

# Rubin & Hays

ATTORNEYS AT LAW

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410  
Telephone (502) 569-7525 Telefax (502) 569-7555 www.rubinhays.com

CHARLES S. MUSSON  
W. RANDALL JONES  
CHRISTIAN L. JUCKETT

RECEIVED

September 27, 2017

SEP 29 2017

PUBLIC SERVICE  
COMMISSION

Mr. John Lyons  
Acting Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602

Case No. 2017-00397

Re: Laurel County Water District No. 2 PSC Application - KRS 278.023

Dear Mr. Lyons:


Enclosed please find the original and ten (10) copies of the Application of the Laurel County Water District No. 2 for a Certificate of Public Convenience and Necessity to construct and finance an improvement project pursuant to KRS 278.023.

Also enclosed are eleven (11) copies of the exhibits required pursuant to 807 KAR 5.069, with the **exception of the Preliminary and Final Reports, of which two copies are enclosed and the Plans and Specifications on electronic media in portable document format.**

If you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By   
W. Randall Jones

WRJ:jl  
Enclosures  
cc: Distribution List

## DISTRIBUTION LIST

**Re: Laurel County Water District No. 2 Waterworks Revenue Bonds, Series 2017,  
in the principal amount of \$1,365,000 (Fariston Park Water Main Project)**

Mr. Jeff Jones  
Acting State Director  
USDA, Rural Development  
771 Corporate Drive, Suite 200  
Lexington, Kentucky 40503-5744

Phone: (859) 224-7336

Mr. Tom Partin  
USDA, Rural Development  
100 Fortress Properties Street, Suite 3  
London, Kentucky 40741

Phone: (606) 401-2297  
Fax: (855) 454-4516

Mr. Kenneth Fisher, Manager  
Laurel County Water District No. 2  
3910 South Laurel Road  
London, Kentucky 40744

Phone: (606) 878-2494  
Fax: (606) 878-2448

Lee Mudd, P.E.  
Monarch Engineering, Inc.  
556 Carlton Drive  
Lawrenceburg, Kentucky 40342

Telephone: (502) 839-1310  
Fax: (502) 839-1373

Brandon C. Jones, Esq.  
Attorney at Law  
128 North Main Street  
London, Kentucky 40741

Phone: (606) 330-2035  
Fax: (606) 330-2069

W. Randall Jones, Esq.  
Rubin & Hays  
Kentucky Home Trust Building  
450 South Third Street  
Louisville, Kentucky 40202

Phone: (502) 569-7534  
Fax: (502) 569-7555

RECEIVED

SEP 29 2017

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE LAUREL COUNTY  
WATER DISTRICT No. 2 FOR A CERTIFICATE  
OF PUBLIC CONVENIENCE AND  
NECESSITY TO CONSTRUCT AND FINANCE A  
PROJECT PURSUANT TO KRS 278.023

)  
)  
) Case No. 2017-00397  
)  
)

APPLICATION

This Application of the Laurel County Water District No. 2 ("Applicant"), respectfully shows:

1. That Applicant is a water district created and existing under and by virtue of Chapter 74 of the Kentucky Revised Statutes.

2. That the post office address of Applicant is:

Laurel County Water District No. 2  
c/o Mr. Kenneth Fisher, Superintendent  
3910 South Laurel Road  
London, Kentucky 40744  
Phone: (606) 878-2494  
Fax: (606) 878-2448  
email address: [kfisher@laurelwater.com](mailto:kfisher@laurelwater.com)

3. That Applicant, pursuant to the provisions of KRS 278.023, seeks (i) a Certