LF of 4-inch PVC waterline; approximately 36,200 LF of 3-inch PVC waterline; and associated appurtenances such as gate valves, leak detection meters, etc. Some short segments of polyethylene pipe will be installed at directionally bored stream crossings. The water mains will primarily be constructed along the county and state highway right-of-ways. The facilities have been designed to provide the customers with a minimum pressure of 30 psi at the meter at peak flow conditions. The construction is now scheduled to begin by March 15, 2017 and be completed by July 15, 2017.

The new water line will replace approximately 39,900 linear feet of existing water distribution line that is undersized and/or has been prone to excessive leaking. Much of the line to be replaced was initially installed by private home owners 20 plus years ago to serve only the residences that existed at the time and was never intended to serve growth or be extended. This work should also significantly lower WCWD's water loss.

The project funding will also allow the District to purchase approximately 700 radio read meters to replace the last of the conventional meters in its distribution system.

No new customers will be served by the project however approximately 233 existing underserved customers will directly benefit from improved service and WCWD's entire customer base will benefit financially from lower costs. The project will reduce purchased water costs by replacing existing leak prone lines; reduce maintenance costs resulting from frequent leak repairs; and reduce transportation/personnel costs associated with the monthly meter reading. It will

also improve service to users on small undersized lines who experience significant pressure loss during times of peak system use and when leaks occur in the system.

The locations of the major elements of the project are shown on the attached U.S.G.S. topographic maps.

Land. The acquisition of land by deed was not required for any of the proposed facilities.

Rights. Private easements have been acquired for the water distribution lines where necessary but most of the distribution lines will be on State and County road right-of-way. Encroachment permits for the lines have been obtained from the Kentucky Department of Highways and a motion approved by the Whitley Co. Fiscal Court for the use of the County road right of way.

A permit has been obtained from the Ky. Division of Water for the construction of the project and approval will be requested from the Kentucky Public Service Commission.

III. COST AND FUNDING

Attached to this report are copies of the certified bid tabs, as-bid budget and estimated Operating Budget for the first year of operation.

IV. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

- A. The proposed facilities will allow the WCWD to provide more reliable service to its customers at a reduced cost.
- B. The financial feasibility indicates that the WCWD can service the proposed loan on the existing rates without jeopardizing the financial integrity of the operations. The existing rates are sufficient to cover operating expenses, debt service, debt service coverage, and provide some net unobligated monies. The revenues are not sufficient to cover the full amount of depreciation allowed in the rate base.

Recommendations

The project, as presented herein, is feasible with the indicated funding and the existing rates. The District should proceed with construction of the project once approval is received from the KY Public Service Commission.

**Part III - E Jet Information
Project Cost Summary**

Project Title Whitley County Water System Improvements

WRIS# WX: 21235434

Project Budget: Estimated 23-Jan-15 enter date As Bid 1/12/2017 enter date Revised enter date

Cost Classification	DWSRF KIA Loan	Funding Source 1	Funding Source 2	Funding Source 3	Funding Source 4	Funding Source 5	Local Funds	Unfunded Costs	Total
1 Administrative Expenses	25,000								25,000
2 Legal Expenses	5,750								5,750
3 Land, Appraisals, Easements							5,000		5,000
4 Relocation Expense & Payments	-								-
5 Planning	5,000								5,000
6 Engineering Fees - Design	45,750								45,750
7 Engineering Fees - Construction	11,450								11,450
8 Engineering Fees - Inspection	40,200								40,200
9 Engineering Fees - Other	10,000								10,000
10 Construction	581,350								581,350
11 Equipment	140,000								140,000
12 Miscellaneous	-								-
13 Contingencies	68,000								68,000
Total	932,500	-	-	-	-	-	5,000	-	937,500

Funding Sources	Amount	Date Committed
1 Funding Source 1	-	
2 Funding Source 2	-	
3 Funding Source 3	-	
4 Funding Source 4	-	
5 Funding Source 5	-	
Total	-	

Local Funding Sources	Amount	Date Committed
1 WCWD	5,000	1/22/15
2		
3		
Total	5,000	

Cost Categories	Funding Source	Total Cost
Treatment		
Transmission and Distribution	DWSRF	581,350
Source		
Storage		
Purchase of Systems		
Restructuring		
Land Acquisition		
TOTAL COSTS		581,350

Total Funding 937,500

BID TENDERS

KENVIRONS, INC.
452 Versailles Road
Frankfort, KY 40601

Owner: Whitley County Water District
Project: Water System Improvements
Bid Date: January 12, 2017 at 2:00 P.M. (Local Time)

Project No. 2015010

Base Bid				Akins Excavating Co., Inc. 182 Busy Lane Corbin, KY 40701		Frederick & May Construction Co. P.O. Box 337 West Liberty, KY 41472		H2O Construction 470 Zeigler Drive Pikeville, KY 41501		
Item No.	Item Description	Unit	Quantity	Unit Cost	Cost	7.5	Cost	Unit Cost	Cost	
1	4" PVC SDR 21 Pipe	LF	3,700	\$9.00	\$33,300.00	\$7.50	\$27,750.00	\$8.00	\$29,600.00	
2	3" PVC SDR 17 Pipe	LF	5,120	7.85	40,192.00	7.25	37,120.00	8.00	40,960.00	
3	3" PVC SDR 21 Pipe	LF	31,080	7.85	243,978.00	6.25	194,250.00	8.00	248,640.00	
4	Bored Encasement for 4" & 3" Pipe	LF	230	90.00	20,700.00	60.00	13,800.00	60.00	13,800.00	
5	Open Cut Encasement for 4" & 3" Pipe	LF	100	40.00	4,000.00	35.00	3,500.00	30.00	3,000.00	
6	4" & 3" Creek Crossing	LF	40	30.00	1,200.00	100.00	4,000.00	70.00	2,800.00	
7	4" & 3" Directional Bore Creek Crossing	EA	2	3,000.00	6,000.00	10,000.00	20,000.00	6,000.00	12,000.00	
8	8" x 3" Tapping Sleeve & Valve	EA	1	2,775.00	2,775.00	3,000.00	3,000.00	2,000.00	2,000.00	
9	4" x 3" Tapping Sleeve & Valve	EA	1	2,300.00	2,300.00	2,800.00	2,800.00	2,000.00	2,000.00	
10	6" x 3" Tie-In	EA	2	2,000.00	4,000.00	2,500.00	5,000.00	2,000.00	4,000.00	
11	4" x 4" Tie-In	EA	1	2,325.00	2,325.00	2,300.00	2,300.00	2,000.00	2,000.00	
12	4" x 2" Tie-In	EA	1	1,400.00	1,400.00	2,100.00	2,100.00	2,000.00	2,000.00	
13	3" x 3" Tie-In	EA	1	1,100.00	1,100.00	2,000.00	2,000.00	2,000.00	2,000.00	
14	3" Tie-In to Master Meter	EA	3	1,800.00	5,400.00	2,500.00	7,500.00	2,000.00	6,000.00	
15	3" Tie-In to PRV Setting	EA	2	995.00	1,990.00	2,000.00	4,000.00	2,000.00	4,000.00	
16	4" Gate Valve	EA	1	1,000.00	1,000.00	800.00	800.00	1,000.00	1,000.00	
17	3" Gate Valve	EA	29	865.00	25,085.00	700.00	20,300.00	900.00	26,100.00	
18	Leak Detection Meter	EA	9	1,025.00	9,225.00	1,600.00	14,400.00	2,000.00	18,000.00	
19	3" Blow Off Assembly	EA	20	1,275.00	25,500.00	1,200.00	24,000.00	1,000.00	20,000.00	
20	Reconnect Meter Service	EA	203	230.00	46,690.00	400.00	81,200.00	650.00	131,950.00	
21	Relocate Meter Service	EA	30	285.00	8,550.00	500.00	15,000.00	600.00	18,000.00	
22	Service Tubing	LF	6,990	6.00	41,940.00	6.50	45,435.00	4.00	27,960.00	
23	Air Release Valve	EA	1	1,700.00	1,700.00	2,000.00	2,000.00	350.00	350.00	
24	Pavement Replacement - Light Duty	LF	500	30.00	15,000.00	25.00	12,500.00	35.00	17,500.00	
25	Free Bore (All Sizes)	LF	200	30.00	6,000.00	35.00	7,000.00	20.00	4,000.00	
26	Gravel	TN	4,000	5.00	20,000.00	25.00	100,000.00	19.50	78,000.00	
27	2" Master Meter Waft	LS	1	10,000.00	10,000.00	5,000.00	5,000.00	8,000.00	8,000.00	
TOTAL BASE BID						\$581,350.00		\$656,755.00		\$725,660.00

The above is a true and complete tabulation of the Bids received by Whitley County Water District at their office located at 19 South US 25 W, Williamsburg, KY, on January 12, 2017 at 2:00 P.M. Local Time.

By: 
Kenneth D. Taylor, P.E.


1-18-17
Date

BID TABULATIONS

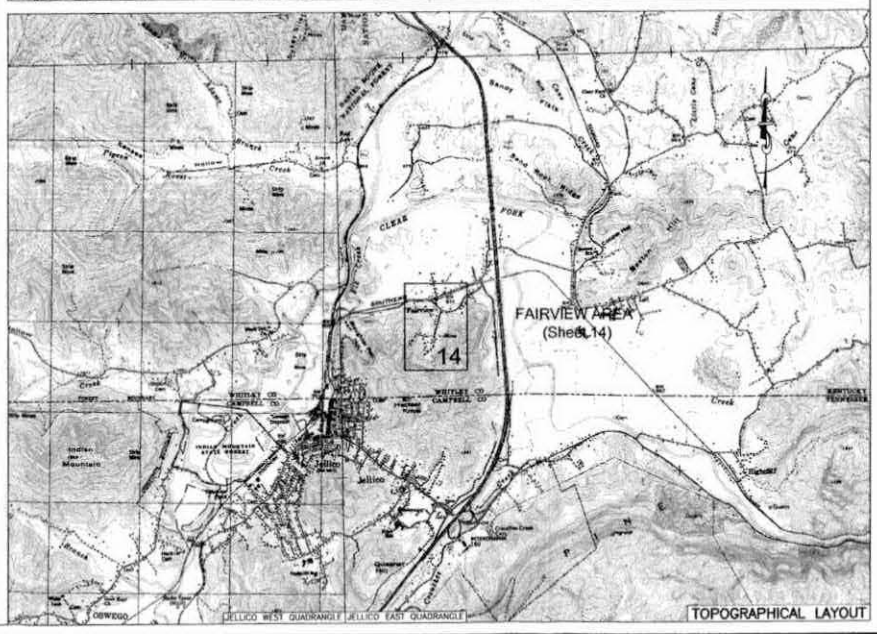
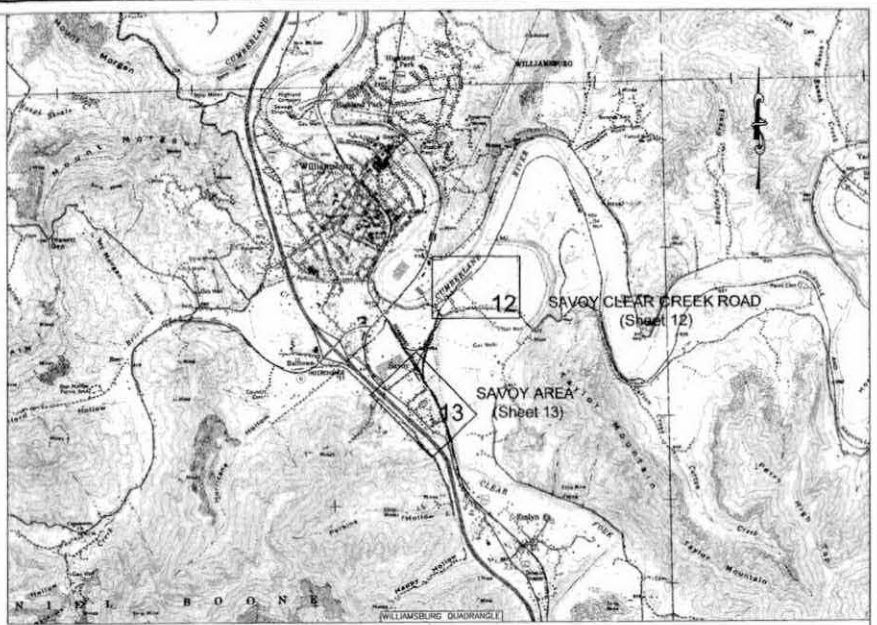
KENVIRONS, INC.
452 Versailles Road
Frankfort, KY 40601

Owner: Whitley County Water District
Project: Water System Improvements
Bid Date: January 12, 2017 at 2:00 P.M. (Local Time)

Project No. 2015010

Base Bid				Stotts Construction Co., Inc. P.O. Box 1689 Columbia, KY 42728		D&H Contracting Co., Inc. 2003 Lakeview Drive London, KY 40741		Weddle Enterprises, Inc. 25 Shane's Lane Somerset, KY 42501	
Item No.	Item Description	Unit	Quantity	Unit Cost	Cost	Unit Cost	Cost	Unit Cost	Cost
1	4" PVC SDR 21 Pipe	LF	3,700	\$10.60	\$39,220.00	\$11.10	\$41,070.00	\$13.40*	\$49,580.00
2	3" PVC SDR 17 Pipe	LF	5,120	10.50	53,760.00	10.80	55,296.00	14.60	74,752.00
3	3" PVC SDR 21 Pipe	LF	31,080	10.00	310,800.00	10.60	329,448.00	13.75	427,350.00
4	Bored Encasement for 4" & 3" Pipe	LF	230	55.00	12,650.00	110.00	25,300.00	119.00	27,370.00
5	Open Cut Encasement for 4" & 3" Pipe	LF	100	35.00	3,500.00	50.00	5,000.00	31.00	3,100.00
6	4" & 3" Creek Crossing	LF	40	40.00	1,600.00	100.00	4,000.00	23.00	920.00
7	4" & 3" Directional Bore Creek Crossing	EA	2	5,000.00	10,000.00	6,000.00	12,000.00	4,500.00	9,000.00
8	8" x 3" Tapping Sleeve & Valve	EA	1	1,800.00	1,800.00	3,000.00	3,000.00	3,900.00	3,900.00
9	4" x 3" Tapping Sleeve & Valve	EA	1	1,500.00	1,500.00	2,400.00	2,400.00	1,700.00	1,700.00
10	6" x 3" Tie-In	EA	2	800.00	1,600.00	2,400.00	4,800.00	600.00	1,200.00
11	4" x 4" Tie-In	EA	1	700.00	700.00	2,400.00	2,400.00	600.00	600.00
12	4" x 2" Tie-In	EA	1	700.00	700.00	2,400.00	2,400.00	475.00	475.00
13	3" x 3" Tie-In	EA	1	600.00	600.00	2,400.00	2,400.00	600.00	600.00
14	3" Tie-In to Master Meter	EA	3	1,000.00	3,000.00	2,400.00	7,200.00	850.00	2,550.00
15	3" Tie-In to PRV Setting	EA	2	700.00	1,400.00	2,400.00	4,800.00	600.00	1,200.00
16	4" Gate Valve	EA	1	1,000.00	1,000.00	1,100.00	1,100.00	658.00	658.00
17	3" Gate Valve	EA	29	800.00	23,200.00	1,000.00	29,000.00	610.00	17,690.00
18	Leak Detection Meter	EA	9	1,000.00	9,000.00	1,150.00	10,350.00	870.00	7,830.00
19	3" Blow Off Assembly	EA	20	1,200.00	24,000.00	1,100.00	22,000.00	470.00	9,400.00
20	Reconnect Meter Service	EA	203	300.00	60,900.00	450.00	91,350.00	285.00	57,855.00
21	Relocate Meter Service	EA	30	700.00	21,000.00	500.00	15,000.00	400.00	12,000.00
22	Service Tubing	LF	6,990	8.00	55,920.00	4.00	27,960.00	6.25	43,687.50
23	Air Release Valve	EA	1	700.00	700.00	750.00	750.00	410.50	410.50
24	Pavement Replacement - Light Duty	LF	500	35.00	17,500.00	20.00	10,000.00	32.00	16,000.00
25	Free Bore (All Sizes)	LF	200	30.00	6,000.00	60.00	12,000.00	57.50	11,500.00
26	Gravel	TN	4,000	20.00	80,000.00	17.00	68,000.00	17.00	68,000.00
27	2" Master Meter Vault	LS	1	7,000.00	7,000.00	8,000.00	8,000.00	2,650.00	2,650.00
TOTAL BASE BID					\$749,050.00		\$797,024.00		* \$851,978.00

* Denotes an arithmetic error was made on the Bids submitted. Values reported in the Bid Tabulation have been corrected based upon the unit price submitted.



WHITLEY COUNTY WATER DISTRICT
 WATER SYSTEM IMPROVEMENTS
 WHITLEY COUNTY, KENTUCKY



DATE OF SHEET	12/15/2010
DATE OF PROJECT	12/15/2010
DATE OF REVISION	
DATE OF APPROVAL	

KENVIRONS, INC.
 FRANKFORT, KENTUCKY



PROJECT NO.
 2015010

SHEET NO.
 3

K:\2015\2015010\2015010.dwg

D. Project Funding

**KIA Conditional Commitment Letter
KIA Board Meeting Minutes April 2, 2015
KIA Loan Resolution
KIA Time Extension Approval Letter
KIA Funding Application
KY Debt Officer Notification**



Steven L. Beshear
Governor

KENTUCKY INFRASTRUCTURE AUTHORITY

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

John E. Covington III
Executive Director

April 2, 2015

The Honorable Andrew Meadors, Chairman
Whitley County Water District
19 S. Hwy 25 West
Williamsburg, KY 40769

**KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND
CONDITIONAL COMMITMENT LETTER (F15-030)**

Dear Chairman Meadors:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On April 2, 2015, the Authority approved your loan for the Whitley County Water System Improvements project, subject to the conditions stated below. The total cost of the project shall not exceed \$937,500 of which the Authority loan shall provide \$932,500 of the funding. Other anticipated funding for the project is reflected in Attachment A. The final loan amount will be equal to the Authority's portion of estimated project cost applied to the actual project cost. Attachment A incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the Whitley County Water District upon satisfactory performance of the conditions set forth in this letter. You must meet the conditions set forth in this letter and enter into an Assistance Agreement by April 2, 2016 (twelve months from the date of this letter). A one-time extension of up to six months may be granted for applicants that experience extenuating circumstances. Funds will be available for disbursement only after execution of the Assistance Agreement.

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

1. The Authority project loan shall not exceed \$932,500.

Chairman Meadors

April 2, 2015

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2. This loan does not qualify for principal forgiveness.
3. The loan shall bear interest at the rate of 0.75 percent per annum commencing with the first draw of funds.
4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1, or December 1, immediately succeeding the date of the initial draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1, or December 1, which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid.
5. Full principal payments will commence on the appropriate June 1, or December 1, within twelve months from initiation of operation. Full payments will be due each six months thereafter until the loan is repaid.
6. The loan shall be repaid over a period not to exceed 20 years from the date of initiation of operation for the project.
7. A loan servicing fee of 0.25% of the annual outstanding loan balance shall be payable to the Authority as a part of each interest payment.
8. Loan funds will only be disbursed after execution of the Assistance Agreement as project costs are incurred.
9. The Authority loan funds must be expended within six months of the official date of initiation of operation.
10. Fund "F" loan funds may be considered to be federal funds. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations, requires that all recipients and subrecipients **expending \$500,000 or more in a year in federal awards must have a single or program-specific audit conducted for that year** in accordance with the Circular. If the federal amount expended plus all other federal funds expended exceeds the threshold, you are required to arrange for an A-133 audit to be performed by an independent, licensed CPA, or in special cases, the Auditor of Public Accounts of the Commonwealth of Kentucky. Please note that the guidance for single audit requirements changed for calendar or fiscal years beginning after December 26, 2014. Please consult with your independent auditor as soon as possible to understand how the changes will affect you.

Chairman Meadors

April 2, 2015

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11. The Authority requires an annual financial audit be provided for the life of the loan.
12. The final Assistance Agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.

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

1. The Authority to Award (bid) package must be submitted to the Division of Water for approval within 14 days of bid opening.
2. The Assistance Agreement must be executed within six (6) months from bid opening.
3. Documentation of final funding commitments from all parties other than the Authority as reflected in the credit analysis shall be provided prior to preparation of the Assistance Agreement and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported and may cause this loan to be subject to further consideration.
4. The loan must undergo review by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the State's execution of the Assistance Agreement. The committee meets monthly on the third Tuesday. Any special conditions listed in Attachment A must be satisfied before the project is presented before the Committee.
5. Any required adjustment in utility service rates shall be adopted by ordinance, municipal order or resolution by the appropriate governing body of the Borrower. Public hearings as required by law shall be held prior to the adoption of the service rate ordinance, order, or resolution. Any required approvals by the Kentucky Public Service Commission shall be obtained.
6. The Borrower must complete and return the attached "Authorization for Electronic Deposit of Vendor Payment" form to the Authority.
7. Documentation of Clearinghouse Endorsement and Clearinghouse Comments.

Chairman Meadors

April 2, 2015

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8. Prior to project bid, an environmental review shall be conducted by the Division of Water for all construction projects receiving DWSRF funds.
9. Technical plans and specifications and a complete DWSRF specifications checklist shall be approved by the Division of Water prior to project bid.
10. All easements or purchases of land shall be completed prior to commencement of construction. Clear Site Certification of all land or easement acquisitions shall be provided to the Division of Water. DOW representatives shall be notified for attendance of the pre-construction conference.
11. Project changes or additions deviating from the original scope of work described in the Project Profile may require a new or amended environmental review and change order review before they can be included in the DWSRF loan project.
12. Applicant must provide certification from their legal counsel stating that they have prepared construction specifications in accordance with all applicable state or federal wage rate laws, and that the procurement procedures, including those for construction, land, equipment and professional services that are a part of the project, are in compliance with applicable federal, state and local procurement laws.
13. Implement the Kentucky Uniform System of Accounting (KUSoA), or an alternative approved by the Authority and assure that rates and charges for services are based upon the cost of providing such service.
14. The Borrower shall comply with all Davis Bacon related monitoring and reporting and require all contractors to pay wages pursuant to applicable prevailing wage rates (federal or state) for all work relating to the subject Project.
15. The project shall comply with the reporting requirements of the Transparency Act, and shall complete the attached Transparency Act Reporting Information Form and provide to the Authority no later than 30 days after the KIA Board approval date of your loan.
16. If the project has a "Green Reserve" component, the Borrower must submit a Business Case, if required.
17. The project shall comply with American Iron and Steel requirements of

Chairman Meadors
April 2, 2015
Page 5

The Consolidated Appropriations Act of 2014 (H.R. 3547), which became effective January 17, 2014, unless engineering plans and specifications were approved by the Division of Water prior to the effective date.

Any special conditions stated in Attachment A must be resolved.

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

Sincerely,



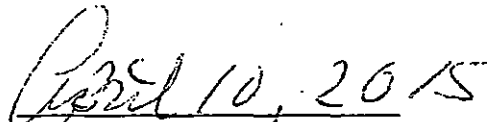
Amanda Yeary
Kentucky Infrastructure Authority

Attachments

cc: Tim Schwendeman, Cumberland Valley ADD
Ken Taylor, PE, Kenvirons
Division of Water
Dirk Bedarff, Peck, Shaffer & Williams LLP
State Local Debt Office, DLG
Borrower File - Whitley County Water District - F15-030

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


Accepted


Date

**AUTHORIZATION FOR ELECTRONIC DEPOSIT
OF BORROWER PAYMENT
KENTUCKY INFRASTRUCTURE AUTHORITY
(FUND F15-030)**

Borrower Information:

Name: _____

Address: _____

City: _____ State: KY Zip: _____

Federal I.D. # _____

Contact Name: _____ Telephone: _____

Email: _____

Financial Institution Information:

Bank Name: _____

Branch: _____ Phone No: _____

City: _____ State: _____ Zip: _____

Transit / ABA No.: _____

Account Name: _____

Account Number: _____

I, the undersigned, authorize payments directly to the account indicated above and to correct any errors which may occur from the transactions. I also authorize the Financial Institution to post these transactions to that account.

Signature: _____ Date: _____

Name Printed: _____ Job Title: _____

Please return completed form to:

**Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601
phone: 502-573-0260
fax: 502-573-0157**

TRANSPARENCY ACT REPORTING INFORMATION FORM
CLEAN WATER STATE REVOLVING FUND
AND
DRINKING WATER STATE REVOLVING FUND

This form is required for projects funded in whole or in part from the Clean Water State Revolving Fund or the Drinking Water State Revolving Fund. This form is to be completed and returned with the signed Conditional Commitment Letter from the Kentucky Infrastructure Authority.

Borrower Information:

Name:	
Data Universal Numbering system (DUNS) No.*:	
KIA Loan Number:	
Street Address	
City, State and Zip (Zip must include 4 digit extension)	
Federal Congressional District(s) of Borrower Utility Service Area:	

*If the DUNS No. provided above is registered under a different name than the recipient of funding, please provide the registration name below:

DUNS Name	
-----------	--

*If the recipient has not yet obtained a DUNS Number, please do so no later than 30 days after the KIA Board approval date of your loan request and provide notification to KIA of the number once issued. For instructions on DUNS registration, please contact jeff.abshire@ky.gov.

Physical Location of Project (Primary Place of Performance)

Street Address	
City, State and Zip (Zip must include 4 digit extension)	
Federal Congressional District(s) of Project Location	

Reliance upon Federal Assistance (please answer the below questions Yes or No):

Did recipient receive 80% or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards) during the last fiscal year?	
Did recipient receive \$25 million or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards) during the last fiscal year?	
Does the public have access to compensation of senior executives of the recipient through periodic reports filed under Section 13A or 15D of the Securities Exchange Act of 1934 or Section 6104 of the Internal Revenue Code of 1986?	

DUNS Registration Information: <http://fedgov.dnb.com/webform> OR 1-866-705-5711

Registration can be completed over the phone or via the web. Phone registration requests take approximately 10 minutes and are free. Internet requests are fulfilled within 24 hours.

ATTACHMENT A

**Whitley County Water District
F15-030**

EXECUTIVE SUMMARY KENTUCKY INFRASTRUCTURE AUTHORITY FUND F, FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND		Reviewer Date KIA Loan Number WRIS Number	Brandi Armstrong April 2, 2015 F15-030 WX21235434	
BORROWER		WHITLEY COUNTY WATER DISTRICT WHITLEY COUNTY		
BRIEF DESCRIPTION				
This project will replace 36,400 linear feet of deteriorated water lines across the Fairview, Savoy, Fabor and Woodbine areas of Whitley County. The majority of lines are undersized and have frequent leaks. The District will also replace 700 conventional meters with radio read meters.				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$932,500	Administrative Expenses	\$25,000	
Local Funds	5,000	Legal Expenses	5,750	
		Land, Easements	5,000	
		Planning	5,000	
		Eng - Design / Const	56,750	
		Eng - Insp	40,000	
		Eng - Other	10,000	
		Construction	575,000	
		Equipment	140,000	
		Contingency	75,000	
TOTAL	\$937,500	TOTAL	\$937,500	
REPAYMENT	Rate Term	0.75% 20 Years	Est. Annual Payment 1st Payment 6 Mo. after first draw \$52,628	
PROFESSIONAL SERVICES	Engineer Bond Counsel	Kenvirons Peck, Shaffer, & Williams, a division of Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening Construction Start Construction Stop	Aug-15 Sep-15 Mar-16		
DEBT PER CUSTOMER	Existing Proposed	\$1,201 \$1,400		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES	Current Additional	<u>Users</u> 3,519 0	<u>Avg. Bill</u> \$39.78 (for 4,000 gallons) \$39.78 (for 4,000 gallons)	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2012	477,701	252,115	225,586	1.9
Audited 2013	423,053	243,351	179,702	1.7
Projected 2014	371,476	264,691	106,785	1.4
Projected 2015	357,573	265,711	91,862	1.3
Projected 2016	341,092	290,805	50,287	1.2
Projected 2017	366,627	317,854	48,773	1.2
Projected 2018	352,473	317,422	35,051	1.1
Projected 2019	338,036	304,628	33,408	1.1

Reviewer: Brandi Armstrong
Date: April 2, 2014
Loan Number: F15-030

**KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND "F")
WHITLEY COUNTY WATER DISTRICT, WHITLEY COUNTY
PROJECT REVIEW
WX21235434**

I. PROJECT DESCRIPTION

The Whitley County Water District is requesting a Fund "F" loan in the amount of \$932,500 for the Water System Improvement project. The project will replace 36,400 linear feet of deteriorated water lines across Fairview, Savoy, Fabor and Woodbine areas of Whitley County. Many of the lines are undersized and have frequent leaks. The District will also replace 700 conventional meters with radio read meters. The project will reduce purchased water costs, maintenance expense, and transportation costs.

The District purchases about 85 million gallons of water annually from the Corbin Utility Commission and is subject to PSC jurisdiction. They service Whitley County and a small portion of Knox County.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 25,000
Legal Expenses	5,750
Land, Easements	5,000
Planning	5,000
Engineering Fees - Design / Const	56,750
Engineering Fees - Inspection	40,000
Engineering Fees - Other	10,000
Construction	575,000
Equipment	140,000
Contingency	75,000
Total	\$ 937,500

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 932,500	99%
Local Funds	5,000	1%
Total	\$ 937,500	100%

IV. KIA DEBT SERVICE

Construction Loan	\$	932,500
Interest Rate		0.75%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	50,296
Administrative Fee (0.25%)		2,331
Total Estimated Annual Debt Service	\$	52,628

V. PROJECT SCHEDULE

Bid Opening	August 2015
Construction Start	September 2015
Construction Stop	March 2016

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

<u>Customers</u>	<u>Current</u>
Residential	3,386
Commercial	125
Industrial	8
Total	3,519

B) Rates

<u>Retail Water</u>	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	05/01/2012	09/14/2006
Minimum	\$19.35	\$18.93
Next 4,000 Gallons	6.81	6.39
Next 95,000 Gallons	6.39	5.42
Cost for 4,000 gallons	\$39.78	\$38.10
Increase %	4.4%	
Affordability Index (Rate/MHI)	1.5%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2008-2012, the District's service area population was 3,322 with a Median Household Income (MHI) of \$31,427. The median household income for the Commonwealth is \$42,610. The project will qualify for a .75% interest rate because the utility's service area MHI is below 80% of the State's MHI.

Year	City	Population		Unemployment		
		% Change	County	% Change	Date	Rate
1980	5,560		33,396		June 2004	6.4%
1990	5,493	-1.2%	33,326	-0.2%	June 2009	11.9%
2000	5,143	-6.4%	35,865	7.6%	June 2013	10.0%
2010	5,245	2.0%	35,637	-0.6%	June 2014	9.3%
Current	5,258	0.2%	35,756	0.3%		
Cumulative %		-5.4%		7.1%		

VIII. 2014 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a "green" requirement.
- 2) Additional Subsidization – This project does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the audited financial statements for the Proprietary (water) fund for the years ended June 30, 2012 and 2013. Amounts for 2014 are estimated. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Revenues were flat at \$1.6 million for the three years while operating expenses averaged \$1.2 million each year. The debt coverage ratio was 1.9, 1.7 and 1.4 for 2012 through 2014.

The balance sheet reflects a current ratio of 1.0, a debt to equity ratio of 0.4 and unrestricted cash equals 1.4 months of operating expenses.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will be flat.
- 2) Expenses will increase 2% annually for inflation.
- 3) Cost savings of \$40,000 annually will be realized beginning in 2017.
- 4) Debt service coverage is 1.2 in 2017 when full year principal and interest repayments begin.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund F loan.

REPLACEMENT RESERVE

The annual replacement cost is \$2,300. This amount should be added to the replacement account each December 1 until the balance reaches \$23,000 and

maintained for the life of the loan.

X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
RD Series 1994 Bond	\$ 537,500	2033
RD Series 1998 Bond	480,000	2038
RD Series 2000 Bond	316,000	2040
RD Series 2003 Bond	1,622,000	2042
RD Series 2006 Bond	269,800	2045
KIA (B08-03)	910,816	2033
Total	\$ 4,136,116	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

None.

XII. CONTACTS

Legal Applicant	
Name	Whitley County Water District
Address	19 S. Hwy 25 West Williamsburg, KY 40769
County	Whitley
Authorized Official	Andrew Meadors (Chairman)
Phone	(606) 545-3600
Email	WCWD@bellsouth.net

Project Contact – Applicant & Administrator	
Name	Tim Schwendeman
Representing	Cumberland Valley ADD
Address	342 Old Whitley Road PO Box 1740 London, KY 40744
Phone	(606) 864-7391
Email	TimSch@cvadd.org

Consulting Engineer	
Name	Ken Taylor, PE
Firm	Kenvirons
Address	452 Versailles Road Frankfort, KY 40601
Phone	(502) 695-4357
Email	ktaylor@kenvirons.com

XIII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

**WHITLEY COUNTY WATER DISTRICT (PROPRIETARY)
FINANCIAL SUMMARY (DECEMBER YEAR END)**

	<u>Audited 2012</u>	<u>Audited 2013</u>	<u>Projected 2014</u>	<u>Projected 2015</u>	<u>Projected 2016</u>	<u>Projected 2017</u>	<u>Projected 2018</u>	<u>Projected 2019</u>
Balance Sheet								
Assets								
Current Assets	197,512	120,314	151,308	178,870	193,957	208,630	219,181	229,189
Other Assets	15,592,249	15,576,114	15,208,165	15,283,663	15,308,923	14,864,333	14,410,143	13,954,853
Total	15,789,761	15,696,428	15,359,473	15,462,533	15,502,880	15,072,963	14,629,324	14,184,042
Liabilities & Equity								
Current Liabilities	138,647	138,867	150,322	157,689	167,158	175,628	182,091	190,091
Long Term Liabilities	4,269,557	4,363,290	4,251,899	4,600,551	4,944,734	4,819,197	4,692,197	4,562,197
Total Liabilities	4,408,204	4,502,157	4,402,221	4,758,240	5,111,892	4,994,825	4,874,288	4,752,288
Net Assets	11,381,557	11,194,271	10,957,252	10,704,293	10,390,988	10,078,138	9,755,036	9,431,754
Cash Flow								
Revenues	1,600,520	1,654,194	1,615,583	1,615,583	1,615,583	1,615,583	1,615,583	1,615,583
Operating Expenses	1,274,363	1,238,676	1,252,307	1,266,210	1,282,691	1,257,156	1,271,310	1,285,747
Other Income	151,544	7,535	8,200	8,200	8,200	8,200	8,200	8,200
Cash Flow Before Debt Service	477,701	423,053	371,476	357,573	341,092	366,627	352,473	338,036
Debt Service								
Existing Debt Service	252,115	243,351	264,691	265,711	264,491	265,226	264,794	252,000
Proposed KIA Loan	0	0	0	0	26,314	52,628	52,628	52,628
Total Debt Service	252,115	243,351	264,691	265,711	290,805	317,854	317,422	304,628
Cash Flow After Debt Service	225,586	179,702	106,785	91,862	50,287	48,773	35,051	33,408
Ratios								
Current Ratio	1.4	0.9	1.0	1.1	1.2	1.2	1.2	1.2
Debt to Equity	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5
Days Sales in Accounts Receivable	24.5	10.3	10.3	10.3	10.3	10.3	10.3	10.3
Months Operating Expenses in Unrestricted Cash	0.2	0.7	1.0	1.3	1.4	1.6	1.6	1.7
Debt Coverage Ratio	1.9	1.7	1.4	1.3	1.2	1.2	1.1	1.1

KENTUCKY INFRASTRUCTURE AUTHORITY
Minutes of the Full Board

Meeting Date/Location: **April 2, 2015 – 1:00 p.m.**
 Kentucky Infrastructure Authority
 1024 Capital Center Drive, Suite 340, Frankfort

Members present:

Mr. Tony Wilder, Commissioner, Department for Local Government
Mr. Sam Ruth, Finance and Administration Cabinet
 (proxy for Secretary Lori H. Flanery, FAC)
Ms. Lona Brewer, Energy and Environment Cabinet
 (permanent proxy for Secretary Leonard K. Peters, EEC)
Mr. Robert Aldridge, Economic Development Cabinet
 (proxy for Secretary Larry Hayes (EDC)
Mr. Jeff Derouen, Executive Director, Public Service Commission
Mr. C. Ronald Lovan, representing the American Water Works Association
Mr. Damon Talley, representing the Kentucky Rural Water Association
Mr. David W. Cartmell, Mayor, City of Maysville, representing the Kentucky League of Cities
Mr. Marty T. Ivy, representing the Kentucky Municipal Utilities Association

Members absent:

Mr. Jody Jenkins, Union County Judge Executive, representing the Kentucky Association
 of Counties
Ms. Linda C. Bridwell, representing for-profit private water companies

Guests:

Ms. Anshu Singh, Division of Water
Mr. Grondell Potter, Mountain Water District
Mr. Jody Hunt, Summit Engineering
Mr. Mitch Brunsma, Vaughn & Melton
Mr. John Callihan, Barbourville Utility Commission
Mr. Ralph Johnstone, Sanitation District #1
Ms. Ashley Bode, Sanitation District #1
Mr. William Ballard, East Clark County Water District
Mr. Bryan Kirby, CEDA, Inc.
Mr. Bob Amato, City of Nicholasville
Ms. Laura Gilkerson, GRW Engineers, Inc.
Mr. John Brady, Office of Financial Management
Mr. Andy Meadors, Whitley County Water District
Mr. Tim Schwendeman, Cumberland Valley Area Development District
Mr. Ken Taylor, Kenvirons, Inc.

PROCEEDINGS

Chair Tony Wilder called the meeting of the Kentucky Infrastructure Authority (KIA) Board to order. Mr. Wilder asked board members and guests to introduce themselves. Board Member David Cartmell was introduced as Mayor of Maysville, one of the 18 Most Charming Small Towns in America according to Country Living magazine. Chair Wilder confirmed that a quorum was present and that the press had been notified regarding the meeting.

New Kentucky Infrastructure Authority staff member Meg Link was introduced to the board.

I. BUSINESS (Board Action Required)

A. 1. APPROVAL OF MINUTES

For: KIA Regular Board Meeting of February 5, 2015

Mr. Damon Talley moved to approve the minutes of the February 5, 2015, regular board meeting. Ms. Lona Brewer seconded, and the motion carried unanimously.

B. NEW PROJECTS/ACTION ITEMS

Chair Wilder advised that the board would consider in sequence two projects, both to the City of Barbourville, listed in the agenda as Action Item 1, Fund A Loan A15-006 and Action Item 9, Fund B Loan B15-005.

1. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND LOAN (A15-006) IN THE AMOUNT OF \$1,856,109 TO THE CITY OF BARBOURVILLE F/B/O BARBOURVILLE UTILITY COMMISSION, KNOX COUNTY, KENTUCKY

Ms. Anshu Singh, DOW, and Ms. Jami Johnson, KIA, presented the Fund A loan A15-006 project to the Board. The City of Barbourville f/b/o Barbourville Utility Commission requested a \$1,856,109 Fund "A" loan for the Barbourville Sewer Rehab project. The project will TV inspect, smoke test and rehabilitate approximately 63,000 linear feet of gravity sewer collection lines using slip lining, trenchless pipe bursting, and point repairs to correct the inflow and infiltration entering the system.

Mr. Marty Ivy moved to approve Fund A Loan A15-006 in the amount of \$1,856,109 to the City of Barbourville f/b/o of Barbourville Utility Commission with the standard conditions. Mr. Damon Talley seconded, and the motion was unanimously approved.

2. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND LOAN (B15-005) OF \$130,000 TO THE CITY OF BARBOURVILLE F/B/O BARBOURVILLE UTILITY COMMISSION, KNOX COUNTY, KENTUCKY

Ms. Debbie Landrum, KIA, presented the project to the Board. The City of Barbourville f/b/o Barbourville Utility Commission requested a \$130,000 Fund B loan for the Barbourville Levee Certification project. The City operates a levee to protect against flooding from the Cumberland River. The system includes 3.79 miles of levee, four storm water pump stations, and seven closure structures. The City has entered into an agreement with FEMA to prepare a 44CFR54.10 certification of the levee system. The certification must be completed every ten years. If this certification is not completed, FEMA's recourse is to publish flood insurance rate maps of the city as though no levee were present. This would be a significant burden to both residents and commercial establishments in the current zone of protection.

Mr. Damon Talley moved to approve the Fund B loan B15-005 in the amount of \$130,000 to the City of Barbourville f/b/o Barbourville Utility Commission with the standard conditions Mr. Sam Ruth seconded, and the motion was unanimously approved.

The board then considered in sequence three projects to the City of Harrodsburg, listed in the agenda as Action Item 2, Fund A Loan A15-074, Action Item 3, Fund A Loan A15-075, and Action Item 11, Fund F Loan F15-031.

3. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND A LOAN (A15-074) IN THE AMOUNT OF \$10,000,000 TO THE CITY OF HARRODSBURG, MERCER COUNTY, KENTUCKY

Ms. Anshu Singh, DOW, and Ms. Brandi Armstrong-Norton, KIA, presented the Fund A loan A15-074 project to the Board. The City of Harrodsburg requested a \$10,000,000 Fund A loan for the Wastewater Treatment Plant Expansion project. The project will upgrade and expand the existing plant that has capacity to operate at 2.6 MGD. The current system is aged and showing signs of distress within the sludge press. After expansion, the plant will have a 3.5 MGD capacity that will include oxidation ditch treatment services to replace the current outdated treatment process. The project will allow future services to city and county residential and industrial customers.

4. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND A LOAN (A15-075) IN THE AMOUNT OF \$810,000 TO THE CITY OF HARRODSBURG, MERCER COUNTY, KENTUCKY

Ms. Anshu Singh, DOW, and Ms. Brandi Armstrong-Norton, KIA, presented the Fund A loan A15-075 project to the Board. The City of Harrodsburg requested a \$810,000 Fund A loan for the Harrodsburg Corning Pump Station and Force Main project. The project will re-route existing wastewater flows that are currently being discharged into an aged downtown collection system that frequently overflows due to pipe restrictions. The project will install a pump station and lines that will relieve the downtown system by improving the hydraulics and reducing the overflows. The new pump will also provide additional capacity for adjacent areas of the system by discharging flows to the newer wastewater system.

Mr. Damon Talley moved to approve Fund A Loan A15-074 in the amount of \$10,000,000 to the City of Harrodsburg and Fund A loan A15-075 in the amount of \$810,000 to the City of Harrodsburg, both with the standard conditions. Mr. Sam Ruth seconded, and the motion was unanimously approved.

5. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND F LOAN (F15-031) IN THE AMOUNT OF \$326,660 TO THE CITY OF HARRODSBURG, MERCER COUNTY, KENTUCKY

Ms. Anshu Singh, DOW, and Ms. Brandi Armstrong-Norton, KIA, presented the Fund F loan F15-031 project to the Board. The City of Harrodsburg requested a Fund F loan in the amount of \$326,660 for the College and Chestnut Street Water Lines project. The project will create additional loops within the City's water system by connecting an existing six inch water line to a twelve inch water main on the Harrodsburg Bypass. The loops will help water quality by allowing consistent water movement, which may result in lower disinfection by-products. This project will also replace corroded water lines in inaccessible areas between College and Chestnut Streets.

Mr. Damon Talley inquired about the status of the City's USDA Rural Development loan and was told that the application has been submitted and is under review.

Mr. Damon Talley moved to approve the Fund F loan F15-031 in the amount of \$326,660 to the City of Harrodsburg with the standard conditions. Mr. Marty Ivy seconded, and the motion was unanimously approved.

6. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND A LOAN (A15-077) IN THE AMOUNT OF \$3,102,921 TO THE MOUNTAIN WATER DISTRICT, PIKE COUNTY, KENTUCKY

Ms. Anshu Singh, DOW, and Ms. Jami Johnson, KIA, presented the Fund A loan A15-077 project to the Board. The Mountain Water District requested a Fund A loan in the amount of \$3,102,921 for the Douglas Wastewater Treatment Plant

project. The project will construct a new wastewater treatment plant to replace its existing plant using membrane technology. The plant will increase capacity from 200,000 gallons per day (GPD) to 300,000 GPD and add headwork designed to expand capacity to 400,000 GPD. The plant is currently at maximum capacity, and the expansion will allow more customers to be added to the service. Another component to this project is rehabilitation to the lift stations to increase reliability of the sewer collection system. The District will install high efficiency pumps and motors in conjunction with advanced electrical controllers. Odor and corrosion control systems will be installed at the lift stations upstream of the new treatment plant that will assist in minimizing hydrogen sulfide issues to the more developed area.

Mr. Jeff Derouen indicated that he would be abstaining from a vote on this motion. Mr. Damon Talley asked about the membrane technology that will be used in the plant. Ms. Singh responded that DOW concluded that it is the best option for this particular situation. It is believed that more systems will be moving to the use of this technology. The board was advised that the District's rate increase application is scheduled for a Public Service Commission hearing. In response to Mr. Ron Lovan's inquiry, it was confirmed that the system is still being operated by a contract operator.

Mr. Damon Talley moved to approve Fund A Loan A15-077 in the amount of \$3,102,921 to the Mountain Water District with the standard conditions. Mr. Sam Ruth seconded, and the motion was approved with Mr. Jeff Derouen abstaining.

7. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND A LOAN (A15-090) IN THE AMOUNT OF \$340,980 TO THE CITY OF NICHOLASVILLE, JESSAMINE COUNTY, KENTUCKY

Ms. Anshu Singh, DOW, and Ms. Jami Johnson, KIA, presented the project to the Board. The City of Nicholasville requested a Fund A loan in the amount of \$340,980 for the Orchard Parallel Sanitary Sewer Project. This project will replace and upsize 2,445 linear feet (LF) of an existing gravity sewer to provide sufficient capacity to convey wastewater flows downstream of and in the Orchard area of Nicholasville to improve the surface water quality. The project will also reduce the incidence and duration of wet weather overflows from seven existing manholes.

Mr. Marty Ivy moved to approve the Fund A Loan A15-090 in the amount of \$340,980 to the City of Nicholasville with the standard conditions. Mr. Damon Talley seconded, and the motion was unanimously approved.

The board then considered two projects to Sanitation District No. 1, serving Boone, Campbell, and Kenton counties, listed in the agenda as Action Item 6, Fund A Loan A15-102 and Action Item 7, Fund A Loan A15-103.

8. **A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND A LOAN (A15-102) IN THE AMOUNT OF \$3,000,000 TO THE SANITATION DISTRICT NO. 1, BOONE, CAMPBELL, AND KENTON COUNTIES, KENTUCKY**

Ms. Anshu Singh, DOW, and Mr. Jeff Abshire, KIA, presented the project to the Board. Sanitation District No.1 requested a Fund A loan in the amount of \$3,000,000 for the Highland Pike Sewer Replacement project. The project will replace over 2,400 feet of existing ten inch gravity sewer using trenchless horizontal directional drilling. The existing sewer line was severely damaged by a large landslide in 2009. A temporary above ground bypass line was constructed to maintain sanitary service, and is anchored along the top of the slope by cloth straps, steel cable, and buried concrete anchors. The temporary bypass will inevitably fail in the near future, resulting in a sewage release and extensive costs related to clean up and bypass pumping unless a more permanent solution can be implemented. Mr. Jeff Derouen confirmed with Mr. Abshire that the District's current rates are deemed sufficient to cover the additional liability.

9. **A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND A LOAN (A15-103) IN THE AMOUNT OF \$2,750,194 TO THE SANITATION DISTRICT NO. 1, BOONE, CAMPBELL, AND KENTON COUNTIES, KENTUCKY**

Ms. Anshu Singh, DOW, and Mr. Jeff Abshire, KIA, presented the project to the Board. Sanitation District No.1 requested a Fund A loan in the amount of \$2,750,194 for the Patton and 8th Street Wet Well Rehabilitation project. These two combination flood pump stations and sanitary lift stations have experienced significant deterioration and are at risk of failure. A failure of the concrete trough in either of the two wet wells would result in a very large volume of sewage released to the Licking River. This project will rehabilitate the concrete and reinforcing steel and provide a hydrogen sulfide protective coating to extend the life of the existing structures. There will also be replacement of corroded metal work within the wet well areas.

Mr. Ron Lovan moved to approve Fund A Loan A15-102 in the amount of \$3,000,000 to Sanitation District No. 1 and Fund A loan A15-103 in the amount of \$2,750,194 to Sanitation District No. 1, both with the standard conditions. Mr. David Cartmell seconded, and the motion was unanimously approved.

10. **A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AN AMENDMENT TO THE CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND LOAN (B12-09) INCREASING THE AMOUNT TO \$1,882,411 TO THE CITY OF SOUTH SHORE, GREENUP COUNTY, KENTUCKY**

Ms. Brandi Armstrong-Norton, KIA, presented the project to the Board. The City of South Shore requested an increase of \$282,411 to a previously approved Fund "B" loan in the amount of \$1,600,000 for the South Shore Water Works (SSWW) purchase project. The original loan was for the purchase of SSWW from a private owner, which was completed on June 1, 2013. Water quality and reliability were concerns prior to the purchase, and the City was aware that a significant investment would be required in the aging treatment and distribution systems. The City identified the highest priority as being replacement of the 150,000 gallon clearwell, which has exceeded its useful life and has deteriorated significantly. The clearwell loses approximately 10,000 gallons of water per day due to its concrete block walls cracking and shifting. Additionally, the structure housing it has a deteriorated roof, and the structural beams have severe corrosion. A catastrophic failure of the clearwell or collapse of the housing structure would lead to major outages that would have a significant adverse effect on customers. The proposed project would replace the clearwell with a 100,000 gallon structure and eliminate the risk of a controllable structural failure.

Mr. Damon Talley asked about the status of the acquisition and consolidation of the privately owned South Shore Water Works with the City of South Shore, and Mr. Jeff Derouen asked if any required Public Service Commission rulings have been completed. City officials responded that the acquisition process was approved and the system consolidation completed about two years ago.

Mr. Damon Talley moved to approve the increase of \$282,411 to Fund B loan B12-09 for a total amount of \$1,882,411 to the City of South Shore with the standard conditions. Ms. Lona Brewer seconded, and the motion was unanimously approved.

11. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F15-030) OF \$932,500 TO THE WHITLEY COUNTY WATER DISTRICT, WHITLEY COUNTY, KENTUCKY

Ms. Anshu Singh, DOW, and Ms. Brandi Armstrong-Norton, KIA, presented the project to the Board. The Whitley County Water District requested a Fund F loan in the amount of \$932,500 for the Water System Improvement project. The project will replace 36,400 linear feet of deteriorated water lines across the Fairview, Savoy, Fabor, and Woodbine areas of Whitley County. Many of the lines are undersized and have frequent leaks. The District will also replace 700 conventional meters with radio read meters. The project will reduce purchased water costs, maintenance expense, and transportation costs.

Mr. Jeff Derouen indicated that he would be abstaining from a vote on this motion.

Mr. Damon Talley moved to approve the increase to Fund F loan F15-030 in the amount of \$932,500 to the Whitley County Water District with the standard conditions. Mr. Sam Ruth seconded, and the motion was approved with Mr. Jeff Derouen abstaining.

12. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS AUTHORIZING AND APPROVING THE ISSUANCE OF OBLIGATIONS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY TO REIMBURSE CAPITAL EXPENDITURES MADE BY GOVERNMENTAL AGENCIES PURSUANT TO LOANS MADE BY THE KENTUCKY INFRASTRUCTURE AUTHORITY TO SUCH GOVERNMENTAL AGENCIES

This is a routine resolution allowing KIA to reimburse expenses that are paid out of the Authority's funds with bond proceeds. The projects listed below are covered under this resolution:

APPLICANT	FUND	AMOUNT
City of Barbourville	A15-006	\$ 1,856,109
City of Harrodsburg	A15-074	\$10,000,000
City of Harrodsburg	A15-075	\$ 810,000
Mountain Water District	A15-077	\$ 3,102,921
City of Nicholasville	A15-090	\$ 340,980
Sanitation District No. 1 of Northern Kentucky	A15-102	\$ 3,000,000
Sanitation District No. 1 of Northern Kentucky	A15-103	\$ 2,750,194
City of South Shore (increase)	B12-09	\$ 1,882,411
City of Barbourville	B15-005	\$ 130,000
Whitley County Water District	F15-030	\$ 932,500
City of Harrodsburg	F15-031	\$ 326,660

Mr. David Cartmell moved to approve the resolution. Mr. Ron Lovan seconded, and the motion carried unanimously.

II. EXECUTIVE DIRECTOR'S REPORT

Kentucky Infrastructure Authority Executive Director John Covington reported that HB 276, which amended KRS 224A.111 to provide for a 30 year payback for wastewater loans using federal funds, was passed by the legislature and signed into law by the governor. It will go into effect on July 15, 2015. Mr. Covington told the board that after consulting with legal staff, it has been determined that such loans can be approved before that date, but that loan agreements cannot be executed until after that date. Federal law allows such loans to be made for a term of 30 years or the useful life of the project. He stressed that the Authority will continue to look at applications in the same way as always, taking into account the useful life of the project.

Mr. Covington also asked board members to take under consideration the possibility of granting 30-year loan terms for wastewater projects in hardship situations, as is currently done for drinking water projects. The board will need to address the question of to whom 30-year loans will be offered, possibly limiting them to circumstances such as hardship conditions in the community or a significant impact on rates, or if the extended term should be made available for anyone. Mr. Jeff Derouen asked if this decision will be establishing board policy. Mr. Covington explained that the board is limited in what it can establish, as the Authority's regulations determine how this process can be implemented. The board would actually be establishing guidelines based on the regulations, rather than policy. Mr.

Jeff Abshire told the board that the Fund A regulation allows the Authority to proceed as allowed by federal law.

Mr. Covington told the board that the issuing of bonds given preliminary approval at last month's meeting is moving forward. The necessary state approvals have been given for bond issues, and market conditions are still favorable. The anticipated total bond issue size is \$85 million, \$75 million for Funds A and F and \$10 million for Fund C. The potential Fund A and Fund F savings of approximately 4.5 percent will benefit the programs by increasing the capacity to leverage bonds in the future and make loans. The estimated savings for Fund C will be about 6.9 percent, with bonds issued for an estimated \$5 million in new money. This will benefit the program by the addition of capital to make Fund C loans and to take advantage of low interest rates that will help to sustain the program.

Mr. Covington brought a potential change in the Clean Water SRF program to the board's attention. A couple of years ago a situation with Big Valley Sanitation District in Bullitt County came before the board. The owner died and there was no one to take it over. The Bullitt County Sanitation District had no funds to operate it. In that case, the board made an exception to guidelines, granting a loan with 95 percent principal forgiveness in order to get the situation moving forward, and it was successful. It has come to the Authority's attention that there are other similar situations in the Commonwealth that need to be addressed. In the SRF program there is an amount that is to be used for principal forgiveness, based on the amount of capitalization grant received. What is being proposed is a set aside of approximately \$500,000 of the principal forgiveness amount to use for such situations. Division of Water will establish guidelines on the types of situations eligible, and the Authority would offer 90-95 percent principal forgiveness. There would only be a small loan repayment. Mr. Covington reported that Division of Water staff is very supportive of this plan, and will help to develop a meaningful way to determine how to identify which projects would be eligible. This principal forgiveness would only be available in dire or emergency situations in which the funds would make a big impact and encourage consolidation and achieve some of the goals the Authority and Division of Water want to achieve. These loans could only be made to publicly owned utilities, and would be to provide the necessary initial funding.

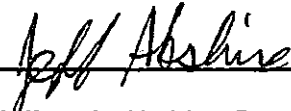
III. STATUS REPORT FOR FUNDS A, A2, B, B1, C, F, F2

IV. ANNOUNCEMENTS/NOTIFICATIONS

- Next scheduled KIA board meeting:
Tentatively set for Thursday, May 7, 2015
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky

There being no further business Mr. David Cartmell moved to adjourn. Mr. Sam Ruth seconded and the motion carried unanimously. The April 2, 2015, regular meeting of the Board of the Kentucky Infrastructure Authority was adjourned.

Submitted by:



Jeffrey A. Abshire, Secretary
Kentucky Infrastructure Authority



Date



Board Meeting Booklet

for

April 2, 2015

Kentucky Infrastructure Authority

1024 Capital Center Drive, Suite 340

Frankfort, Kentucky 40601-3646

502-573-0260

502-573-0157 fax

<http://kia.ky.gov>



AGENDA

KENTUCKY INFRASTRUCTURE AUTHORITY
FULL BOARD MEETING
1024 CAPITAL CENTER DRIVE, SUITE 340
April 2, 2015 – 1:00 p.m.

Call to Order:

- Confirmation of Press Notice
- Confirmation of Quorum
- Recognition of Members/Guests

Chair Tony Wilder

I. BUSINESS (Board Action Required)

A. Minutes

1. Consideration of Approval of the Minutes of the Kentucky Infrastructure Authority Regular Board Meeting of February 5, 2015
(Attachment I.A.1.)
- Chair Tony Wilder 7

B. New Projects / Action Items

1. Resolution and Order of the Board of Directors for Approval of a Fund A loan (A15-006) in the amount of \$1,856,109 to the City of Barbourville, Knox County, Kentucky (SX21121133)
(Attachment I.B.1.)
 2. Resolution and Order of the Board of Directors for Approval of a Fund A loan (A15-074) in the amount of \$10,000,000 to the City of Harrodsburg, Mercer County, Kentucky (SX21167003)
(Attachment I.B.2.)
 3. Resolution and Order of the Board of Directors for Approval of a Fund A loan (A15-075) in the amount of \$810,000 to the City of Harrodsburg, Mercer County, Kentucky (SX21167013)
(Attachment I.B.3.)
 4. Resolution and Order of the Board of Directors for Approval of a Fund A loan (A15-077) in the amount of \$3,102,921 to the Mountain Water District, Pike County, Kentucky (SX21195699)
(Attachment I.B.4.)
 5. Resolution and Order of the Board of Directors for Approval of a Fund A loan (A15-090) in the amount of \$340,980 to the City of Nicholasville, Jessamine County, Kentucky (SX21113027)
(Attachment I.B.5.)
- Ms. Anshu Singh, DOW 17
Ms. Jami Johnson, KIA
- Ms. Anshu Singh, DOW 29
Ms. Brandi Armstrong, KIA
- Ms. Anshu Singh, DOW 41
Ms. Brandi Armstrong, KIA
- Ms. Anshu Singh, DOW 53
Ms. Jami Johnson, KIA
- Ms. Anshu Singh, DOW 65
Ms. Jami Johnson, KIA

<p>6. Resolution and Order of the Board of Directors for Approval of a Fund A loan (A15-102) in the amount of \$3,000,000 to the Sanitation District #1 of Northern Kentucky, Kenton County, Kentucky (SX21117001) <i>(Attachment I.B.6.)</i></p>	<p>Ms. Anshu Singh, DOW 77 Mr. Jeff Abshire, KIA</p>
<p>7. Resolution and Order of the Board of Directors for Approval of a Fund A loan (A15-103) in the amount of \$2,750,194 to the Sanitation District #1 of Northern Kentucky, Kenton County, Kentucky (SX21117006) <i>(Attachment I.B.7.)</i></p>	<p>Ms. Anshu Singh, DOW 89 Mr. Jeff Abshire, KIA</p>
<p>8. Resolution and Order of the Board of Directors Authorizing an Amendment to a Fund B loan (B12-09) increasing the amount to \$1,882,411 to the City of South Shore, Greenup County, Kentucky (WX21089067) <i>(Attachment I.B.8.)</i></p>	<p>Ms. Brandi Armstrong, KIA 103</p>
<p>9. Resolution and Order of the Board of Directors for Approval of a Fund B loan (B15-005) in the amount of \$130,000 to the City of Harrodsburg, Mercer County, Kentucky (WX21121007) <i>(Attachment I.B.9.)</i></p>	<p>Ms. Debbie Landrum, KIA 115</p>
<p>10. Resolution and Order of the Board of Directors for Approval of a Fund F loan (F15-030) in the amount of \$932,500 to the Whitley County Water District, Whitley County, Kentucky (WX21235434) <i>(Attachment I.B.10.)</i></p>	<p>Ms. Anshu Singh, DOW 125 Ms. Brandi Armstrong, KIA</p>
<p>11. Resolution and Order of the Board of Directors for Approval of a Fund F loan (F15-031) in the amount of \$326,660 to the City of Harrodsburg, Mercer County, Kentucky (WX21167028) <i>(Attachment I.B.11.)</i></p>	<p>Ms. Anshu Singh, DOW 137 Ms. Brandi Armstrong, KIA</p>
<p>12. Resolution and Order of the Board of Directors Authorizing and Approving the Issuance of Obligations of the Kentucky Infrastructure Authority to Reimburse Capital Expenditures made by Governmental Agencies Pursuant to Loans made by the Kentucky Infrastructure Authority to such Governmental Agencies <i>(Attachment I.B.12.)</i></p>	<p>Ms. Brandi Armstrong, KIA 149</p>
<p>II. EXECUTIVE DIRECTOR'S REPORT</p>	<p>Mr. John Covington, KIA</p>
<p>III. STATUS REPORTS FOR FUNDS A, A2, B, B1, C, F, F2</p>	<p>Mr. John Covington, KIA 155</p>
<p>IV. ANNOUNCEMENTS/NOTIFICATIONS</p>	<p>Mr. John Covington, KIA</p>
<p><i>Next KIA Board Meeting: Tentatively set for Thursday, May 7, 2015 Kentucky Infrastructure Authority 1024 Capital Center Drive, Suite 340, Frankfort</i></p>	
<p>V. ADJOURN</p>	<p>Chair Tony Wilder</p>

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F15-030) OF \$932,500 TO THE WHITLEY COUNTY WATER DISTRICT, WHITLEY COUNTY, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Drinking Water Revolving Loan Program (Fund F) with the Whitley County Water District, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority will, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

WHEREAS, the Authority wishes to establish terms and conditions on said Fund F loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a conditional Federally Assisted Drinking Water Revolving Fund loan for \$932,500 of project expense including capitalized interest for the construction period, to the Whitley County Water District for the Water System Improvements project. Such amounts are subject to adjustment by further

action of the Authority or may be adjusted by action of the Authority staff at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. The loan shall be repayable over 20 years at an interest rate of 0.75%. In addition to debt service, a 0.25% annual administration fee on the unpaid loan balance will be charged. From annual revenues, \$2,300 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$23,000 and maintained for the life of the loan. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions or determination that the project will require authority financing to be done on a taxable basis.

Section 5. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 2nd day of April, 2015.

TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

JEFFREY A. ABSHIRE, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

PECK, SHAFFER & WILLIAMS, A DIVISION OF
DINSMORE & SHOHL LLP, LEGAL COUNSEL TO
THE KENTUCKY INFRASTRUCTURE AUTHORITY



STEVEN L. BESHEAR
GOVERNOR

LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

March 16, 2015

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

Re: F15-030
Whitley Co Water District No 1--34133
Activity ID: FGL20150003
HUC11: 05130101330; 05130101350;
05130101370; 05130101380; and 05130101460
Watershed Name: Clear Fork Cumberland River;
Elk Fork Creek; Cumberland River, above
Rockcastle River; Watts Creek; and Lynn Camp
Creek

Dear Mr. Covington:

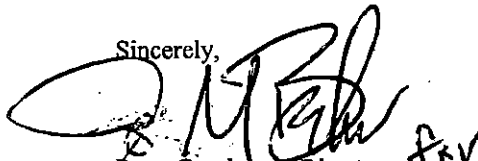
The Division of Water (DOW) hereby certifies that the Whitley County Water District is eligible to receive \$937,500 from the Drinking Water State Revolving Fund. The DOW certifies that the project scope is consistent with the scope that was used to rank the project on the Intended Use Plan-Project Priority List.

The Whitley County Water District's status relative to the Drinking Water State Revolving Fund General Conditions is provided below:

1. Project specific environmental information is expected to be submitted to DOW in April 2015.
2. Plans and specifications are expected to be submitted to DOW in April 2015.
3. Construction bids are expected to be opened in August 2015.

Upon compliance with the general conditions, the DOW will issue a final project certification prior to authorizing the loan agreement. A preconstruction and project management conference with the DOW must be held prior to commencement of construction. If you have any questions concerning this letter, please contact Joel Murphy, Project Manager, at (502) 564-3410, extension 4592.

Sincerely,


Peter Goodmann, Director
Division of Water

PG/BG:jjm

c: Andrew Meadors, Whitley County Water District
Timothy Schwendeman, Cumberland Valley ADD
Ken Taylor, Kenvirons, Inc.

EXECUTIVE SUMMARY KENTUCKY INFRASTRUCTURE AUTHORITY FUND F, FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND		Reviewer Date KIA Loan Number WRIS Number	Brandi Armstrong April 2, 2015 F15-030 WX21235434	
BORROWER		WHITLEY COUNTY WATER DISTRICT WHITLEY COUNTY		
BRIEF DESCRIPTION				
This project will replace 36,400 linear feet of deteriorated water lines across the Fairview, Savoy, Fabor and Woodbine areas of Whitley County. The majority of lines are undersized and have frequent leaks. The District will also replace 700 conventional meters with radio read meters.				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$932,500	Administrative Expenses	\$25,000	
Local Funds	5,000	Legal Expenses	5,750	
		Land, Easements	5,000	
		Planning	5,000	
		Eng - Design / Const	9.6% 8.7% 56,750	
		Eng - Insp	6.6% 6.2% 40,000	
		Eng - Other	10,000	
		Construction	575,000	
		Equipment	140,000	
		Contingency	75,000	
TOTAL	\$937,500	TOTAL	\$937,500	
REPAYMENT	Rate Term	0.75% 20 Years	Est. Annual Payment 1st Payment 6 Mo. after first draw \$52,628	
PROFESSIONAL SERVICES	Engineer Bond Counsel	Kenvirons Peck, Shaffer, & Williams, a division of Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening Construction Start Construction Stop	Aug-15 Sep-15 Mar-16		
DEBT PER CUSTOMER	Existing Proposed	\$1,201 \$1,400		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES	Current Additional	<u>Users</u> 3,519 0	<u>Avg. Bill</u> \$39.78 (for 4,000 gallons) \$39.78 (for 4,000 gallons)	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2012	477,701	252,115	225,586	1.9
Audited 2013	423,053	243,351	179,702	1.7
Projected 2014	371,476	264,691	106,785	1.4
Projected 2015	357,573	265,711	91,862	1.3
Projected 2016	341,092	290,805	50,287	1.2
Projected 2017	366,627	317,854	48,773	1.2
Projected 2018	352,473	317,422	35,051	1.1
Projected 2019	338,036	304,628	33,408	1.1

Reviewer: Brandi Armstrong
 Date: April 2, 2014
 Loan Number: F15-030

**KENTUCKY INFRASTRUCTURE AUTHORITY
 DRINKING WATER STATE REVOLVING FUND (FUND "F")
 WHITLEY COUNTY WATER DISTRICT, WHITLEY COUNTY
 PROJECT REVIEW
 WX21235434**

I. PROJECT DESCRIPTION

The Whitley County Water District is requesting a Fund "F" loan in the amount of \$932,500 for the Water System Improvement project. The project will replace 36,400 linear feet of deteriorated water lines across Fairview, Savoy, Fabor and Woodbine areas of Whitley County. Many of the lines are undersized and have frequent leaks. The District will also replace 700 conventional meters with radio read meters. The project will reduce purchased water costs, maintenance expense, and transportation costs.

The District purchases about 85 million gallons of water annually from the Corbin Utility Commission and is subject to PSC jurisdiction. They service Whitley County and a small portion of Knox County.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 25,000
Legal Expenses	5,750
Land, Easements	5,000
Planning	5,000
Engineering Fees - Design / Const	56,750
Engineering Fees - Inspection	40,000
Engineering Fees - Other	10,000
Construction	575,000
Equipment	140,000
Contingency	75,000
Total	\$ 937,500

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 932,500	99%
Local Funds	5,000	1%
Total	\$ 937,500	100%

IV. KIA DEBT SERVICE

Construction Loan	\$	932,500
Interest Rate		0.75%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	50,296
Administrative Fee (0.25%)		2,331
Total Estimated Annual Debt Service	\$	52,628

V. PROJECT SCHEDULE

Bid Opening	August 2015
Construction Start	September 2015
Construction Stop	March 2016

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	3,386
Commercial	125
Industrial	8
Total	3,519

B) Rates

Retail Water	Current	Prior
Date of Last Rate Increase	05/01/2012	09/14/2006
Minimum	\$19.35	\$18.93
Next 4,000 Gallons	6.81	6.39
Next 95,000 Gallons	6.39	5.42
Cost for 4,000 gallons	\$39.78	\$38.10
Increase %	4.4%	
Affordability Index (Rate/MHI)	1.5%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2008-2012, the District's service area population was 3,322 with a Median Household Income (MHI) of \$31,427. The median household income for the Commonwealth is \$42,610. The project will qualify for a .75% interest rate because the utility's service area MHI is below 80% of the State's MHI.

Year	City	Population		Unemployment		
		% Change	County	% Change	Date	Rate
1980	5,560		33,396		June 2004	6.4%
1990	5,493	-1.2%	33,326	-0.2%	June 2009	11.9%
2000	5,143	-6.4%	35,865	7.6%	June 2013	10.0%
2010	5,245	2.0%	35,637	-0.6%	June 2014	9.3%
Current	5,258	0.2%	35,756	0.3%		
Cumulative %		-5.4%		7.1%		

VIII. 2014 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a "green" requirement.
- 2) Additional Subsidization – This project does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the audited financial statements for the Proprietary (water) fund for the years ended June 30, 2012 and 2013. Amounts for 2014 are estimated. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Revenues were flat at \$1.6 million for the three years while operating expenses averaged \$1.2 million each year. The debt coverage ratio was 1.9, 1.7 and 1.4 for 2012 through 2014.

The balance sheet reflects a current ratio of 1.0, a debt to equity ratio of 0.4 and unrestricted cash equals 1.4 months of operating expenses.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will be flat.
- 2) Expenses will increase 2% annually for inflation.
- 3) Cost savings of \$40,000 annually will be realized beginning in 2017.
- 4) Debt service coverage is 1.2 in 2017 when full year principal and interest repayments begin.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund F loan.

REPLACEMENT RESERVE

The annual replacement cost is \$2,300. This amount should be added to the replacement account each December 1 until the balance reaches \$23,000 and

maintained for the life of the loan.

X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
RD Series 1994 Bond	\$ 537,500	2033
RD Series 1998 Bond	480,000	2038
RD Series 2000 Bond	316,000	2040
RD Series 2003 Bond	1,622,000	2042
RD Series 2006 Bond	269,800	2045
KIA (B08-03)	910,816	2033
Total	\$ 4,136,116	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

None.

XII. CONTACTS

Legal Applicant	
Name	Whitley County Water District
Address	19 S. Hwy 25 West Williamsburg, KY 40769
County	Whitley
Authorized Official	Andrew Meadors (Chairman)
Phone	(606) 549-3600
Email	WCWD@bellsouth.net

Project Contact – Applicant & Administrator	
Name	Tim Schwendeman
Representing	Cumberland Valley ADD
Address	342 Old Whitley Road PO Box 1740 London, KY 40744
Phone	(606) 864-7391
Email	TimSch@cvadd.org

Consulting Engineer	
Name	Ken Taylor, PE
Firm	Kenvirons
Address	452 Versailles Road Frankfort, KY 40601
Phone	(502) 695-4357
Email	ktaylor@kenvirons.com

XIII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

**WHITLEY COUNTY WATER DISTRICT (PROPRIETARY)
FINANCIAL SUMMARY (DECEMBER YEAR END)**

	<u>Audited</u> <u>2012</u>	<u>Audited</u> <u>2013</u>	<u>Projected</u> <u>2014</u>	<u>Projected</u> <u>2015</u>	<u>Projected</u> <u>2016</u>	<u>Projected</u> <u>2017</u>	<u>Projected</u> <u>2018</u>	<u>Projected</u> <u>2019</u>
Balance Sheet								
Assets								
Current Assets	197,512	120,314	151,308	178,870	193,957	208,630	219,181	229,189
Other Assets	15,592,249	15,576,114	15,208,165	15,283,663	15,308,923	14,864,333	14,410,143	13,954,853
Total	15,789,761	15,696,428	15,359,473	15,462,533	15,502,880	15,072,963	14,629,324	14,184,042
Liabilities & Equity								
Current Liabilities	138,647	138,867	150,322	157,689	167,158	175,628	182,091	190,091
Long Term Liabilities	4,269,557	4,363,290	4,251,899	4,600,551	4,944,734	4,819,197	4,692,197	4,562,197
Total Liabilities	4,408,204	4,502,157	4,402,221	4,758,240	5,111,892	4,994,825	4,874,288	4,752,288
Net Assets	11,381,557	11,194,271	10,957,252	10,704,293	10,390,988	10,078,138	9,755,036	9,431,754
Cash Flow								
Revenues	1,600,520	1,654,194	1,615,583	1,615,583	1,615,583	1,615,583	1,615,583	1,615,583
Operating Expenses	1,274,363	1,238,676	1,252,307	1,266,210	1,282,691	1,257,156	1,271,310	1,285,747
Other Income	151,544	7,535	8,200	8,200	8,200	8,200	8,200	8,200
Cash Flow Before Debt Service	477,701	423,053	371,476	357,573	341,092	366,627	352,473	338,036
Debt Service								
Existing Debt Service	252,115	243,351	264,691	265,711	264,491	265,226	264,794	252,000
Proposed KIA Loan	0	0	0	0	26,314	52,628	52,628	52,628
Total Debt Service	252,115	243,351	264,691	265,711	290,805	317,854	317,422	304,628
Cash Flow After Debt Service	225,586	179,702	106,785	91,862	50,287	48,773	35,051	33,408
Ratios								
Current Ratio	1.4	0.9	1.0	1.1	1.2	1.2	1.2	1.2
Debt to Equity	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5
Days Sales in Accounts Receivable	24.5	10.3	10.3	10.3	10.3	10.3	10.3	10.3
Months Operating Expenses in Unrestricted Cash	0.2	0.7	1.0	1.3	1.4	1.6	1.6	1.7
Debt Coverage Ratio	1.9	1.7	1.4	1.3	1.2	1.2	1.1	1.1



KENTUCKY INFRASTRUCTURE AUTHORITY

Matthew G. Bevin
Governor

Capital Center Complex
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
(502) 573-0260
(502) 573-0157 (fax)
kia.ky.gov

October 19, 2016

Whitley County Water District
Attn: Andrew Meadors, Chairman
19 S. Hwy. 25 West
Williamsburg, KY 40769

KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED CLEAN WATER REVOLVING LOAN FUND
CONDITIONAL COMMITMENT LETTER (F15-030)
FINAL EXTENSION

Dear Chairman Meadors:

The Kentucky Infrastructure Authority ("the Authority") has approved a final extension of the Drinking Water State Revolving Fund (DWSRF) loan F15-030 for the Whitley County Water District System Improvements Project. The loan commitment deadline is extended for a period of six (6) months in order for the Water District to meet the conditions set forth in the original conditional commitment letter. The original loan commitment expiration was April 2, 2016. The final expiration date will be April 2, 2017. At this time, you are required to provide the Authority with your most recent completed audit. This information must be received prior to bid advertisement. Please be aware that failure to complete the loan conditions by **April 2, 2017** (24 month mark) will result in recension of the loan commitment. A recension of the loan commitment will require reapplication for funds.

Sincerely,

A handwritten signature in cursive script that reads "Sandra K. Dunahoo".

Sandra K. Dunahoo
Kentucky Infrastructure Authority

C: Kenneth Taylor, Kenvirons
Tim Schwendeman, ADD



KENVIRONS

Kenvirons, Inc.

452 Versailles Road • Frankfort, KY 40601 • Phone: (502) 695-4357 • Fax: (502) 695-4363
Civil & Environmental Engineering and Laboratory Services

January 26, 2015

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

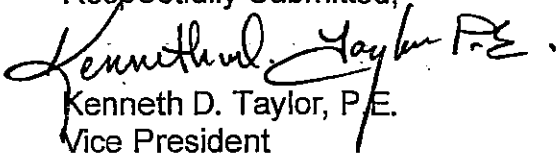
RE: DWSRF 2015 FY Loan Invitation
KIA Loan Number F15-030
Whitley County Water System Improvements
WX21235434

Dear Mr. Covington:

Pursuant to your letter of December 11, 2014 to the Whitley County Water District (WCWD) regarding the above referenced DWSRF Loan project, attached you will find the original and one complete copy of the loan application package. WCWD is appreciative of the opportunity to apply for this funding.

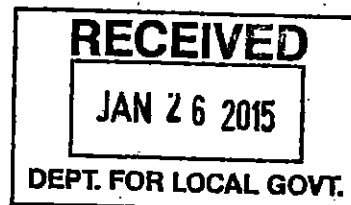
Should you have any questions or need additional information, please contact WCWD, Tim Schwenderman or myself as appropriate.

Respectfully Submitted,


Kenneth D. Taylor, P.E.
Vice President

Attachment

cc: WCWD
Tim Schwenderman



**CLEAN WATER STATE REVOLVING FUND (FUND A) &
DRINKING WATER STATE REVOLVING FUND (FUND F)
LOAN APPLICATION CHECKLIST**

- Current application – Available on KIA website
- EPA Form 4700-4 (Civil Rights Compliance) – Available on KIA website
- Authorizing Resolution (must include successors in title) - Available on KIA website
- Assurances – Available on KIA website
- Debarment Certification – Available on KIA website
- Engineering Procurement Certification - Available on KIA website
- Copy of Engineering Contract (required if engineering fees to be paid with SRF funds) **Pending**
- Water/Sewer Rate Ordinances (current and proposed)
- Audit Reports/Financial Statements (Most recent 3 years)
- Project Maps
- Current letter from Clearinghouse **Pending**
- Letters of Commitment from other funding sources **Not Applicable**
- Copy of service agreement, if applicable (if project serves more than one community or is being served by another community)



COMMONWEALTH OF KENTUCKY
DRINKING WATER STATE REVOLVING FUND
APPLICATION FOR FINANCIAL ASSISTANCE
FUND F



An Equal Opportunity Employer M/F/D

Part I – General Project Summary

1. PROJECT NAME: Whitley County Water System Improvements
2. WRIS NUMBER: WX 21235434

3. AMOUNT REQUESTED: Fund F (DWSRF): \$ 937,500

4. LEGAL APPLICANT

Organization: Whitley County Water District
Street/P.O. Box: 19S. Hwy 25 West
City & Zip Code: Williamsburg 40769
County: Whitley
Name: Andrew Meadors
Title: Chairman
Telephone: 606-5[REDACTED]
Email Address: WCWD@[REDACTED]net; aameadors@[REDACTED]mail.com

5. PROJECT ADMINISTRATOR (Consulting Engineer, Area Development District, etc.)

Name: Tim Schwendeman
Title: Assistant Director Planning
Firm: Cumberland Valley ADD
Street/P.O. Box: 342 Old Whitley Road; P.O. Box 1740
City & Zip Code: London 40744
Telephone: [REDACTED]
Email Address: TimSchw@[REDACTED].org

6. CONSULTING ENGINEER (complete if different from No. 4 above)

Name of Firm: Kenvirons, Inc.
Contact Person: Ken Taylor, PE
Street/P.O. Box: 452 Versailles Road
City & Zip Code: Frankfort 40601
Telephone: [REDACTED]
Email Address: ktaylor@[REDACTED]com

To the best of my knowledge and belief, data contained in this application are true and correct; the document has been duly authorized by the legal applicant.

Andrew Meadors, Chairman
Typed Name and Title

Andrew Meadors
Signature of Legal Applicant

1.23.15
Date

7. PROJECT DESCRIPTION

- A. Describe the project and identify what is being constructed. Briefly explain the need for the project. Refer to Environmental Information Document (EID) if necessary (attach maps).

The project proposes to upgrade/replace approximately 36,400 L.F. of old deteriorated water distribution lines in four areas of Whitley County. The four areas are: Fairview (2,000 L.F.), Savoy (11,780 L.F.), 3. Fabor (9,080 L.F.) and Woodbine (14,380 L.F.). Many of the lines in these areas are undersized and WCWD is repeatedly having to repair leaks in these areas. WCWD also intends to replace the conventional meters remaining in its system with new radio read meters.

- B. Is this project consistent with the EID approved by DOW?

Pending – yes

- C. Discuss the environmental benefits that will result from this project.

Replacement of the deteriorated distribution lines will reduce the system's non-revenue water (leakage), thus reducing the amount of water which must be treated and pumped. The radio read meters will reduce the amount of time and vehicle stop/starts required to read the districts meters each month thus reducing fuel consumption and vehicle wear and tear.

8. PROJECT SCHEDULE (Indicate Actual or Target dates)

A. Environmental Information Document submitted to DOW	<u>April 1, 2015</u>
B. Plans/Specs submitted to DOW	<u>April 1, 2015</u>
C. Bid advertisement	<u>July 15, 2015</u>
D. Bid opening	<u>August 1, 2015</u>
E. Construction start	<u>September 15, 2015</u>
F. Construction completion	<u>March 16, 2016</u>

9. Does the Public Service Commission (PSC) have jurisdiction over this project?

Yes No

If yes, describe their role and estimated schedule of review:

Approval of District's long term indebtedness. Anticipated review period August 8 – September 8, 2015

10. Is the system under sanction from any enforcement agency?

Yes No

If yes, describe below, listing amounts and dates of any fines paid to date:

If under enforcement, is the project schedule in accordance with the court order?

Yes No

11. Will the applicant utilize its own workforce to perform any services on the proposed project (Force Account)? Yes No

If yes, you must receive prior approval from DOW.

12. If new service is proposed, will the users have access to a public sewer system? Yes No

If not, how will sewer service be handled?

N/A

13. DEMOGRAPHICS

A. Current Population of Service Area: 13,300

B. Projected Population of Service Area: 5 Year 13,500 20 Year 14,000

C. Number of Households in Service Area remaining unserved: 800

D. Median Household Income of Applicant's Jurisdiction \$ 31,427

Part II – Financial Analysis

1. List all sources of water. If water is received from another system, describe the contractual relationship (e.g.; usage, price per gallon) and attach a copy of the agreement.

Jellico, TN: \$3.00/1,000 gallons; 2,000,000 gallon/mo. Min. – no max.

McCreary Co. W.D.: \$3.48/1,000; 1,000,000 gallons/mo. Max.

Corbin City Utilities: \$2.20/1,000; 4,500,000 gallons/mo. Max.

City of Williamsburg: \$2.50/1,000; 2,500,000 gallon/mo. Max.

2. Is the applicant's water being treated by another system? Yes No

If yes, describe the contractual relationship (e.g.; usage, price per gallon) and attach a copy of the agreement.

See above

3. Does the applicant treat another system's water? Yes No

If yes, describe the contractual relationship (e.g.; usage, price per gallon) and attach a copy of the agreement.

4. Does the applicant supply water to any other system/community? Yes No

If yes, complete the following and attach a copy of the agreement:

Community	# of Customers	Revenue Derived
		\$ _____
		\$ _____
		\$ _____

5. A. Number of entities currently served (Please answer with exact number):
3,386 Residential 125 Commercial 8 Industrial
- B. Number of entities to be added to customer base as a result of proposed project (qualify if numbers are approximate).
- No. of Residential Area:
0 _____

- No. of Commercial Area:
0 _____

- No. of Industrial Area:
0 _____

- C. Attach evidence of new customers' willingness to connect, such as signup sheets, letters of interest or news articles. N/A
- D. If legal action is required to force connection, under what legal authority will it be accomplished?
N/A

6. **RATE STRUCTURE** (attach 2 copies each of current and proposed water and wastewater rate ordinances)

- A. Date of last rate adjustment/amount of adjustment for an average residential customer.

Water: \$ 0.17 / 1,000 gal Date: 5/1/2012
 Wastewater: \$ _____ / 1,000 gal Date: _____

Note: If billing is based on cubic feet please convert to gallons.

- B. Current monthly charge for 4,000 gallons.

Water: \$ 39.78 / 4,000 gal
 Wastewater: \$ _____ / 4,000 gal

- C. Have any public meetings been held on the proposed project for rate increases? Yes No
 If yes, attach a copy of the minutes.

- D. Do any users provide more than 5% of the service revenue for the system? Yes No
 If yes, list below:

Name	% Service Revenue
_____	_____
_____	_____
_____	_____

7. List any proposed new businesses or housing developments in your service area including projected start date, anticipated usage and revenue impact.

None

8. Who performs service billings and collection services? If not the applicant, explain and provide a copy of any agreements.

Applicant: Whitley County Water District

9. How many present or proposed customers have unmetered service? None
How will their services be billed?

10. Are revenues and expenses for the system accounted for separately? Yes No
If no, explain accounting procedures used: _____

SEPARATION OF ACCOUNTS IS REQUIRED FOR LOAN APPROVAL

11. A. Is the applicant required to have an annual audit performed? Yes No
If not, explain below:

B. What is the date of the last audit completed? January 1, 2013 – December 31, 2013

C. Provide two copies of each of the last three annual audit reports and/or the audited financial statements.

12. How does the applicant anticipate paying the increased debt service, operation and maintenance expenses required for this loan (e.g.; existing revenues, increased customers, higher rates or other special assistance)?

Existing Revenues plus cost savings

13. Please calculate additional operation and maintenance expenses needed for first year of operation.

<u>O & M</u> <u>as of last audit</u>	<u>O & M</u> <u>first year of operation</u>	<u>Difference</u>
\$ 1,696,228	\$ 1,656,228	\$ <40,000>

14. Describe any operating expense changes that will occur as a result of this project.

Replacement of deteriorated lines will reduce nonrevenue water and leak repairs.

Radio read meters will reduce fuel costs and labor costs.

15. Provide the following information for any state or federal funds for water and wastewater construction projects received during the past five years.

<u>Date Awarded</u>	<u>Project</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type of Assistance</u>
<u>2010</u>	<u>Lot-Mud Ck. Extension</u>	<u>ARC-KIA</u>	\$ <u>738,000</u>	<u>Grants</u>
<u>2008</u>	<u>Water System Improv.</u>	<u>KIA</u>	\$ <u>932,800</u>	<u>Fund B Loan</u>
			\$ _____	

16. Please calculate the amount of funds to be set aside annually for replacement costs. This amount should be based on the design life of the system.

Meters: \$140,000 – 10 years = \$14,000/yr.

Water Mains: \$575,000 – 50 years = 11,500/yr.

17. LONG-TERM DEBT – Provide the following information on all outstanding debt secured by the Enterprise Fund (water and wastewater and any other utility in the fund).

<u>WATER</u>							
<u>Creditor/ Issuer</u>	<u>Date of Issue</u>	<u>Orig Loan/ Bond Size</u>	<u>Principal Balance Outstanding</u>	<u>Interest Rate</u>	<u>Annual Principal Payment</u>	<u>Annual Interest Payment</u>	<u>Date of Final Maturity</u>
<u>RD</u>	<u>1994</u>	<u>750,000</u>	<u>521,000</u>	<u>4.5%</u>	<u>16,500</u>	<u>24,730</u>	<u>2033</u>
<u>RD</u>	<u>1998</u>	<u>600,000</u>	<u>469,000</u>	<u>4.5%</u>	<u>11,000</u>	<u>22,000</u>	<u>2038</u>
<u>RD</u>	<u>2000</u>	<u>377,000</u>	<u>310,000</u>	<u>4.5%</u>	<u>6,000</u>	<u>14,900</u>	<u>2040</u>
<u>RD</u>	<u>2003</u>	<u>1,860,000</u>	<u>1,593,000</u>	<u>4.5%</u>	<u>29,000</u>	<u>74,000</u>	<u>2042</u>

<u>WATER</u>							
<u>Auditor/ Issuer</u>	<u>Date of Issue</u>	<u>Orig Loan/ Bond Size</u>	<u>Principal Balance Outstanding</u>	<u>Interest Rate</u>	<u>Annual Principal Payment</u>	<u>Annual Interest Payment</u>	<u>Date of Final Maturity</u>
<u>RD</u>	<u>2016</u>	<u>295,000</u>	<u>265,700</u>	<u>4.125%</u>	<u>4,100</u>	<u>11,300</u>	<u>2045</u>
<u>KIA</u>	<u>2012</u>	<u>932,800</u>	<u>866,650</u>	<u>0.6%</u>	<u>44,430</u>	<u>5,133</u>	<u>2033</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

<u>OTHER</u>							
<u>Auditor/ Issuer</u>	<u>Date of Issue</u>	<u>Orig Loan/ Bond Size</u>	<u>Principal Balance Outstanding</u>	<u>Interest Rate</u>	<u>Annual Principal Payment</u>	<u>Annual Interest Payment</u>	<u>Date of Final Maturity</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**Part III - Budget Information
Project Cost Summary**

Project Title Whitley County Water System Improvements

WRIS# WX: 21235434

Project Budget: Estimated 23-Jan-15 enter date As Bid enter date Revised enter date

Cost Classification	DWSRF KIA Loan	Funding Source 1	Funding Source 2	Funding Source 3	Funding Source 4	Funding Source 5	Local Funds	Unfunded Costs	Total
1 Administrative Expenses	25,000								25,000
2 Legal Expenses	5,750								5,750
3 Land, Appraisals, Easements							5,000		5,000
4 Relocation Expense & Payments	-								-
5 Planning	5,000								5,000
6 Engineering Fees - Design	45,400								45,400
7 Engineering Fees - Construction	11,350								11,350
8 Engineering Fees - Inspection	40,000								40,000
9 Engineering Fees - Other	10,000								10,000
10 Construction	575,000								575,000
11 Equipment	140,000								140,000
12 Miscellaneous	-								-
13 Contingencies	75,000								75,000
Total	932,500						5,000		937,500

Funding Sources	Amount	Date Committed
1 Funding Source 1	-	
2 Funding Source 2	-	
3 Funding Source 3	-	
4 Funding Source 4	-	
5 Funding Source 5	-	
Total	-	

Local Funding Sources	Amount	Date Committed
1 WCWD	5,000	1/22/15
2		
3		
Total	5,000	

Cost Categories	Funding Source	Total Cost
Treatment		
Transmission and Distribution	DWSRF	575,000
Source		
Storage		
Purchase of Systems		
Restructuring		
Land Acquisition		
TOTAL COSTS		575,000

Total Funding 937,500


**Preaward Compliance Review Report for
All Applicants and Recipients Requesting EPA Financial Assistance**

Note: Read instructions on other side before completing form.

I.	Applicant/Recipient (Name, Address, State, Zip Code). Whitley County Water District, 19 South Hwy. 25W, Williamsburg, KY	DUNS No. 166838177
II.	Is the applicant currently receiving EPA assistance? No	
III.	List all civil rights lawsuits and administrative complaints pending against the applicant/recipient that allege discrimination based on race, color, national origin, sex, age, or disability. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) None	
IV.	List all civil rights lawsuits and administrative complaints decided against the applicant/recipient within the last year that allege discrimination based on race, color, national origin, sex, age, or disability and enclose a copy of all decisions. Please describe all corrective action taken. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) None	
V.	List all civil rights compliance reviews of the applicant/recipient conducted by any agency within the last two years and enclose a copy of the review and any decisions, orders, or agreements based on the review. Please describe any corrective action taken. (40 C.F.R. § 7.80(c)(3)) None	
VI.	Is the applicant requesting EPA assistance for new construction? If no, proceed to VII; if yes, answer (a) and/or (b) below. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
a.	If the grant is for new construction, will all new facilities or alterations to existing facilities be designed and constructed to be readily accessible to and usable by persons with disabilities? If yes, proceed to VII; if no, proceed to VI(b). Yes <input type="checkbox"/> No <input type="checkbox"/>	
b.	If the grant is for new construction and the new facilities or alterations to existing facilities will not be readily accessible to and usable by persons with disabilities, explain how a regulatory exception (40 C.F.R. § 7.70) applies. Yes <input type="checkbox"/> No <input type="checkbox"/>	
VII.*	Does the applicant/recipient provide initial and continuing notice that it does not discriminate on the basis of race, color, national origin, sex, age, or disability in its programs or activities? (40 C.F.R. § 5.140 and § 7.95) Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
a.	Do the methods of notice accommodate those with impaired vision or hearing? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
b.	Is the notice posted in a prominent place in the applicant's offices or facilities or, for education programs and activities, in appropriate periodicals and other written communications? Yes <input type="checkbox"/> No <input type="checkbox"/>	
c.	Does the notice identify a designated civil rights coordinator? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
VIII.*	Does the applicant/recipient maintain demographic data on the race, color, national origin, sex, age, or handicap of the population it serves? (40 C.F.R. § 7.85(a)) No	
IX.*	Does the applicant/recipient have a policy/procedure for providing access to services for persons with limited English proficiency? (40 C.F.R. Part 7, E.O. 13166) No	
X.*	If the applicant/recipient is an education program or activity, or has 15 or more employees, has it designated an employee to coordinate its compliance with 40 C.F.R. Parts 5 and 7? Provide the name, title, position, mailing address, e-mail address, fax number, and telephone number of the designated coordinator. No	
XI*	If the applicant/recipient is an education program or activity, or has 15 or more employees, has it adopted grievance procedures that assure the prompt and fair resolution of complaints that allege a violation of 40 C.F.R. Parts 5 and 7? Provide a legal citation or Internet address for, or a copy of, the procedures. No	

For the Applicant/Recipient

I certify that the statements I have made on this form and all attachments thereto are true, accurate and complete. I acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under applicable law. I assure that I will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized Official 	B. Title of Authorized Official Chairman	C. Date 1-22-15
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For the U.S. Environmental Protection Agency

I have reviewed the information provided by the applicant/recipient and hereby certify that the applicant/recipient has submitted all preaward compliance information required by 40 C.F.R. Parts 5 and 7; that based on the information submitted, this application satisfies the preaward provisions of 40 C.F.R. Parts 5 and 7; and that the applicant has given assurance that it will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized EPA Official	B. Title of Authorized EPA Official	C. Date
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See ** note on reverse side

RESOLUTION OF THE
WHITLEY COUNTY WATER DISTRICT
BOARD OF COMMISSIONERS

KIA-SRF LOAN NUMBER F15-030
WHITLEY COUNTY WATER SYSTEM IMPROVEMENTS

January 22, 2015

WHEREAS, WHITLEY COUNTY WATER DISTRICT proposes to provide upgraded drinking water service for industrial, institutional, commercial, and residential growth in the WHITLEY COUNTY area, and

WHEREAS, the WHITLEY COUNTY endorses said proposed service, and,

WHEREAS, under the terms of the Safe Drinking Water Act Amendments of 1996 (Public Law 104-182) and amendments to KRS 224A, the State is authorized to render financial assistance to eligible project applicants by way of capitalization grants from the U. S. Environmental Protection Agency and State match funds comprising the Federally Assisted Drinking Water Revolving Fund (State Revolving Loan Program). The program is established to aid in the construction of drinking water treatment facilities improvements and certain related facilities with consideration for approval to be based on applications submitted through the Kentucky Energy and Environment Cabinet and the Kentucky Infrastructure Authority, and,

WHEREAS, the improvements proposed for construction by WHITLEY COUNTY WATER DISTRICT within the WHITLEY COUNTY area are considered eligible for such loan assistance.

NOW THEREFORE, BE IT RESOLVED by WHITLEY COUNTY WATER DISTRICT that the CHAIRMAN ANDREW MEADORS, and Successors-in-Title are hereby authorized to execute and submit an application through the Kentucky Energy and Environment Cabinet and the Kentucky Infrastructure Authority with such assurances and required supporting data as is necessary to obtain loan assistance from the Federally Assisted Drinking Water Revolving Fund (State Revolving Loan Program) for the proposed water system facilities improvements, and are hereby authorized as WHITLEY COUNTY WATER DISTRICT'S Official Project Representative to carry out necessary negotiations for and administer the loan assistance the applicant may obtain from the Federally Assisted Drinking Water Revolving Fund (State Revolving Loan Program).

Adopted this 22nd day of January, 2015.

WHITLEY COUNTY WATER DISTRICT

Andy Meadors, CHAIRMAN

Bob Durham, SECRETARY

ASSURANCES

As the duly authorized representative of the applicant, I certify that the applicant agrees to comply with the laws, regulations, policies and conditions relating to the Federally Assisted Drinking Water Revolving Fund for this project. I also certify that the applicant:

1. Has the legal authority to apply for Federal/State assistance, and the institutional, financial, managerial and technical capability to ensure proper planning, management and completion of the project described in this application.
2. Will give the U.S. Environmental Protection Agency (EPA), the Comptroller General of the United States, and the State, and any other authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (PL 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681-1683 and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), which prohibits discrimination on the basis of disabilities; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101-6107), which prohibits discrimination on the basis of age; (e) KRS Chapter 344 Civil Rights Act; (f) 1990 Americans with Disabilities Act; (g) Uniform Federal Accessibility Standards (U.F.A.S.) 40 CFR 7.70 (as applicable); (h) any other nondiscrimination provisions in the specific statute(s) under which application for assistance is being made, and (i) the requirements of any other nondiscrimination statute(s) which may apply to the application.

6. Will comply, or has already complied, with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (PL 91-646) as amended by the Surface Transportation and Uniform Relocation Assistance of 1987 set forth in 49 CFR Part 24 which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participating in purchases.
7. Will comply with the provisions of the Hatch Act (5 U.S.C. 1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
8. Will comply, as applicable, with the provisions of the Copeland Act (40 U.S.C. 276c and 18 U.S.C. 874) and the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333); regarding labor standards for federally assisted construction sub-agreements.
9. Will comply with all provisions of 40 CFR 32.510 that ensures all prime construction contractors shall certify that subcontracts have not and will not be awarded to any firm that is currently on the List of Parties Excluded from Federal Procurement or Non-procurement Program.
10. Has adopted or will adopt the attached Procurement Guidance on all purchases including consultants and contractors.
11. Will cause to be performed the required financial and compliance audits and submit to the Kentucky Infrastructure Authority.
12. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the completed work conforms with the approved plans and specifications and will furnish progress reports and such other information as required.
13. Will operate and maintain the publicly-owned treatment works in accordance with the minimum standards as required by the cognizant Federal, State and local agencies for the operation and maintenance of such facilities; and in accordance with the standards of the Safe Drinking Water Act.

14. Will provide service to any community or area so designated in the approved County Water Supply Plan developed pursuant to 401 KAR 4:220 or identified by a capacity development strategy developed pursuant to PL 104-182, the Safe Drinking Water Act as amended in 1996, without regard to any condition other than user charges developed on an equitable cost basis as acceptable by the Kentucky Infrastructure Authority and the Division of Water.

Whitley County Water System Improvements

Name of Project

Andy Meadows 1/22/15

Signature of Authorized Certifying Official

Chairman

Title

Whitley County Water District

Applicant Organization

1-26-15

Date Submitted

DOW:DWB Effective 11/15/1998

United States Environmental Protection Agency
Washington, D.C. 20460

**CERTIFICATION REGARDING
DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS**

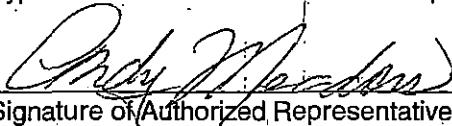
The prospective participant certifies to the best of its knowledge and belief that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three year period preceding this proposal been convicted of or had a civil judgement 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) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
- (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 USC Sec. 1001, a false statement may result in a fine of up to \$10,000 or imprisonment for up to 5 years, or both.

Whitley County Water District
Loan Recipient

Andrew D. Meadors, Chairman
Typed Name & Title of Authorized Representative


Signature of Authorized Representative

1/22/15
Date

_____ I am unable to certify to the above statements. My explanation is attached.

Energy and Environment Cabinet
Department for Environmental Protection
Division of Water
200 Fair Oaks Lane, 4th Floor
Frankfort, Kentucky 40601

ENGINEERING PROCUREMENT SYSTEM CERTIFICATION

PROJECT NAME Whitley County: Water System Improvements	PROJECT NUMBER WX21235434
APPLICANT'S ADDRESS/PHONE NO. Whitley County Water District 19 S. Hwy 25 West, Williamsburg, KY 40769	
	606-549-3600

SECTION I – INSTRUCTIONS

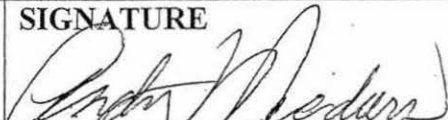
The applicant must complete and submit a copy of this form with each application for State Revolving Fund (SRF) Assistance. If the applicant has certified its procurement system to DOW within the past two (2) years and the system has not been substantially revised, complete **Section II.A**, then sign and date the form.

SECTION II – CERTIFICATION

- A. I affirm that the applicant has within the past two (2) years certified to DOW that its procurement system complies with the Kentucky Model Procurement Code 45A or KRS 424.260 and that the system meets the requirements in Kentucky Model Procurement Code 45A or KRS 424.260. The date of the applicant's latest certification is _____.
- B. Based upon my evaluation of the applicant's procurement system, I, as authorized representative of the applicant: *(check one of the following:)*

1. **CERTIFY** that the applicant's procurement system will meet the requirements of Kentucky state law by following either the Model Procurement Code 45A or KRS 424.260 before undertaking any procurement action with SRF assistance.
2. **DO NOT CERTIFY THE APPLICANT'S PROCUREMENT SYSTEM.** The applicant agrees to follow the requirements of the Kentucky Model Procurement Code 45A or KRS 424.260 and allow DOW pre-award review of proposed procurement actions that will use the SRF.

If your community has followed a different Kentucky procurement law, please discuss it with your project administrator at the Division of Water.

TYPED NAME AND TITLE Andrew Meadors, Chairman	SIGNATURE 	DATE 1/22/15
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**AGREEMENT FOR WATER PURCHASE BETWEEN THE CITY OF JELICO,
TENNESSEE AND THE WHITLEY COUNTY, KENTUCKY WATER DISTRICT**

THIS AGREEMENT made and entered into this the 4th day of April, 2013, by and between the City of Jellico Board of Public Utilities, a Tennessee municipal corporation in Campbell County, Tennessee, hereinafter referred to as Jellico, and the Whitley County Water District, a public corporation in Whitley County, Kentucky, hereinafter referred to as the District.

WITNESSETH

WHEREAS, on the 12th day of March, 2013, the Board of Commissioners of the City of Jellico Board of Public Utilities adopted a resolution, and on the 4th day of April, 2013, the Board of Directors of the District adopted a resolution, each governing body thereby respectively authorizing this Agreement with, by, and among the other in accordance with the terms as hereinafter set forth; and

WHEREAS, the District owns and operates a public water distribution system serving customers within the Whitley County Water District service areas, and

WHEREAS, the District intends to continue providing water service to its customers in the Whitley County Water District area by the purchase of water from Jellico, and

WHEREAS, Jellico owns and operates a public water supply and distribution system with a capacity capable of serving the present and future customers of the District system; and

WHEREAS, Jellico and the District desire to enter into a new mutually beneficial water supply agreement in accordance with the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants, terms, conditions and obligations contained herein according to the benefit of each of the respective parties hereto, and other good and valuable considerations, the receipt of which is hereby acknowledged, Jellico and the District agree as follows:

1. Water Quantity and Quality: Jellico will furnish to the District, at the points of delivery as defined herein, during the term of this Agreement or any renewal thereof, potable treated water meeting applicable water quality standards in accordance with the rules and regulations governing public water supplies of the State of Tennessee and the Commonwealth of Kentucky, in such quantity as may be required by the District, not to exceed a monthly average of N/A gallons per month and a daily maximum of N/A gallons per day, unless otherwise mutually agreed upon in advance, in writing, by the parties. The provision of the purchased water during the agreement term shall be planned incrementally and may be increased in the future with each party coordinating the installation and costs of any needed water system improvements to meet their respective obligations.

The responsibility of Jellico related to water quality from the Jellico water system does not extend beyond the points of delivery.

2. Water Pressure: The water will be furnished by Jellico at a reasonably constant pressure at the points of delivery. Each point of delivery, as identified initially and as may be added in the future, will be listed in Appendix A along with the approximate average delivery pressure to be provided by Jellico. Scheduled reductions of pressure and/or supply due to new construction, connections, maintenance activities or other planned interruptions, or emergency failures of pressure and/or supply due to main line breaks, power failure, flood, use of water to fight fire, earthquake or other catastrophes shall excuse Jellico from providing reasonably constant pressure for such period of time as may be necessary to restore service. Temporary or partial failure to deliver water shall be remedied with all possible dispatch. Upon request, Jellico shall provide the District an estimate of time required for restoration of service.

If either party to the Agreement makes any improvement to its respective water distribution system which, by increasing the pressure and/or volume in the system, benefits one or both of the parties to this Agreement, the party making the improvement shall bear the cost of the improvement, or the cost may be shared if both parties benefit from the improvement and it is so mutually agreed.

3. Points of Delivery: The points of delivery are defined as those points in each respective water system where the ownership of the pipelines and related appurtenances change between Jellico ownership to the District ownership. Jellico will deliver water to each point of delivery as described herein in Appendix A and that shall be added at a later date as mutually agreed.

4. Notification of Interconnections: The District shall not, without written notification to Jellico, interconnect its water system to any other public water system supplying treated water from another source that could create a system cross connection with Jellico.

5. Metering Equipment: Jellico shall furnish, install, operate, and maintain at its own expense at the points of delivery the necessary metering equipment, including a meter house or vault, and required devices of standard type for properly measuring the quantity of water delivered to the District, and to calibrate such metering equipment no more frequently than once every twelve (12) months, unless Jellico chooses to perform such calibration more frequently. Notwithstanding the foregoing, at any time, the District may request the metering equipment be tested by Jellico for accuracy. Should the test results requested by the District show the meter to be accurate as defined below, the District shall bear the costs of such testing. Should such test results show the meter to be inaccurate as defined below, the meter shall be calibrated within thirty (30) days of the meter test with the costs of the meter testing and calibration to be borne by Jellico.

A meter registering not more than two percent (2%) above or below the calibration results shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be

corrected for the three (3) months previous to such test in accordance with the percentage of inaccuracy found by such test. If any meter fails to register for any period of time, the amount of water furnished for such period during which the failure occurred shall be the average of the previous three (3) months of water delivered by Jellico immediately prior to the failure, unless Jellico and the District shall agree upon a different amount.

The metering equipment shall be read monthly by Jellico according to the Jellico prevailing meter reading schedule. The District shall have access to each delivery point meter and the respective meter reading records for the purpose of verifying its reading at any reasonable time, upon request.

6. Billing Procedure: Jellico shall furnish the District, no later than the 10th day of the month, with an itemized statement of the amount of water furnished to the District during the preceding month. Jellico may change the billing date but shall give the District at least sixty (60) days notice of the billing date change.

7. Payment: The District shall pay Jellico, not later than the 20th day of each month, for water billed during the previous month in accordance with the terms of this Agreement. The District will be subject to any late payment penalties and other policies of Jellico as applicable to other Jellico water customers.

8. Cost of Water: Jellico shall sell water to the District at an initial billing rate of \$3.00 per 1,000 gallons. The minimum monthly water purchase to be billed to the District shall be 2,000,000 gallons.

9. Rate Adjustments: Jellico shall be permitted to adjust the water purchase rate schedule annually when such rate adjustment can be justified by an increase or decrease in the actual cost of service. Jellico shall provide the adjusted rate figure per 1,000 gallons in writing to the District no later than April 1st, such rate to be effective for the upcoming District fiscal year beginning July 1st. During the ninety (90) day notice period prior to adjustment, the District shall be entitled to request and receive substantiation of the cost adjustment. The District and Jellico each respectively reserve the right to reassess the rate if the actual cost is documented to be significantly different from the prior estimated cost during any fiscal year, with appropriate adjustments made if mutually agreeable between the parties.

10. Emergency Situations: Notwithstanding any other provision of this Agreement, in the event of an emergency situation created by unexpected events beyond the control of either party, which may include, but is not limited to, supply due to main line breaks, power failure, flood, use of water to fight fire, earthquake, hurricanes, or other catastrophe or natural disaster, the Jellico General Manager or his designee, and the District General Manager, or his designee, may agree to modification or alteration of the terms of the Agreement in order to address the emergency situation. Any such modification or change

shall continue in effect for as long as the emergency continues to exist or the governing board of either party directs its discontinuance, whichever occurs first.

11. Water Shortage/Diminished Supply: Jellico will, at all times, operate and maintain its water system

in an efficient manner and will take such action as may be necessary to furnish the District with quantities of water as agreed to herein. Temporary or partial failure to deliver water shall be remedied within a reasonable period of time. In the event of an extended shortage of water, or the supply of water available to Jellico is otherwise diminished over an extended period of time, the supply of water to the District shall be reduced or diminished in the same ratio or proportion as the supply to Jellico is reduced or diminished. It is further agreed that upon notification from Jellico, the District will immediately implement any emergency water restrictions for their customers that consume water from Jellico, which are implemented by Jellico in accordance with the provisions of this Section.

12. Liability: It is the intention of the parties hereto that each party shall bear responsibility for maintaining the purity and quality of water while the water is in that party's water distribution system, and that no party shall bear responsibility for any degradation of water purity or quality which occurs in any other party's distribution system. To this end, the parties agree to the following liability provisions:

Jellico shall not be liable to the District, or any person/firm, corporation or any other water consumer for any personal injury arising from water consumption provided that the quality of the water supplied by Jellico complies with all applicable State and Federal standards pertaining to quality of drinking water at the point the water enters the District system. In such instances, the District shall hold Jellico harmless from any losses, costs and expenses of defense, including reasonable attorney's fees.

The District shall not be liable to Jellico or any person/firm, corporation or any other water consumer, for any personal injuries arising from water consumption provided that the District has not introduced any water into Jellico's water distribution system which does not comply with all applicable State and Federal standards pertaining to quality of drinking water at the point where the water may have entered the Jellico water system. In such instances, Jellico shall hold the District harmless for any losses, costs and expenses of defense, including reasonable attorney's fees.

13. Joint Water System Planning: The District and Jellico agree to meet at least every two (2) years to review the status of the Agreement and to discuss the amount of water being purchased and plan for near future purchase amounts for the next five year period, for changes in water system rates and fees, future service areas, and any amendments that may be needed to the Agreement. Further, it is mutually agreed that the District will maintain a plan that will reflect their intentions to extend or add to the District water system for the subsequent five year period, if such extensions or additions would materially affect the amount of water provided by Jellico to the District.

14. Term of Agreement: The initial term of this Agreement shall be for a period of twenty (20) years commencing on the effective date of this Agreement, such effective date being the date this agreement is approved by the governing bodies of both parties. After the initial term, this Agreement shall automatically renew in successive five-year terms unless either party notifies the other in writing of non-renewal at least three (3) years prior to the expiration of the then current term.

15. Termination: Notwithstanding the provisions contained within this Agreement, either Jellico or the District may terminate this Agreement, with or without cause, at any time upon a written five (5) year

AP 12/1
7/25/13
PBB
4/25/2013
B. S. 5/1/13

7/22/13

notice.

16. Partial Invalidity: The invalidity of any portion of this Agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid; the parties agree that the remaining provisions shall be deemed in full force and effect as if they had been signed by both parties subsequent to the removal of the invalid provision.

17. Amendments to Agreement: This Agreement may be amended at any time, but only by formal written agreement between the parties to the Agreement.

18. Force Majeure: The performance of each party's obligations under this Agreement is subject to all contingencies beyond the control of each party respectively, including but not limited to, state of war, riot, civil disorder, fire, labor strikes, energy failures, acts of God, lockouts or inability to procure materials, or other reasons of a similar nature not the fault of the party delayed in performing certain acts required under the terms of this Agreement. Performance of the delayed party shall be excused for the period of the delay and the period for the performance of any act or obligation shall be extended for an equivalent period.

19. Default of Agreement: If either party fails to fully perform or comply with all of the conditions, provisions and covenants of this Agreement, and if the non-performance or failure shall continue for more than thirty (30) days after written notice thereof by the other party, or if the non-performance or failure cannot be reasonably remedied within the same thirty (30) day period, the party which is in violation of this Agreement shall be considered in default of this Agreement.

20. Disputes: All claims, counterclaims, disputes, and other matters in question between the parties hereto arising out of or relating to this Agreement, or the breach thereof, shall be resolved first by mediation through utilizing the services of a mediator certified by appropriate standards and by rules established by the Supreme Court of Tennessee. If mediation fails to affect a resolution to any dispute arising between the parties hereto; any party may thereafter proceed to pursue the filing of litigation as set forth in Paragraph 16 of this Agreement. If the matters of disagreement concern rates to be paid, it is agreed that the District shall continue payment based on the billing rate in effect prior to the dispute, until the matter is resolved.

21. Applicable Law: This Agreement shall be governed and interpreted pursuant to the laws of the State of Tennessee. In the event that mediation as set forth in Paragraph 15 of this Agreement fails to resolve any conflict or disagreement, any conflict or disagreement shall be resolved in the Circuit or Chancery

Courts of Campbell County, Tennessee. If litigation is filed by either party, the prevailing party shall be entitled to recover all costs of litigation including, but not limited to, reasonable attorney's fees.

22. Entire Agreement: This Agreement contains the complete agreement of the parties and shall supersede all other agreements between the parties as of the effective date hereof.

23. **Addresses for Notice:** Whenever notice or information is to be provided between the parties, it shall be personally delivered or mailed as follows:

General Manager

General Manager

Jellico Board of Public Utilities

Whitley County Water District

410 South Main Street

19 U.S. Highway 25W South

P O Box 510

Williamsburg, Kentucky 40769

Jellico, Tennessee 37762

IN WITNESS WHEREOF, Jellico has caused this Agreement to be executed, in duplicate originals, by their President and attested by the Secretary and caused its seal to be affixed hereto and The District has caused this Agreement to be executed, in duplicate originals, by their Mayor and attested by the County Clerk and caused its seal to be affixed hereto, all as thereunto duly authorized as of this day and year first above written.

JELICO BOARD OF PUBLIC UTILITIES

WHITLEY COUNTY WATER DISTRICT

By: _____
Chairman

By: *Andy Weathers*
Chairman

Attest: _____
Secretary

Attest: *Yvonne Bird*
Secretary

STATE OF Kentucky :
COUNTY OF Whitley :

Sworn to and subscribed before me this 25th day of April, 2013.

Sandra Smith
Notary Public

My Commission Expires: 11/28/16

23. **Addresses for Notice:** Whenever notice or information is to be provided between the parties, it shall be personally delivered or mailed as follows:

General Manager

Jellico Board of Public Utilities

410 South Main Street

P O Box 510

Jellico, Tennessee 37762

General Manager

Whitley County Water District

19 U.S. Highway 25W South

Williamsburg, Kentucky 40769

IN WITNESS WHEREOF, Jellico has caused this Agreement to be executed, in duplicate originals, by their President and attested by the Secretary and caused its seal to be affixed hereto and The District has caused this Agreement to be executed, in duplicate originals, by their Mayor and attested by the County Clerk and caused its seal to be affixed hereto, all as thereunto duly authorized as of this day and year first above written.

JELICO BOARD OF PUBLIC UTILITIES

WHITLEY COUNTY WATER DISTRICT

By: *Charles C. [Signature]*
Chairman

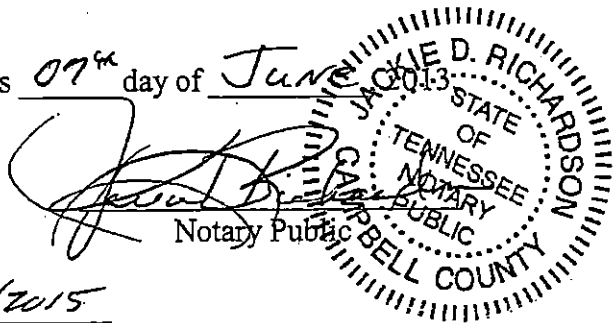
By: _____
Chairman

Attest: *[Signature]*
Secretary

Attest: _____
Secretary

STATE OF Tennessee
COUNTY OF Campbell :

Sworn to and subscribed before me this 07th day of June



My Commission Expires: 05/27/2015

APPENDIX A

POINTS OF DELIVERY

Point of Delivery No. 1 Kentucky Street

Point of Delivery No. 2 Kentucky Street

Point of Delivery No. 3 Black Oak

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 30 day of September, 2005, between the McCreary County Water District

(Address)
hereinafter referred to as the "Seller" and the Whitley County Water District

(Address)
hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of KRS Chapter 74 of the Code of the State of Kentucky, for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the Purchaser and to accomplish this purpose, the Purchaser will require a supply of treated water, and

Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown in the plans of the system now on file in the office of the Purchaser, and

Whereas, by Resolution No. _____ enacted on the 30 day of September, 2005, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said resolution was approved, and the execution of this contract carrying out the said resolution by the McCreary County Water District, and attested by the Secretary, was duly authorized, and

Whereas, by resolution No. 2005-9 of the board of commissioners of the Purchaser, enacted on the 23rd day of September, 2005, the purchase of water from the Seller in accordance with the terms set forth in the said resolution was approved, and the execution of this contract by the Whitley County Water District, and attested by the Secretary was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Kentucky Division of Water

in such quantity as may be required by the Purchaser not to exceed 1,000,000 gallons per month.

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this information, including suggestions for reducing this burden, to U.S. Department of Agriculture, Clearance Officer STCP 7602, 1400 Independence Avenue, S.W., Washington, D. C.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at

150 psi

from an existing

six (6)

inch main supply at a point located

on KY 1673 between the Whitley/McCreary County line and KY 92

If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment whenever requested by the Purchaser but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate.

The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the 6 months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on

the last week of the month. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the 10th day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the 20th day of each month, for water delivered in accordance with the following schedule of rates:

a. \$ NA for the first _____ gallons, which amount shall also be the minimum rate per month.

b. \$ NA cents per 1000 gallons for water in excess of _____ gallons but less than _____ gallons.

c. \$ NA cents per 1000 gallons for water in excess of _____ gallons.

Flat Rate: \$3.48 per 1,000 gallons

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system of the Purchaser, the sum of \$50,532.59 dollars which shall cover any and all costs of the Seller for installation of the metering equipment and pipeline installation as identified in Appendix A. It shall be adjusted

C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) That this contract shall extend for a term of 40 years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.
2. (Delivery of Water) That 30 days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.
3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a flat charge of \$ 3.48 per 1,000 gal which will be paid by the contractor or, on his failure to pay, by the Purchaser.
4. (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.
5. (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every 1 year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, but such costs shall not include increased capitalization of the Seller's system. Other provisions of this contract may be modified or altered by mutual agreement.
6. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.
7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through Rural Development of the United States Department of Agriculture, and the provisions here of pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of Rural Development.
8. (Successor to the Purchaser) That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in 3 counterparts, each of which shall constitute an original.

Attest:

Larry W. Cypbell
Secretary

Seller:

McCrary County Water District
By Raymond Taylor
Title Chairman

Purchaser:

Whitley County Water District
By Walter B. Estes
Title Chairman

Attest:

Ralph Stanley
Secretary

This contract is approved on behalf of Rural Development this _____ day of _____,

By _____
Title _____

[Signature]

APPENDIX A

**WHITLEY COUNTY WATER DISTRICT
Cost Difference To Upgrade From 4" Main To 6" Main
September 19, 2005**

KY 92 East

Item No.	Item	Unit Price	Item	Unit Price	Difference	Quantity	Unit	Additional Cost
1	6" PVC SDR-17 Pipe	\$9.00	4" PVC SDR-17 Pipe	\$8.50	\$2.50	6,800	LF	\$17,000.00
7	6" Bore & Case	\$70.00	4" Bore & Case	\$65.00	\$5.00	60	LF	\$300.00
12	6" Gate Valve	\$540.00	4" Gate Valve	\$450.00	\$90.00	4	EA	\$360.00

KY 92 East Total **\$17,660.00**

3C Road

Item No.	Item	Unit Price	Item	Unit Price	Difference	Quantity	Unit	Additional Cost
1	6" PVC SDR-17 Pipe	\$9.00	4" PVC SDR-17 Pipe	\$8.50	\$2.50	2,100	LF	\$5,250.00
7	6" Bore & Case	\$70.00	4" Bore & Case	\$65.00	\$5.00	30	LF	\$150.00
12	6" Gate Valve	\$540.00	4" Gate Valve	\$450.00	\$90.00	2	EA	\$180.00

3C Road Total **\$5,580.00**

Bethel Road

Item No.	Item	Unit Price	Item	Unit Price	Difference	Quantity	Unit	Additional Cost
1	6" PVC SDR-17 Pipe	\$9.00	4" PVC SDR-17 Pipe	\$8.50	\$2.50	900	LF	\$2,250.00
2	6" PVC SDR-21 Pipe	\$7.70	4" PVC SDR-21 Pipe	\$6.30	\$1.40	10,700	LF	\$14,980.00
7	6" Bore & Case	\$70.00	4" Bore & Case	\$65.00	\$5.00	90	LF	\$450.00
12	6" Gate Valve	\$540.00	4" Gate Valve	\$450.00	\$90.00	5	EA	\$450.00

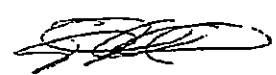
Bethel Road Total **\$18,130.00**

KY 92 East Total **\$17,660.00**
3C Road Total **\$5,580.00**
Bethel Road Total **\$18,130.00**

Cost For Upgrade **\$41,370.00**
Contingency **\$4,137.00**
Engineering Design (7.02%) **\$3,610.73**
Construction Inspection (3.42%) **\$1,414.88**

TOTAL UPGRADE COST **\$50,532.59 (Actual cost to be paid to the Seller)**

Note: A pipeline tie-in from the Seller's line on KY 1673 to a master meter at the county line and the metering equipment and vault shall be installed in the Purchaser's KY 92 West Project.



FIRST ADDENDUM

This FIRST ADDENDUM made and entered into this 8th day of October, 1996, between the CITY UTILITIES COMMISSION of 901 South Main Street, Corbin, Kentucky, (hereinafter referred to as "City") and WHITLEY COUNTY WATER DISTRICT, of 19 S. Highway 25-W, Williamsburg, Kentucky (hereinafter referred to as "District");

WITNESSETH:

WHEREAS, the parties have previously entered into a Water Purchase Contract dated May 25, 1993; and now desire to modify the terms of said contract for a valuable consideration, the receipt of which is hereby acknowledged, including the hereinafter expressed covenants, the aforementioned water purchase contract between the parties is amended as follows:

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Paragraph "A" is amended to read as follows:

FEB 15 1997

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

A. The Seller Agrees:

BY: Phillip L. Linn
DIRECTOR, RATES & RESEARCH DIV.

1. (Quality and Quantity) To furnish the Purchaser at the point(s) of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Kentucky Natural Resources and Environmental Protection Cabinet as set forth in KRS Chapter D3 and 224 and 401 KAR Chapter 8, as of the date of this contract in such quantity as may be required by the Purchaser not to exceed 4,500,000 gallons per month.
2. (Point(s) of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at 30 psi (minimum) from existing six (6) inch mains at Point #1, the existing metering station located on Highway 26 near Corbin, Kentucky and Point #2 located on KY 6 near Woodbine Volunteer Fire Department. If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

Point #2

The Seller agrees to supply potable water to the second water metering station (# 2). The point of delivery to be constructed on KY 6 near the Woodbine Volunteer Fire Department building and the intersection of KY-6 and KY-1064. Water meter station #2 will deliver only the quantity of water needed to serve approximately 110 existing residential water customers located along KY-1064. Other water sold to the District shall be taken through the existing water meter station located on KY-26 near Corbin Materials. The KY 1064 section of the District's waterline shall be isolated from all other parts of the District's water system by cutting and plugging off same. It is estimated that each customer in this section will use approximately 3,000 gallons of water per month or totaling about 330,000 gallons per month (11,000 gallons per day).

Paragraph "B" is amended to read as follows:

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the 15th day of each month, for water delivered in accordance with the following schedule of rates:
 - a. \$ 2.20 for the first 1,000 gallons, plus \$50.00 monthly service charge per metering station.
 - b. \$ 2.20 per 1,000 gallons for all water in excess of 1,000 gallons. A 10% penalty will be added if the bill is not paid on or before the 15th of the month in which same is due and water service will be discontinued to all delinquent accounts in accordance with the applicable City of Corbin Water/Service/Rate Ordinance.
2. (Connection Fee) Not applicable. However, the Purchaser shall furnish and install the new metering station #2 to be located on KY 6 near the Woodbine Volunteer Fire Department building. The Purchaser shall furnish and install the new metering station in accordance with CUC's "Typical Combined Fire & Domestic Water Meter & Pit Detail with By-Pass Line Inside Pit" dated 1981 or as approved by the City. A copy of same is attached hereto and made a part of this Contract. Meter pit shall be installed above flood level. The backflow prevention device shall be installed down line from the water meter station.

The changes reflected in this addendum shall become effective with the City bills to the District dated the first day of December, 1996.

The addendum shall be approved by all parties in its entirety or ~~subject to the approval of the~~ ^{upon its SERVICE COMMISSION} ~~in its~~ ^{OF KENTUCKY} ~~entirety.~~ ^{EFFECTIVE}

2.

FEB 15 1997

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: Phillip L. Linn
DIRECTOR, RATES & RESEARCH DIV

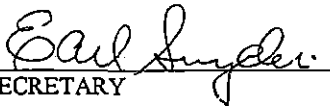
In all other respects, the previous contract between the parties is ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto, acting under the authority of their respective governing bodies have caused this contract to be duly executed in five counterparts, each of which shall constitute an original.

CITY UTILITIES COMMISSION
OF CORBIN, KENTUCKY

BY: 
JOHN L. DANIEL, CHAIRMAN

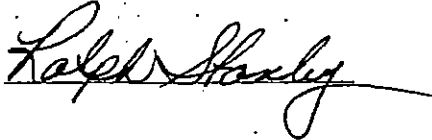
ATTEST:


SECRETARY

WHITLEY COUNTY WATER DISTRICT

BY: 
WALTER B. ESTES, CHAIRMAN

ATTEST:



PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FEB 15 1997

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: 
DIRECTOR, RATES & RESEARCH DIV

RESOLUTION NO. 431

A RESOLUTION OF THE CITY UTILITIES COMMISSION OF THE CITY OF CORBIN, KENTUCKY, AUTHORIZING AND DIRECTING JOHN L. DANIEL, CHAIRMAN, TO SIGN ADDENDUM #1 DATED OCTOBER 8, 1996, BETWEEN THE CITY UTILITIES COMMISSION OF THE CITY OF CORBIN, KY, AND THE WHITLEY COUNTY WATER DISTRICT OF 19 S. HWY. 25-W, WILLIAMSBURG, KY, RELATIVE TO A WATER PURCHASE CONTRACT AND OTHER RELATED MATTERS.

WHEREAS, the City Utilities Commission of the City of Corbin, Kentucky, is in the business of providing a potable water supply to users in Whitley, Knox and Laurel Counties, Kentucky; and

WHEREAS, the City Utilities Commission of the City of Corbin, Kentucky, desires to increase the quantity of potable water it sells to the Whitley County Water District; and

WHEREAS, the City Utilities Commission of Corbin, Kentucky, has previously authorized and directed George P. Rains, its Consultant, to enter into negotiations with the Whitley County Water District for the purpose of arriving at a proposed agreement to increase the quantity of water it sells the Whitley County Water District; and

WHEREAS, Addendum #1 dated October 8, 1996, between the City Utilities Commission and the Whitley County Water District has been negotiated subject to the approval of the respective governing boards; and

WHEREAS, such Addendum #1 will be in the best interest of both the City Utilities Commission of the City of Corbin, KY, and the Whitley County Water District;

NOW, THEREFORE, BE IT RESOLVED by the City Utilities Commission of the City of Corbin, Kentucky as follows:

1. That John L. Daniel, Chairman, is hereby authorized and directed to sign Addendum #1 dated October 8, 1996, between the City Utilities Commission of the City of Corbin, KY, and the Whitley County Water District. A copy of same is attached hereto and made a part hereof as if copied at length in full.

2. That John L. Daniel, Chairman, of the City Utilities Commission of the City of Corbin, KY, be authorized and directed to sign any and all other documents relative to the implementation of Addendum #1.

THIS RESOLUTION READ AND ADOPTED THIS 8th DAY OF OCTOBER 1996.


JOHN L. DANIEL, CHAIRMAN

ATTEST:

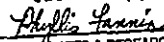

SECRETARY

CUCRESOL.431

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FEB 15 1997

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY 
DIRECTOR, RATES & RESEARCH DIV

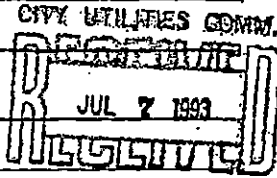
WATER PURCHASE CONTRACT

FILE COPY

This contract for the sale and purchase of water is entered into as of the 25 th day of May, 19 93, between the CITY UTILITIES COMMISSION of Corbin, Kentucky,

901 South Main Street, Corbin, KY 40701
(Address)

hereinafter referred to as the "Seller" and the WHITLEY COUNTY WATER DISTRICT
111 Main Street, Williamsburg, KY 40769
(Address)



hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of KRS 74 of the Code of Kentucky, for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the Purchaser and to accomplish this purpose, the Purchaser will require a supply of treated water, and

Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown in the plans of the system now on file in the office of the Purchaser, and

Whereas, by Resolution No. _____ enacted on the 25 th day of May, 19 93, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said Resolution was approved, and the execution of this contract carrying out the said Resolution by the Chairman of the CUC of Corbin, Kentucky and attested by the Secretary, was duly authorized, and

Whereas, by Resolution of the Whitley County Water District of the Purchaser, enacted on the 25 th day of May, 19 93, the purchase of water from the Seller in accordance with the terms set forth in the said contract was approved, and the execution of this contract by the Chairman and attested by the Secretary was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Kentucky Natural Resources and Environmental Protection Cabinet as set forth in KRS Chapters D3 and 224 and Chapter 8, as of the date of this contract.

EFFECTIVE
in such quantity as may be required by the Purchaser not to exceed 3,000,000 gallons per month.

SEP 02 1994

FHA 442-30 (Rev. 4-19-72)

PURSUANT TO 807 KAR 5.011, SECTION 3 (1)

BY: [Signature]
FOR THE PUBLIC USE

JUN 11 1993

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at 30 psi (min) / at existing line from an existing six (6) inch main supply at a point located

on Highway 26 near Corbin, Kentucky

if a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing a greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

Purchaser shall
* 3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment whenever requested by the ~~Purchaser~~ Seller but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate

shall be corrected for the six (6) months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller

and Purchaser shall agree upon a different amount. The metering equipment shall be read on Monthly. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings. and/or Seller

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the 10th day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding monthly billing period

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the 15th day of each month, for water delivered in accordance with the following schedule of rates:

a. \$ 1.40 for the first 1,000 gallons, ~~plus \$50.00 monthly service charge.~~ plus \$50.00 monthly service charge. Minimum monthly bill is charge for 1,000,000 gal. of water plus \$50.00 service charge or \$1,450.00.

b. \$ 1.40 ~~per 1000 gallons~~ per 1000 gallons for water in excess of 1,000 gallons ~~that~~
A 10% penalty will be added if the bill is not paid on or before the 15th of the month in which same is due and water service will be discontinued to all delinquent accounts in accordance with the applicable City of Corbin Water/Service/Rate Ordinance.

* The purchaser shall furnish, install, operate and maintain all equipment outlined in item #3 above in accordance with CUC's standard requirements, plus provide annual testing and recalibration as necessary of the metering equipment. In addition thereto, the purchaser shall install and maintain a proper backflow prevention device that will meet or exceed the requirements of the KY Division of Water, KNREPC.

2. (Connection Fee). Not Applicable. However, the Purchaser shall furnish and install new metering station within 120 days from the date of this contract. The Purchaser shall furnish and install a new metering station in accordance with CUC's "Typical Combined Fire & Domestic Water Meter & Pit Detail with By-Pass Line Inside Pit" dated 1981. A copy of same is attached hereto and made a part of this contract. Meter pit shall be installed above flood level. The backflow prevention device shall be installed down line from the water meter station.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 02 1984

PURSUANT TO 807 KAR 8011,
SECTION 9(1)

BY: Justin C. Neal
FOR THE PUBLIC SERVICE COMMISSION

C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) That this contract shall extend for a term of 45 years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.
2. (Delivery of Water) That 30 days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.
3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a flat charge of \$ 1.40 per 1,000 gallons which will be paid by the contractor or, on his failure to pay, by the Purchaser.
4. (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.
5. (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every one year period. In the event the City increases water rates to its customers, the rates which apply to this contract may be increased. The increase shall not exceed that percentage increase charged all other such customers of the CUC, within the WWS-1 Wholesale Service Classification. Other provisions of this contract may be modified or altered by mutual agreement.
6. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.
7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.
8. (Successor to the Purchaser) That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.
9. (Pledge) This contract is hereby pledged to the United States of America, acting through the Farmers Home Administration, as part of the security for the loan or loans from the United States of America.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 02 1994

PURSUANT TO 807 KAR 5011,
SECTION 011

BY: _____
FOR THE _____

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in 8 counterparts, each of which shall constitute an original.

Seller: CITY UTILITIES COMMISSION
Corbin, Kentucky

[Signature]
By JOHN L. DANIEL

Title CHAIRMAN

Attest:
Kenneth W. Cobb
Secretary

Purchaser: WHITLEY COUNTY WATER DISTRICT

By *[Signature]*
Title General Manager

Attest:

Secretary

This contract is approved on behalf of the Farmers Home Administration this 17th day of JUNE, 1993.

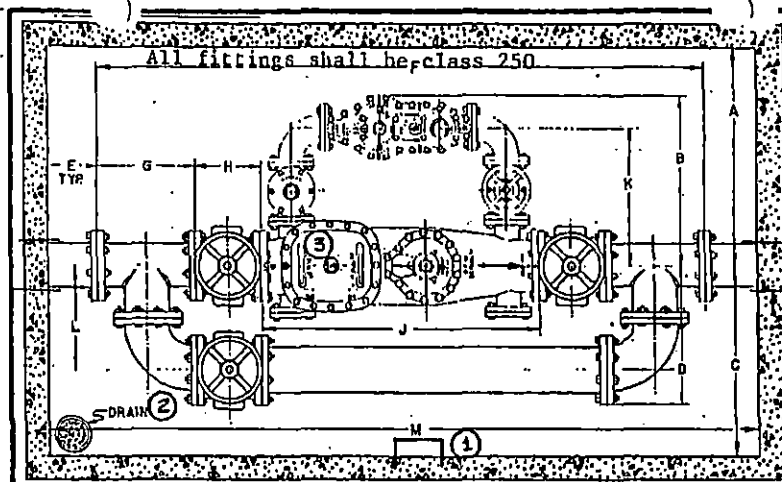
By *[Signature]*
Title COMMUNITY AND BUSINESS PROGRAMS SPECIALIST

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

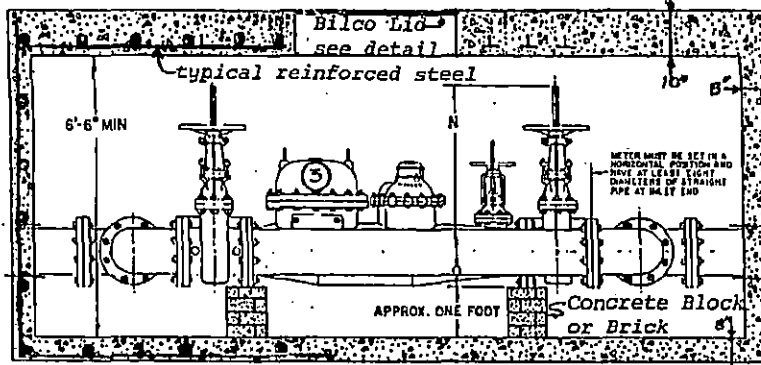
SEP 02 1994

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: *[Signature]*
FOR THE PUBLIC SERVICE COMMISSION



BY-PASS LINE AND VALVES INSIDE OF PIT.



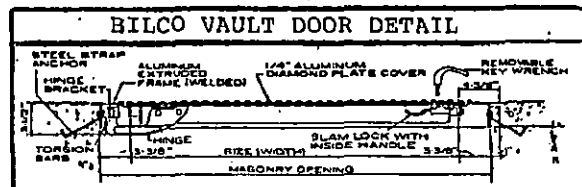
8" walls & 10" top slab with #5 reinforced steel @ 12" C-C wash direction

PURSUANT TO BOX KAR 8011, SECTION 8(1)

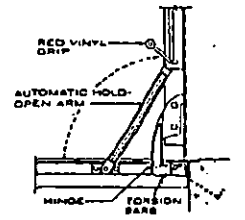
NOTE-METER MUST BE SET IN A HORIZONTAL POSITION AND HAVE AT LEAST 8 DIAMETERS OF STRAIGHT PIPE AT INLET END.

- ① Steps shall be vinyl coated and comply with O.S.H.A. Std. No. 1910.27 and shall be located to permit easy access from vault door.
- ② 4" Drain pipe to storm sewer or ditch line if possible. Bed drain in + 1 C.Y. of #57 stone if no storm drain available. Omit drain if water table is above floor level.
- ③ Meter shall be a Hersey Model FM-CT or equal as approved by City-Utilities Commission.

F.M. DETECTOR METER WITH C.T. BY-PASS AND BY-PASS LINE														
SIZE	A"	B"	C"	D"	E"	F"	G"	H"	J"	K"	L"	M"	QREN	O"
3"	46	20	39	14	24	71	11	8	33	16	11	119	19	4
4"	47	21	42	17	24	77	13	9	33	17	13	125	22	5
6"	51	26	46	21	24	99	16	10	45	21	16	146	31	6
8"	57	32	49	24	24	112	18	11	53	26	18	160	39	7
10"	66	42	54	30	24	138	22	13	68	33	22	196	48	9
10x12	66	42	58	33	24	144	24	14	68	33	24	192	56	11



SECTION SHOWING NEOPRENE CUSHION



Metric Size	Type	SIZE	
		Width	Length
2"	K-1	2'0"	2'0"
2"	K-2	2'6"	2'6"
3"	K-3	3'0"	2'6"
3"	K-4	3'0"	3'0"
1011	K-5	3'6"	3'6"

SEP 02 1994
PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

CITY UTILITIES COMMISSION CORBIN, KENTUCKY

TYPICAL COMBINED FIRE & DOMESTIC WATER METER & PIT DETAIL WITH BY-PASS LINE INSIDE PIT

Scale: N.T.S.
By: G.P.R.

1981

RESOLUTION NO. 406

A RESOLUTION OF THE CITY UTILITIES COMMISSION OF THE CITY OF CORBIN, KENTUCKY, AUTHORIZING AND DIRECTING JOHN L. DANIEL, CHAIRMAN, TO SIGN AN AGREEMENT DATED MAY 25, 1993, BETWEEN THE CITY UTILITIES COMMISSION OF THE CITY OF CORBIN, KY, AND THE WHITLEY COUNTY WATER DISTRICT OF 111 MAIN STREET, WILLIAMSBURG, KY, RELATIVE TO A WATER PURCHASE CONTRACT AND OTHER RELATED MATTERS.

WHEREAS, the City Utilities Commission of the City of Corbin, Kentucky, is in the business of providing a potable water supply to users in Whitley, Knox and Laurel Counties, Kentucky; and

WHEREAS, the City Utilities Commission is desirous of negotiating an agreement with the Whitley County Water District relative to purchasing water and other related matters; and


WHEREAS, an agreement dated May 25, 1993, between the City Utilities Commission and the Whitley County Water District has been negotiated subject to the approval of the respective governing boards; and

WHEREAS, such an agreement will be in the best interest of both the City Utilities Commission of the City of Corbin, KY, and the Whitley County Water District of Williamsburg, KY;

NOW THEREFORE, BE IT RESOLVED:

1. That John L. Daniel, Chairman, is hereby authorized and directed to sign an agreement dated May 25, 1993, between the City Utilities Commission of the City of Corbin, KY, and the Whitley County Water District of Williamsburg, KY. A copy of same is attached hereto and made a part hereof as if copied at length in full.

THIS RESOLUTION READ AND ADOPTED THIS 25th DAY OF MAY, 1993.



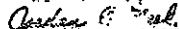
JOHN L. DANIEL, CHAIRMAN

CUCRESOL.406

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 02 1994

PURSUANT TO 807 KAR 8.011,
SECTION 8 (1)

BY: 
FOR THE PUBLIC SERVICE COMMISSION

AMENDMENT

TO THE WATER PURCHASE AGREEMENT

Dated May 28, 1997 Between

CITY OF WILLIAMSBURG, KY

And

WHITLEY COUNTY WATER DISTRICT

RECEIVED

MAR 16 2012

PUBLIC SERVICE COMMISSION

The parties to the Water Purchase Agreement (the "Agreement"), the City of Williamsburg, P.O. Box 119, Williamsburg, KY 40769, (the "SELLER"), and the Whitley County Water District, 19 South Highway 25W, Williamsburg, KY 40769, (the "PURCHASER"), amend the Agreement made and signed as of May 28, 1997 to affect the following changes with no other provisions or terms of the Agreement changed or otherwise invalidated except as explicitly described herein.

WHEREAS, the Seller's revenue requirement has increased to the extent that the existing water service revenues are not adequate to defray the costs, and

WHEREAS, the only alternative to generate adequate revenues to defray the existing costs is to increase the water service rates to the general and wholesale customers, and

WHEREAS, a cost of service study was done which established the minimum required wholesale water rate for the Seller's wholesale customers,

THE PARTIES NOW AGREE:

The following Section and Paragraph shall be amended as follows:

4.

B. The Purchaser Agrees:

(Rates and Payment Date) To Pay the Seller, not later than the 20th day of each month, for water delivered in accordance with the following schedule of rates:

- a. \$2.50 per thousand for all gallons, which shall also be the minimum rate per month.

Roddy Hamm
City of Williamsburg, KY

Date: 3/8/2012

ATTEST: Diana Beach

Walter B. Estes
Whitley County Water District

ATTEST: _____

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
Date: <u>3-13-2012</u> TABIFF BRANCH <u>Brent Kirtley</u>
EFFECTIVE 3/16/2012 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Form FHA 442-30
(Rev. 4-19-72)

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 10th day of May, 1993, between the City of Williamsburg
P.O. Box 119, Williamsburg, KY 40769
 (Address)
Whitley County Water District
 hereinafter referred to as the "Seller" and the 111 Main Street, Williamsburg, KY 40769
 (Address)
 hereinafter referred to as the "Purchaser".

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of KRS 74 of the Code of Kentucky, for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the Purchaser and to accomplish this purpose, the Purchaser will require a supply of treated water, and

Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown in the plans of the system now on file in the office of the Purchaser, and

Whereas, by Resolution No. _____ enacted on the 10th day of May, 1993, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said contract was approved, and the execution of this contract carrying out the said Resolution by the Mayor and attested by the Secretary, was duly authorized, and Clerk

Whereas, by Resolution of the Whitley County Water District of the Purchaser, enacted on the 10th day of May, 1993 the purchase of water from the Seller in accordance with the terms set forth in the said Contract was approved, and the execution of this contract by the Mayor and attested by the Secretary was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Kentucky Department of Natural Resources and Environmental Protection

in such quantity as may be required by the Purchaser not to exceed 2,500,000 gallons per month.

JUN 1993

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated **existing line pressure proposed 6** at _____ from an ~~WELL~~ _____ inch main supply at a point located _____ at the fire hydrant at the junction of Highway 92E and Highway 25W

If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquakes or other catastrophes shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment whenever requested by the Purchaser but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate

shall be corrected for the SIX months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller

and Purchaser shall agree upon a different amount. The metering equipment shall be read on 30th. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the 10th day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the 20th day of each month, for water delivered in accordance with the following schedule of rates:

- a. \$ 3.00 / THOUSAND for the ~~first~~ ^{all} _____ gallons, which amount shall also be the minimum rate per month.
- b. \$ _____ cents per 1000 gallons for water in excess of _____ gallons but less than _____ gallons.
- c. \$ _____ cents per 1000 gallons for water in excess of _____ gallons.

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system of the Purchaser, the sum of 10,000.00 dollars which shall cover any and all costs of the Seller for installation of the metering equipment and Nothing

C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) That this contract shall extend for a term of 45 years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. (Delivery of Water) That 30 days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.

3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a

flat charge of \$ 250.00 which will be paid by the contractor or, on his failure to pay, by the Purchaser.

4. (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.

5. (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every 1 year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, but such costs shall not include increased capitalization of the Seller's system. Other provisions of this contract may be modified or altered by mutual agreement.

6. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

8. (Successor to the Purchaser) That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

9. (Pledge) This contract is hereby pledged to the United States of America, acting through the Farmers Home Administration, as part of the security for the loan or loans from the United States of America.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in 8 counterparts, each of which shall constitute an original.

Seller:
CITY OF WILLIAMSBURG

By Marcella J. Montjoy
Mayor

Title _____

Attest:
Julesa Black
Clerk ~~Secretary~~

Purchaser:
WHITLEY COUNTY WATER DISTRICT

By David Wisney
Title General Manager

Attest:

Secretary

This contract is approved on behalf of the Farmers Home Administration this 17th day of JUNE.

19 93.

By Jimmy H. Hall
Title COMMUNITY AND BUSINESS DEVELOPMENT SERVICES

JOHN N. HUGHES
Attorney at Law
Professional Service Corporation
124 West Todd Street
Frankfort, Kentucky 40601

Telephone: (502) 227-7270

Email: jnhughes@johnnhughespsc.com

February 4, 2017

State Local Debt Officer
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Re: Whitley County Water District
Notice of Intent to Issue Securities

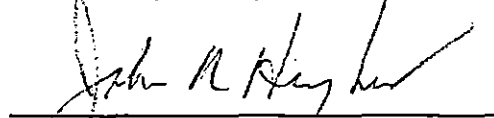
Dear Officer:

Pursuant to the regulations of the Kentucky Public Service Commission, specifically 807 KAR 5:001: Section 18(1)(g), the Whitley County Water District (the "District") notifies the State Local Debt Officer that the District intends on issuing securities in the form of a state revolving loan from the Kentucky Infrastructure Authority (the "KIA") for the purpose of funding a Water Main Replacement Project with an estimated budget of \$937,500.

We will file the appropriate documents with your office in accordance with the requirements of KRS 65.117 once the securities are issued.

Very truly yours,

The Whitley County Water District



By: John N. Hughes

Attorney for the District

E. Estimated Cost of Operation

Whitley County Water District

XXXII. PROPOSED OPERATING BUDGET (WATER SYSTEM)

(1st Full Year of Operation)

Year Ending June 31, 2018

A. Operating Income:

Water Sales	\$1,650,000
Disconnect/Reconnect/Late Charge Fees	138,000
Other (Describe)	0
Less Allowances and Deductions	()
Total Operating Income	\$1,788,000

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Source of Supply Expense	\$615,000
Pumping Expense	29,000
Water Treatment Expense	0
Transmission and Distribution Expense	317,000
Customer Accounts Expense	190,000
Administrative and General Expense	127,000
Total Operating Expenses	\$1,278,000
Net Operating Income	\$510,000

C. Non-Operating Income:

Interest on Deposits	\$ 5,000
Other (Identify)	
Total Non-Operating Income	\$ 5,000

D. Net Income \$ 515,000

E. Debt Repayment:

Interest	\$148,200
Principal	166,800
Total Debt Repayment	\$315,000

F. Balance Available for Coverage \$200,000

**F. Engineer's Letter of Recommendation
Tabulation of Bids Received
Estimated Project Costs (As Bid Budget)**



KENVIRONS

Kenvirons, Inc.

452 Versailles Road • Frankfort, KY 40601 • Phone: (502) 695-4357 • Fax: (502) 695-4363
Civil & Environmental Engineering and Laboratory Services

January 18, 2017

Mr. Andrew Meadors, Chairman
Whitley County Water District
19 South Highway 25W
Williamsburg, Kentucky 40769

RE: Whitley County Water District
Water System Improvements
WX21235434; F15-030

Dear Mr. Meadors:

Bids were received for the referenced project on January 12, 2017. Six (6) bids were received with the low bidder being Akins Excavating Co., Inc. with a bid of \$581,350.00. Attached for your reference is a tabulation of the received bids. Also attached is an updated budget based on awarding the project to the low bidder.

It is hereby recommended to award the contract to Akins Excavating Co., Inc. in the amount of \$581,350.00. We are very familiar as is the District with Akins' work and are sure they have the personnel, equipment and experience to complete the project in a timely professional manner.

Sincerely,

Kenneth D. Taylor, PE
Vice President

Cc: Tim Schwendeman, CVADD
Joel Murphy, KDOW
Brandi Norton, KIA
Amanda Yeary, KIA
Terry Humphries, KDOW

Attachments

BID TABULATIONS

KENVIRONS, INC.
452 Versailles Road
Frankfort, KY 40601

Owner: Whitley County Water District
Project: Water System Improvements
Bid Date: January 12, 2017 at 2:00 P.M. (Local Time)

Project No. 2015010

Base Bid				Akins Excavating Co., Inc. 182 Busy Lane Corbin, KY 40701		Frederick & May Construction Co. P.O. Box 337 West Liberty, KY 41472		H2O Construction 470 Zeigler Drive Pikeville, KY 41501		
Item No.	Item Description	Unit	Quantity	Unit Cost	Cost	7.5	Cost	Unit Cost	Cost	
1	4" PVC SDR 21 Pipe	LF	3,700	\$9.00	\$33,300.00	\$7.50	\$27,750.00	\$8.00	\$29,600.00	
2	3" PVC SDR 17 Pipe	LF	5,120	7.85	40,192.00	7.25	37,120.00	8.00	40,960.00	
3	3" PVC SDR 21 Pipe	LF	31,080	7.85	243,978.00	6.25	194,250.00	8.00	248,640.00	
4	Bored Encasement for 4" & 3" Pipe	LF	230	90.00	20,700.00	60.00	13,800.00	60.00	13,800.00	
5	Open Cut Encasement for 4" & 3" Pipe	LF	100	40.00	4,000.00	35.00	3,500.00	30.00	3,000.00	
6	4" & 3" Creek Crossing	LF	40	30.00	1,200.00	100.00	4,000.00	70.00	2,800.00	
7	4" & 3" Directional Bore Creek Crossing	EA	2	3,000.00	6,000.00	10,000.00	20,000.00	6,000.00	12,000.00	
8	8" x 3" Tapping Sleeve & Valve	EA	1	2,775.00	2,775.00	3,000.00	3,000.00	2,000.00	2,000.00	
9	4" x 3" Tapping Sleeve & Valve	EA	1	2,300.00	2,300.00	2,800.00	2,800.00	2,000.00	2,000.00	
10	6" x 3" Tie-In	EA	2	2,000.00	4,000.00	2,500.00	5,000.00	2,000.00	4,000.00	
11	4" x 4" Tie-In	EA	1	2,325.00	2,325.00	2,300.00	2,300.00	2,000.00	2,000.00	
12	4" x 2" Tie-In	EA	1	1,400.00	1,400.00	2,100.00	2,100.00	2,000.00	2,000.00	
13	3" x 3" Tie-In	EA	1	1,100.00	1,100.00	2,000.00	2,000.00	2,000.00	2,000.00	
14	3" Tie-In to Master Meter	EA	3	1,800.00	5,400.00	2,500.00	7,500.00	2,000.00	6,000.00	
15	3" Tie-In to PRV Setting	EA	2	995.00	1,990.00	2,000.00	4,000.00	2,000.00	4,000.00	
16	4" Gate Valve	EA	1	1,000.00	1,000.00	800.00	800.00	1,000.00	1,000.00	
17	3" Gate Valve	EA	29	865.00	25,085.00	700.00	20,300.00	900.00	26,100.00	
18	Leak Detection Meter	EA	9	1,025.00	9,225.00	1,600.00	14,400.00	2,000.00	18,000.00	
19	3" Blow Off Assembly	EA	20	1,275.00	25,500.00	1,200.00	24,000.00	1,000.00	20,000.00	
20	Reconnect Meter Service	EA	203	230.00	46,690.00	400.00	81,200.00	650.00	131,950.00	
21	Relocate Meter Service	EA	30	285.00	8,550.00	500.00	15,000.00	600.00	18,000.00	
22	Service Tubing	LF	6,990	6.00	41,940.00	6.50	45,435.00	4.00	27,960.00	
23	Air Release Valve	EA	1	1,700.00	1,700.00	2,000.00	2,000.00	350.00	350.00	
24	Pavement Replacement - Light Duty	LF	500	30.00	15,000.00	25.00	12,500.00	35.00	17,500.00	
25	Free Bore (All Sizes)	LF	200	30.00	6,000.00	35.00	7,000.00	20.00	4,000.00	
26	Gravel	TN	4,000	5.00	20,000.00	25.00	100,000.00	19.50	78,000.00	
27	2" Master Meter Valve	LS	1	10,000.00	10,000.00	5,000.00	5,000.00	8,000.00	8,000.00	
TOTAL BASE BID						\$581,350.00		\$656,755.00		\$725,660.00

The above is a true and complete tabulation of the Bids received by Whitley County Water District at their office located at 19 South US 25 W, Williamsburg, KY, on January 12, 2017 at 2:00 P.M. Local Time.

By: 
Kenneth D. Taylor, P.E.


1-18-17
Date

BID TABULATIONS

KENVIRONS, INC.
452 Versailles Road
Frankfort, KY 40601

Owner: Whitley County Water District
Project: Water System Improvements
Bid Date: January 12, 2017 at 2:00 P.M. (Local Time)

Project No. 2015010

Base Bid				Stotts Construction Co., Inc. P.O. Box 1689 Columbia, KY 42728		D&H Contracting Co., Inc. 2003 Lakeview Drive London, KY 40741		Weddle Enterprises, Inc. 25 Shane's Lane Somerset, KY 42501	
Item No.	Item Description	Unit	Quantity	Unit Cost	Cost	Unit Cost	Cost	Unit Cost	Cost
1	4" PVC SDR 21 Pipe	LF	3,700	\$10.60	\$39,220.00	\$11.10	\$41,070.00	\$13.40 *	\$49,580.00
2	3" PVC SDR 17 Pipe	LF	5,120	10.50	53,760.00	10.80	55,296.00	14.60	74,752.00
3	3" PVC SDR 21 Pipe	LF	31,080	10.00	310,800.00	10.60	329,448.00	13.75	427,350.00
4	Bored Encasement for 4" & 3" Pipe	LF	230	55.00	12,650.00	110.00	25,300.00	119.00	27,370.00
5	Open Cut Encasement for 4" & 3" Pipe	LF	100	35.00	3,500.00	50.00	5,000.00	31.00	3,100.00
6	4" & 3" Creek Crossing	LF	40	40.00	1,600.00	100.00	4,000.00	23.00	920.00
7	4" & 3" Directional Bore Creek Crossing	EA	2	5,000.00	10,000.00	6,000.00	12,000.00	4,500.00	9,000.00
8	8" x 3" Tapping Sleeve & Valve	EA	1	1,800.00	1,800.00	3,000.00	3,000.00	3,900.00	3,900.00
9	4" x 3" Tapping Sleeve & Valve	EA	1	1,500.00	1,500.00	2,400.00	2,400.00	1,700.00	1,700.00
10	6" x 3" Tie-In	EA	2	800.00	1,600.00	2,400.00	4,800.00	600.00	1,200.00
11	4" x 4" Tie-In	EA	1	700.00	700.00	2,400.00	2,400.00	600.00	600.00
12	4" x 2" Tie-In	EA	1	700.00	700.00	2,400.00	2,400.00	475.00	475.00
13	3" x 3" Tie-In	EA	1	600.00	600.00	2,400.00	2,400.00	600.00	600.00
14	3" Tie-In to Master Meter	EA	3	1,000.00	3,000.00	2,400.00	7,200.00	850.00	2,550.00
15	3" Tie-In to PRV Setting	EA	2	700.00	1,400.00	2,400.00	4,800.00	600.00	1,200.00
16	4" Gate Valve	EA	1	1,000.00	1,000.00	1,100.00	1,100.00	658.00	658.00
17	3" Gate Valve	EA	29	800.00	23,200.00	1,000.00	29,000.00	610.00	17,690.00
18	Leak Detection Meter	EA	9	1,000.00	9,000.00	1,150.00	10,350.00	870.00	7,830.00
19	3" Blow Off Assembly	EA	20	1,200.00	24,000.00	1,100.00	22,000.00	470.00	9,400.00
20	Reconnect Meter Service	EA	203	300.00	60,900.00	450.00	91,350.00	285.00	57,855.00
21	Relocate Meter Service	EA	30	700.00	21,000.00	500.00	15,000.00	400.00	12,000.00
22	Service Tubing	LF	6,990	8.00	55,920.00	4.00	27,960.00	6.25	43,687.50
23	Air Release Valve	EA	1	700.00	700.00	750.00	750.00	410.50	410.50
24	Pavement Replacement - Light Duty	LF	500	35.00	17,500.00	20.00	10,000.00	32.00	16,000.00
25	Free Bore (All Sizes)	LF	200	30.00	6,000.00	60.00	12,000.00	57.50	11,500.00
26	Gravel	TN	4,000	20.00	80,000.00	17.00	68,000.00	17.00	68,000.00
27	2" Master Meter Vault	LS	1	7,000.00	7,000.00	8,000.00	8,000.00	2,650.00	2,650.00
TOTAL BASE BID					\$749,050.00		\$797,024.00		* \$851,978.00

* Denotes an arithmetic error was made on the Bids submitted. Values reported in the Bid Tabulation have been corrected based upon the unit price submitted.

**Part III - Budget Information
Project Cost Summary**

Project Title Whitley County Water System Improvements

WRIS# WX: 21235434

Project Budget: Estimated 23-Jan-15 enter date As Bid 1/12/2017 enter date Revised enter date

Cost Classification	DWSRF KIA Loan	Funding Source 1	Funding Source 2	Funding Source 3	Funding Source 4	Funding Source 5	Local Funds	Unfunded Costs	Total
1 Administrative Expenses	25,000								25,000
2 Legal Expenses	5,750								5,750
3 Land, Appraisals, Easements							5,000		5,000
4 Relocation Expense & Payments	-								-
5 Planning	5,000								5,000
6 Engineering Fees - Design	45,750								45,750
7 Engineering Fees - Construction	11,450								11,450
8 Engineering Fees - Inspection	40,200								40,200
9 Engineering Fees - Other	10,000								10,000
10 Construction	581,350								581,350
11 Equipment	140,000								140,000
12 Miscellaneous	-								-
13 Contingencies	68,000								68,000
Total	932,500	-	-	-	-	-	5,000	-	937,500

Funding Sources	Amount	Date Committed
1 Funding Source 1	-	
2 Funding Source 2	-	
3 Funding Source 3	-	
4 Funding Source 4	-	
5 Funding Source 5	-	
Total	-	

Local Funding Sources	Amount	Date Committed
1 WCWD	5,000	1/22/15
2		
3		
Total	5,000	

Cost Categories	Funding Source	Total Cost
Treatment		
Transmission and Distribution	DWSRF	581,350
Source		
Storage		
Purchase of Systems		
Restructuring		
Land Acquisition		
TOTAL COSTS		581,350

Total Funding 937,500

G. 2016 Financial Statement

WHITLEY COUNTY WATER DISTRICT NO. 1
WILLIAMSBURG, KENTUCKY

Period: 12/01/2016 to 12/31/2016

	2016 CURRENT PERIOD ACTUALS		2016 CURRENT PERIOD BUDGETS		2016 YEAR-TO-DATE ACTUALS		2016 YEAR-TO-DATE BUDGETS	
	All Sub Accounts		All Sub Accounts		All Sub Accounts		All Sub Accounts	
	Amount	Ratio	Amount		Amount	Ratio	Amount	
INCOME AND EXPENSE STATEMENT								
INCOME								
Metered Sales to Residential	\$ 119,006.28	88.85	\$ 133,333.00		\$ 1,539,841.31	93.13	\$ 133,333.00	
Metered Sales to Commercial	9,788.95	7.31	6,000.00		83,764.88	5.07	6,000.00	
Metered Sales to Public Auth	1,207.51	.90	1,500.00		13,397.60	.81	1,500.00	
Metered Sales to Resid 92 W	3,912.43	2.92	0.00		16,328.21	.99	0.00	
Metered Sales to Comm 92 W	19.35	.01	0.00		77.40	.00	0.00	
NET INCOME	\$ 133,934.52	100.00	\$ 140,833.00		\$ 1,653,409.40	100.00	\$ 140,833.00	
OPERATING EXPENSES								
			0.00		0.00	.00	0.00	
Payroll Taxes	\$ 3,963.10	2.96	\$ 1,750.00		\$ 18,081.99	1.09	\$ 1,750.00	
Taxes Other Than Income	28,192.78	21.05	0.00		112,385.83	6.80	0.00	
Depreciation Expense	44,571.00	33.28	0.00		534,852.00	32.35	0.00	
Other Taxes and Licenses	0.00	.00	5,000.00		60.00	.00	5,000.00	
Interest Expense	11,000.00	8.21	0.00		143,666.27	8.69	0.00	
Purchased Water	43,821.73	32.72	52,000.00		609,845.02	36.88	52,000.00	
Salaries and Wages-Employees	20,765.80	15.50	19,167.00		207,148.62	12.53	19,167.00	
Salaries and Wages-Officers	916.62	.68	917.00		10,999.44	.67	917.00	
Employee Pensions and Benefits	3,811.98	2.85	2,750.00		35,128.40	2.12	2,750.00	
Employee Benefits - Health Ins	4,985.38	3.72	4,583.00		33,364.28	2.02	4,583.00	
Employee Benefits - Dental	288.36	.22	325.00		3,600.84	.22	325.00	
Chemicals	0.00	.00	142.00		0.00	.00	142.00	
Materials and Supplies	9,145.83	6.83	1,000.00		56,248.87	3.40	1,000.00	
Contractual Services-Engineer	0.00	.00	1,667.00		0.00	.00	1,667.00	
Contractual Services-Account	20.00	.01	1,250.00		17,213.00	1.04	1,250.00	
Contractual Services-Legal	0.00	.00	506.00		0.00	.00	506.00	
Contractual Services-Other	1,378.00	1.03	417.00		15,309.53	.93	417.00	
Rental of Equipment	0.00	.00	250.00		39.90	.00	250.00	
Transportation Expenses	4,507.37	3.37	2,917.00		41,451.79	2.51	2,917.00	
Insurance-Vehicle	0.00	.00	600.00		0.00	.00	600.00	
Insurance-General Liability	9,724.34	7.26	1,500.00		19,469.00	1.18	1,500.00	
Insurance-Workers Comp	0.00	.00	310.00		3,019.03	.18	310.00	
Insurance-Other	0.00	.00	0.00		3,870.00	.23	0.00	
Advertising Expense	355.51	.27	500.00		604.80	.04	500.00	
Bad Debt Expense	0.00	.00	833.00		0.00	.00	833.00	
Miscellaneous Expense	0.00	.00	0.00		971.25	.06	0.00	

WHITLEY COUNTY WATER DISTRICT NO.1
WILLIAMSBURG, KY

Period: 12/01/2016 to 12/31/2016

	2016 CURRENT PERIOD ACTUALS		2016 CURRENT PERIOD BUDGETS		2016 YEAR-TO-DATE ACTUALS		2016 YEAR-TO-DATE BUDGETS	
	All Sub Accounts Amount Ratio		Budget:1 All Sub Accounts Amount		All Sub Accounts Amount Ratio		Budget:1 All Sub Accounts Amount	
INCOME AND EXPENSE STATEMENT								
OPERATING EXEPNSE								
Reimbursed Expenses	48.60	.04	0.00		753.56	.05	0.00	
Supplies - Office	1,677.46	1.25	2,600.00		20,396.97	1.23	2,600.00	
Supplies - Pump Maintenance	0.00	.00	0.00		11,635.06	.70	0.00	
Supplies - Meter Maintenance	0.00	.00	0.00		30.00	.00	0.00	
Telephone	322.31	.24	900.00		12,666.47	.77	900.00	
Advertising	139.90	.10	50.00		1,861.94	.11	50.00	
Uniform Rental	52.98	.04	0.00		1,701.70	.10	0.00	
Utilities	1,592.30	1.19	24,000.00		19,578.79	1.18	24,000.00	
Postage / Shipping	2,973.74	2.22	1,250.00		19,010.96	1.15	1,250.00	
Equipment Repairs	0.00	.00	500.00		5,612.87	.34	500.00	
Monitoring Services	32.00	.02	0.00		384.00	.02	0.00	
Employee Training & Education	0.00	.00	0.00		2,898.40	.18	0.00	
Supplies - General Maintenance	0.00	.00	0.00		320.00	.02	0.00	
Taxes Other Than Inc/Other Inc	0.00	.00	(8,333.00)		0.00	.00	(8,333.00)	
Membership Dues	0.00	.00	292.00		6,482.50	.39	292.00	
Amortization Expense	0.00	.00	0.00		967.00	.06	0.00	
TOTAL OPERATING EXPENSES	\$ 194,287.09	145.06	\$ 136,309.00		\$ 1,971,630.08	119.25	\$ 136,309.00	
OPERATING INCREASE OF (DECREA)	\$ (60,352.57)	45.06-	\$ 4,524.00		\$ (318,220.68)	19.25-	\$ 4,524.00	
OTHER INCOME								
Interest and Dividend Income	\$ 489.32	.37	\$ (217.00)		\$ 5,122.80	.31	\$ (217.00)	
Misc Service Revenues	1,050.00	.78	0.00		138,288.81	8.36	0.00	
Income - Payment from Jana T	0.00	.00	0.00		1,100.00	.07	0.00	
Insurance Refunds	0.00	.00	0.00		3,690.91	.22	0.00	
TOTAL OTHER INCOME	\$ 1,539.32	1.15	\$ (217.00)		\$ 148,202.52	8.96	\$ (217.00)	
NET INCREA OR (DEC) NET ASSETS	\$ (58,813.25)	43.91-	\$ 4,307.00		\$ (170,018.16)	10.28-	\$ 4,307.00	

WHITLEY COUNTY WATER DISTRICT NO. 1
WILLIAMSBURG, KENTUCKY
BALANCE SHEET

As of 12/31/2016

2016
ACTUALS
All Sub Accounts

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	268.69
Customer Accounts Receivable		52,841.08
Provision for uncollectible ac		(10,648.00)
<hr/>		
Total current assets	\$	42,461.77

Non-current assets:

Restricted assets-		
Cash and cash equivalents	\$	1,195,957.45
FORCHT BANK , CD #909532002796		17,940.58
<hr/>		
Total restricted assets	\$	1,213,898.03

Capital Assets:

Land and Land Rights		48,638.00
Equipment, structures, vehicle		768,344.17
Distribution system		18,987,537.47
Accumulated Depreciation		(5,116,362.00)
<hr/>		
Capital assets, net of	\$	14,688,157.64

Other assets:

Bonds - Related Costs		9,665.00
Related amortization (Bond		5,721.03
Free Savings		(52.50)
<hr/>		
Total other assets	\$	3,891.47

Total non-current assets	\$	0.00
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Total assets	\$	15,948,408.91
<hr/> <hr/>		

Whitley County Water District
19 S. Highway 25w
Williamsburg, KY 40769

As of 12/31/2016

2016
ACTUALS
All Sub Accounts

LIABILITIES AND NET ASSETS

Liabilities

Current Liabilities	
Accounts Payable	24,077.99
Notes payable - KIA	732,269.12
Current bonds payable	77,100.00
Note Payable, Current KIA	44,430.84

Total current liabilities	\$ 877,877.95

Non-current liabilities	
Customer Deposits	\$ 162,109.74
Bonds Payable	3,125,724.86

Total non-current liabilities	\$ 3,287,834.60

Total liabilities	\$ 4,165,712.55

NET ASSETS

Net assets:	
Contributions in aid of Const	795,029.34
Invested in capital assets net	11,204,267.96
Restricted for:	
cted for: Deposits	211,723.00
il projects	502,017.00
vent Service	522,664.00
Unreserved	(1,453,004.94)

Total net assets	\$ 11,782,696.36

Total Liabilities & net assets	\$ 15,948,408.91
	=====

H. Existing Long Term Debt

KENTUCKY INFRASTRUCTURE AUTHORITY
REPAYMENT SCHEDULE
LOAN #B08-03
WHITLEY COUNTY WATER DISTRICT
FINAL

0.60% Rate
 \$24,782.10 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
								\$932,800.00		
12/01/13	\$21,983.70	\$2,798.40	0.60%	\$24,782.10	\$932.80	\$0.00	\$25,714.90	\$910,816.30	\$2,350.00	\$2,350.00
06/01/14	\$22,049.65	\$2,732.45	0.60%	\$24,782.10	\$910.82	\$0.00	\$25,692.92	\$888,766.65	\$0.00	\$2,350.00
12/01/14	\$22,115.80	\$2,666.30	0.60%	\$24,782.10	\$888.77	\$0.00	\$25,670.87	\$866,650.85	\$2,350.00	\$4,700.00
06/01/15	\$22,182.15	\$2,599.95	0.60%	\$24,782.10	\$866.65	\$0.00	\$25,648.75	\$844,468.70	\$0.00	\$4,700.00
12/01/15	\$22,248.69	\$2,533.41	0.60%	\$24,782.10	\$844.47	\$0.00	\$25,626.57	\$822,220.01	\$2,350.00	\$7,050.00
06/01/16	\$22,315.44	\$2,466.66	0.60%	\$24,782.10	\$822.22	\$0.00	\$25,604.32	\$799,904.57	\$0.00	\$7,050.00
12/01/16	\$22,382.39	\$2,399.71	0.60%	\$24,782.10	\$799.90	\$0.00	\$25,582.00	\$777,522.18	\$2,350.00	\$9,400.00
06/01/17	\$22,449.53	\$2,332.57	0.60%	\$24,782.10	\$777.52	\$0.00	\$25,559.62	\$755,072.65	\$0.00	\$9,400.00
12/01/17	\$22,516.88	\$2,265.22	0.60%	\$24,782.10	\$755.07	\$0.00	\$25,537.17	\$732,555.77	\$2,350.00	\$11,750.00
06/01/18	\$22,584.43	\$2,197.67	0.60%	\$24,782.10	\$732.56	\$0.00	\$25,514.66	\$709,971.34	\$0.00	\$11,750.00
12/01/18	\$22,652.19	\$2,129.91	0.60%	\$24,782.10	\$709.97	\$0.00	\$25,492.07	\$687,319.15	\$2,350.00	\$14,100.00
06/01/19	\$22,720.14	\$2,061.96	0.60%	\$24,782.10	\$687.32	\$0.00	\$25,469.42	\$664,599.01	\$0.00	\$14,100.00
12/01/19	\$22,788.30	\$1,993.80	0.60%	\$24,782.10	\$664.60	\$0.00	\$25,446.70	\$641,810.71	\$2,350.00	\$16,450.00
06/01/20	\$22,856.67	\$1,925.43	0.60%	\$24,782.10	\$641.81	\$0.00	\$25,423.91	\$618,954.04	\$0.00	\$16,450.00
12/01/20	\$22,925.24	\$1,856.86	0.60%	\$24,782.10	\$618.95	\$0.00	\$25,401.05	\$596,028.80	\$2,350.00	\$18,800.00
06/01/21	\$22,994.01	\$1,788.09	0.60%	\$24,782.10	\$596.03	\$0.00	\$25,378.13	\$573,034.79	\$0.00	\$18,800.00
12/01/21	\$23,063.00	\$1,719.10	0.60%	\$24,782.10	\$573.03	\$0.00	\$25,355.13	\$549,971.79	\$2,350.00	\$21,150.00
06/01/22	\$23,132.18	\$1,649.92	0.60%	\$24,782.10	\$549.97	\$0.00	\$25,332.07	\$526,839.61	\$0.00	\$21,150.00
12/01/22	\$23,201.58	\$1,580.52	0.60%	\$24,782.10	\$526.84	\$0.00	\$25,308.94	\$503,638.03	\$2,350.00	\$23,500.00
06/01/23	\$23,271.19	\$1,510.91	0.60%	\$24,782.10	\$503.64	\$0.00	\$25,285.74	\$480,366.84	\$0.00	\$23,500.00
12/01/23	\$23,341.00	\$1,441.10	0.60%	\$24,782.10	\$480.37	\$0.00	\$25,262.47	\$457,025.84	\$0.00	\$23,500.00
06/01/24	\$23,411.02	\$1,371.08	0.60%	\$24,782.10	\$457.03	\$0.00	\$25,239.13	\$433,614.82	\$0.00	\$23,500.00
12/01/24	\$23,481.26	\$1,300.84	0.60%	\$24,782.10	\$433.61	\$0.00	\$25,215.71	\$410,133.56	\$0.00	\$23,500.00
06/01/25	\$23,551.70	\$1,230.40	0.60%	\$24,782.10	\$410.13	\$0.00	\$25,192.23	\$386,581.86	\$0.00	\$23,500.00
12/01/25	\$23,622.35	\$1,159.75	0.60%	\$24,782.10	\$386.58	\$0.00	\$25,168.68	\$362,959.51	\$0.00	\$23,500.00
06/01/26	\$23,693.22	\$1,088.88	0.60%	\$24,782.10	\$362.96	\$0.00	\$25,145.06	\$339,266.29	\$0.00	\$23,500.00
12/01/26	\$23,764.30	\$1,017.80	0.60%	\$24,782.10	\$339.27	\$0.00	\$25,121.37	\$315,501.99	\$0.00	\$23,500.00
06/01/27	\$23,835.59	\$946.51	0.60%	\$24,782.10	\$315.50	\$0.00	\$25,097.60	\$291,666.40	\$0.00	\$23,500.00
12/01/27	\$23,907.10	\$875.00	0.60%	\$24,782.10	\$291.67	\$0.00	\$25,073.77	\$267,759.30	\$0.00	\$23,500.00
06/01/28	\$23,978.82	\$803.28	0.60%	\$24,782.10	\$267.78	\$0.00	\$25,049.86	\$243,780.48	\$0.00	\$23,500.00
12/01/28	\$24,050.76	\$731.34	0.60%	\$24,782.10	\$243.78	\$0.00	\$25,025.88	\$219,729.72	\$0.00	\$23,500.00
06/01/29	\$24,122.91	\$659.19	0.60%	\$24,782.10	\$219.73	\$0.00	\$25,001.83	\$195,606.81	\$0.00	\$23,500.00
12/01/29	\$24,195.28	\$586.82	0.60%	\$24,782.10	\$195.61	\$0.00	\$24,977.71	\$171,411.53	\$0.00	\$23,500.00
06/01/30	\$24,267.87	\$514.23	0.60%	\$24,782.10	\$171.41	\$0.00	\$24,953.51	\$147,143.66	\$0.00	\$23,500.00
12/01/30	\$24,340.67	\$441.43	0.60%	\$24,782.10	\$147.14	\$0.00	\$24,929.24	\$122,802.99	\$0.00	\$23,500.00
06/01/31	\$24,413.69	\$368.41	0.60%	\$24,782.10	\$122.80	\$0.00	\$24,904.90	\$98,389.30	\$0.00	\$23,500.00
12/01/31	\$24,486.93	\$295.17	0.60%	\$24,782.10	\$98.39	\$0.00	\$24,880.49	\$73,902.37	\$0.00	\$23,500.00
06/01/32	\$24,560.39	\$221.71	0.60%	\$24,782.10	\$73.90	\$0.00	\$24,856.00	\$49,341.98	\$0.00	\$23,500.00
12/01/32	\$24,634.07	\$148.03	0.60%	\$24,782.10	\$49.34	\$0.00	\$24,831.44	\$24,707.91	\$0.00	\$23,500.00
06/01/33	\$24,707.91	\$74.19	0.60%	\$24,782.10	\$24.71	\$0.00	\$24,806.81	\$0.00	\$0.00	\$23,500.00
Totals	\$932,800.00	\$58,484.00		\$991,284.00	\$19,494.63	\$0.00	\$1,010,778.63		\$23,500.00	

Prepared by KIA on 11/13/2013

WHITLEY COUNTY WATER DISTRICT
SCHEDULE-BONDS PAYABLE
HOLDER OF BONDS-USDA RURAL DEVELOPMENT
As of 12-31-2016

BOND NO	ISSUE DATE	YR OF MAT.	PAR VALUE	CASH REC.	INT. RATE	PRIN PAID 2016	PRIN PAID TO DATE	O/S AT YR END	PRIN 2017	2017 INTEREST	PRIN 2018
R1	1994	2033	750,000.00	750,000.00	4.5	18,500.00	248,500.00	501,500.00	19,500.00	22,567.00	20,500.00
R2	1998	2038	600,000.00	600,000.00	4.5	12,000.00	144,000.00	456,000.00	13,000.00	20,520.00	13,000.00
R3	2000	2040	377,000.00	377,000.00	4.5	7,000.00	75,000.00	302,000.00	7,000.00	13,590.00	8,000.00
R4	2003	2042	1,860,000.00	1,860,000.00	4.5	31,000.00	297,000.00	1,563,000.00	33,000.00	70,335.00	34,000.00
KY 92	2006	2045	295,000.00	295,000.00	4.125	4,400.00	33,900.00	261,100.00	4,600.00	10,770.00	4,800.00
TOTALS			3,882,000.00	3,882,000.00		72,900.00	798,400.00	3,083,600.00	77,100.00	137,782.00	80,300.00

NOTES

1. Yr. of maturity is year when bonds are to be paid out
2. Description of bonds are water revenue bonds
3. No class is stated on bonds
4. Secured by Revenue from Water Sales of District

NUMBER

R-1

DOLLARS

\$750,000

The holder of this Bond has consented to the issuance of \$295,000 of bonds ranking on a parity as to security and source of payment with this bond.



The holder of this Bond has consented to the issuance of \$377,000 ranking on a parity as to security and source of payment with this bond.

UNITED STATES OF AMERICA - COMMONWEALTH OF KENTUCKY - COUNTY OF WHITLEY

WHITLEY COUNTY WATER DISTRICT
WATERWORKS REVENUE BONDS, SERIES 1994
INTEREST RATE: 4.50%

KNOW ALL MEN BY THESE PRESENTS: That the Whitley County Water District (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Whitley County, Kentucky, for value received, hereby promises to pay to UNITED STATES OF AMERICA - FARMERS HOME ADMINISTRATION, 771 Corporate Drive, Suite 200, Lexington, Kentucky 40503-5477, the registered c hereof, or to its registered assigns, solely from the fund hereinafter identified, the sum of

SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000),

on the first day of January, in years and installments as follows:

Year	Principal	Year	Principal	Year	Principal
1996	\$ 7,000	2009	\$13,000	2022	\$25,000
1997	7,500	2010	14,000	2023	26,000
1998	7,500	2011	14,500	2024	27,500
1999	8,000	2012	15,000	2025	28,500
2000	8,500	2013	16,000	2026	30,000
2001	9,000	2014	16,500	2027	31,500
2002	9,500	2015	17,500	2028	33,000
2003	9,500	2016	18,500	2029	35,000
2004	10,500	2017	19,500	2030	36,500
2005	10,500	2018	20,500	2031	38,500
2006	11,500	2019	21,500	2032	40,500
2007	12,000	2020	22,500	2033	42,000
2008	12,500	2021	23,500		

This Bond is issued by the District under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 58 and 74 of the Kentucky Revised Statutes (collectively the "Act"), and pursuant to adopted Bond Resolution of the District authorizing same (the "Current Bond Resolution"), to which Current Bond Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limit of rights of the registered owner of this Bond, and the rights, obligations and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the waterworks system of the District (said existing waterworks system, together with said extensions, addition improvements, being hereinafter referred to as the "System").

This Bond has been issued in full compliance with the Current Bond Resolution; and this Bond, and any bonds hereon a parity therewith that may be issued and outstanding under the conditions and restrictions of the Current Resolution, are and will continue to be payable from revenues which shall be set aside in a fund for that purpose identified as the "Whitley County Water District Sinking Fund", created in the Current Bond Resolution.

FURTHER PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, for manner as required by law, and that the face amount of this Bond, together with all other obligations of the District, do not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF said Whitley County Water District, by its Board of Commissioners, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this which is

December 20, 1994

Attest:

WHITLEY COUNTY WATER DISTRICT
Whitley County, Kentucky

Ralph Hanly
Secretary

By *Walter B. Estes*
Chairman

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY

The holder of this Bond has consented to the issuance of \$ 377,000 of bonds ranking on a parity as to security and source of payment with this bond.

REGISTERED



WHITLEY COUNTY WATER DISTRICT

WATERWORKS REVENUE BOND, SERIES 1998

INTEREST RATE: 4.50%

REGISTERED



The holder of this Bond has consented to the issuance of \$295,000 of bonds ranking on a parity as to security and source of payment with this bond.

KNOW ALL MEN BY THESE PRESENTS: That the Whitley County Water District (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Whitley County, Kentucky, for value received, hereby promises to pay to UNITED STATES OF AMERICA, acting by and through the U.S. DEPARTMENT OF AGRICULTURE, 771 Corporate Drive, Suite 200, Lexington, Kentucky 40503-5477, the registered owner hereof, or to its registered assigns, solely from the fund hereinafter identified, the sum of

SIX HUNDRED THOUSAND DOLLARS (\$600,000)

on the first day of January, in years and installments as follows:

Payment Due January 1,	Principal Payment	Payment Due January 1,	Principal Payment	Payment Due January 1,	Principal Payment
2001	\$ 6,000	2014	\$11,000	2027	\$20,000
2002	7,000	2015	12,000	2028	21,000
2003	7,000	2016	12,000	2029	21,000
2004	7,000	2017	13,000	2030	23,000
2005	8,000	2018	13,000	2031	23,000
2006	8,000	2019	14,000	2032	25,000
2007	8,000	2020	14,000	2033	25,000
2008	9,000	2021	15,000	2034	26,000
2009	9,000	2022	16,000	2035	27,000
2010	9,000	2023	16,000	2036	28,000
2011	10,000	2024	16,000	2037	30,000
2012	10,000	2025	18,000	2038	31,000
2013	11,000	2026	19,000		

the United States of America, at the address of the registered owner shown on the registration book of the District.

This Bond is issued by the District under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 58 and 74 of the Kentucky Revised Statutes (collectively the "Act"), and pursuant to a duly adopted Bond Resolution of the District authorizing same (the "Current Bond Resolution"), to which Current Bond Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Bond, and the rights, obligations and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the existing waterworks system of the District (said existing waterworks system, together with said extensions, additions and improvements, being hereinafter referred to as the "System").

[FURTHER PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF]

It is hereby certified, tested and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law, and that the face amount of this Bond, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF said Whitley County Water District, by its Board of Commissioners, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Bond, which is November 17, 1988.

and in like manner, solely from said fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, at the Interest Rate specified above, semi-annually on the first days of January and July in each year, beginning with the first January or July after the date of this Bond, until said sum is paid, except as the provisions hereinafter set forth with respect to prepayment may be and become applicable hereto, both principal and interest being payable, without deduction for exchange or collection charges, in lawful money of

WHITLEY COUNTY WATER DISTRICT
Whitley County, Kentucky

Attest: Ralph Stanley
Secretary



By: Walter B. Estes
Chairman

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
COUNTY OF WHITLEY

REGISTERED



WHITLEY COUNTY WATER DISTRICT

WATERWORKS REVENUE BOND, SERIES 2000

Interest Rate: 4.50%

The holder of this Bond has consented to the issuance of \$295,000 of bonds
and a party as to security and source of payment with this bond.

REGISTERED



KNOW ALL MEN BY THESE PRESENTS: That the Whitley County Water District (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Whitley County, Kentucky, for value received, hereby promises to pay to UNITED STATES OF AMERICA, acting by and through the U.S. DEPARTMENT OF AGRICULTURE, 771 Corporate Drive, Suite 200, Lexington, Kentucky 40503-5477, the Registered Owner hereof, or to its registered assigns, solely from the fund hereinafter identified, the sum of

THREE HUNDRED SEVENTY-SEVEN THOUSAND DOLLARS (\$377,000)

on the first day of January, in years and installments as follows:

Payment Due January 1,	Principal Payment	Payment Due January 1,	Principal Payment	Payment Due January 1,	Principal Payment
2003	\$4,000	2016	\$ 7,000	2029	\$12,000
2004	4,000	2017	7,000	2030	13,000
2005	4,000	2018	8,000	2031	13,000
2006	5,000	2019	8,000	2032	14,000
2007	5,000	2020	8,000	2033	15,000
2008	5,000	2021	9,000	2034	15,000
2009	5,000	2022	9,000	2035	16,000
2010	5,000	2023	10,000	2036	17,000
2011	6,000	2024	10,000	2037	17,000
2012	6,000	2025	10,000	2038	19,000
2013	6,000	2026	11,000	2039	19,000
2014	6,000	2027	11,000	2040	19,000
2015	7,000	2028	12,000		

and interest being payable, without deduction for exchange or collection charges, in lawful money of the United States of America, at the address of the Registered Owner shown on the registration book of the District.

This Bond is issued by the District under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 58 and 74 of the Kentucky Revised Statutes (collectively the "Act"), and pursuant to a duly adopted Bond Resolution of the District authorizing same (the "Current Bond Resolution"), to which Current Bond Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the Registered Owner of this Bond, and the rights, obligations and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the existing waterworks system of the District (said existing waterworks system, together with said extensions, additions and improvements, being hereinafter referred to as the "System").

[FURTHER PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF]

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law, and that the face amount of this Bond, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF said Whitley County Water District, by its Board of Commissioners, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Bond, which is **March 21, 2001**.

and in like manner, solely from said fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, at the Interest Rate specified above, semiannually on the first days of January and July in each year, beginning with the first January or July after the date of this Bond, until said sum is paid, except as the provisions hereinafter set forth with respect to prepayment may be and become applicable hereto, both principal

REGISTERED

WHITLEY COUNTY WATER DISTRICT
Whitley County, Kentucky

Attest: Billy R. Stanley
Secretary

By: Walter B. Estes
Chairman



UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
COUNTY OF WHITLEY

REGISTERED



WHITLEY COUNTY WATER DISTRICT
WATERWORKS REVENUE BONDS, SERIES 2003
INTEREST RATE: 4.50%

REGISTERED



The holder of this Bond has consented to the issuance of \$245,000 of bonds
and the security and source of payment will be as follows.

KNOW ALL PERSONS BY THESE PRESENTS: That the Whitley County Water District (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Whitley County, Kentucky for value received, hereby promises to pay to UNITED STATES OF AMERICA, acting by and through the U.S. DEPARTMENT OF AGRICULTURE, 771 Corporate Drive, Suite 200, Lexington, Kentucky 40503-5477, the Registered Owner hereof, or its registered assigns, solely from the fund hereinafter identified, the sum of

ONE MILLION EIGHT HUNDRED SIXTY THOUSAND DOLLARS (\$1,860,000)

on the first day of January, in years and installments as follows:

Year	Principal	Year	Principal	Year	Principal
2005	\$19,000	2018	\$34,000	2031	\$ 61,000
2006	20,000	2019	36,000	2032	63,000
2007	21,000	2020	37,000	2033	66,000
2008	22,000	2021	39,000	2034	69,000
2009	23,000	2022	41,000	2035	72,000
2010	24,000	2023	43,000	2036	76,000
2011	25,000	2024	45,000	2037	79,000
2012	26,000	2025	47,000	2038	83,000
2013	27,000	2026	49,000	2039	86,000
2014	29,000	2027	51,000	2040	90,000
2015	30,000	2028	53,000	2041	94,000
2016	31,000	2029	56,000	2042	102,000
2017	33,000	2030	58,000		

and in like manner, solely from said fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, at the Interest Rate specified above, semiannually on the first days of January and July in each year, beginning with the first January or July after the date of this Bond, until said sum is paid, except as the provisions hereinafter set forth with respect to prepayment may be and become applicable hereby, both principal and interest being payable, without deduction for exchange or collection charges, in lawful money of the United States of America, at the address of the registered owner shown on the registration book of the District.

This Bond is issued by the District under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 58 and 74 of the Kentucky Revised Statutes (collectively the "Act"), and pursuant to a duly adopted Bond Resolution of the District authorizing same (the "Current Bond Resolution"), to

which Current Bond Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Bond, and the rights, obligations and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the existing waterworks system of the District (said existing waterworks system together with said extensions, additions and improvements, being hereinafter referred to as the "System").

This Bond is issued on a parity as to security and source of payment with the outstanding: (i) Whitley County Water District Waterworks Revenue Bonds, Series 1994, dated December 20, 1994 (the "1994 Bonds"), authorized by a Resolution adopted by the Commission of the District on April 13, 1994 (the "1994 Bond Resolution"); (ii) Whitley County Water District Waterworks Revenue Bonds, Series 1998, dated November 17, 1998 (the "1998 Bonds") authorized by a Resolution adopted by the Commission of the District on June 10, 1998 (the "1998 Bond Resolution") and (iii) Whitley County Water District Waterworks Revenue Bonds, Series 2000, dated March 21, 2001 (the "2001 Bonds"), authorized by a Resolution adopted by the Commission of the District on September 28, 2000 (the "2000 Bond Resolution") [hereinafter the 1994 Bonds, 1998 Bonds and the 2000 Bonds shall be collectively referred to as the "Prior Bonds", and the 1994 Bond Resolution, the 1998 Bond Resolution and the 2000 Bond Resolution shall be collectively referred to as the "Prior Bond Resolutions"]. Accordingly, this Bond, the Prior Bonds and any bond ranking on a parity herewith, are payable from and secured by a pledge of the gross revenues to be derived from the operation of the System.

THE OTHER PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law, and that the face amount of this Bond, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF said Whitley County Water District, by its Board of Commissioners, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Bond, which is **October 17, 2003.**

Attest:

Ralph Stanley
Secretary



WHITLEY COUNTY WATER DISTRICT
Whitley County, Kentucky

By:

Walter B. Estes
Chairman

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
COUNTY OF WHITLEY

REGISTERED



WHITLEY COUNTY WATER DISTRICT
WATERWORKS REVENUE BONDS, SERIES 2006
INTEREST RATE: 4.125%

REGISTERED



KNOW ALL PERSONS BY THESE PRESENTS: That the Whitley County Water District (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Whitley County, Kentucky for value received, hereby promises to pay to UNITED STATES OF AMERICA, acting by and through the U.S. DEPARTMENT OF AGRICULTURE, 771 Corporate Drive, Suite 200, Lexington, Kentucky 40503-5477, the Registered Owner hereof, or its registered assigns, solely from the fund hereinafter identified, the sum of

TWO HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$295,000)

on the first day of January, in years and installments as follows:

Year	Principal	Year	Principal	Year	Principal
2008	\$3,200	2021	\$5,500	2034	\$ 9,600
2009	3,300	2022	5,700	2035	10,000
2010	3,400	2023	6,000	2036	10,500
2011	3,600	2024	6,300	2037	10,900
2012	3,700	2025	6,500	2038	11,400
2013	3,900	2026	6,800	2039	11,900
2014	4,100	2027	7,100	2040	12,400
2015	4,300	2028	7,400	2041	13,000
2016	4,400	2029	7,700	2042	13,500
2017	4,600	2030	8,100	2043	14,100
2018	4,800	2031	8,400	2044	14,700
2019	5,100	2032	8,800	2045	15,800
2020	5,300	2033	9,200		

and in like manner, solely from said fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, at the Interest Rate specified above, semi-annually on the first days of January and July in each year, beginning with the first January or July after the date of this Bond, until said sum is paid, except as the provisions hereinafter set forth with respect to prepayment may be and become applicable hereto, both principal and interest being payable, without deduction for exchange or collection charges, in lawful money of the United States of America, at the address of the registered owner shown on the registration book of the District.

This Bond is issued by the District under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 58 and 74 of the Kentucky Revised Statutes (collectively the "Act"), and pursuant to a duly adopted Bond Resolution of the District authorizing same (the "Current Bond Resolution"), to which Current Bond Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Bond, and the rights, obligations and

duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions additions and improvements to the existing waterworks system of the District (said existing waterworks system together with said extensions, additions and improvements, being hereinafter referred to as the "System").

This Bond is issued on a parity as to security and source of payment with the outstanding (i) Whitley County Water District Waterworks Revenue Bonds, Series 1994, dated December 20, 1994 (the "1994 Bonds"), authorized by a Resolution adopted by the Commission of the District on April 13, 1994 (the "1994 Bond Resolution"); (ii) Whitley County Water District Waterworks Revenue Bonds, Series 1998, dated November 17, 1998 (the "1998 Bonds") authorized by a Resolution adopted by the Commission of the District on June 10, 1998 (the "1998 Bond Resolution") (iii) Whitley County Water District Waterworks Revenue Bonds, Series 2000, dated March 21, 2001 (the "2000 Bonds"), authorized by a Resolution adopted by the Commission of the District on September 28, 2000 (the "2000 Bond Resolution"); and (iv) Whitley County Water District Waterworks Revenue Bonds, Series 2003, dated October 17, 2003 (the "2003 Bonds"), authorized by a Resolution adopted by the Commission of the District on December 12, 2002 (the "2003 Bond Resolution") [hereinafter the 1994 Bonds, 1998 Bonds, 2000 Bonds, and 2003 Bonds shall be collectively referred to as the "Prior Bonds", and the 1994 Bond Resolution, the 1998 Bond Resolution, the 2000 Bond Resolution, and the 2003 Bond Resolution shall be collectively referred to as the "Prior Bond Resolution"]. Accordingly this Bond, the Prior Bonds and any bonds ranking on a parity therewith, are payable from and secured by a pledge of the gross revenues to be derived from the operation of the System.

FURTHER PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law, and that the face amount of this Bond, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF said Whitley County Water District, by its Board of Commissioners, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Bond, which is **April 24, 2007**.

Attest:

Ralph Stanley
Secretary



WHITLEY COUNTY WATER DISTRICT
Whitley County, Kentucky

By *Walter B. Estes*
Chairman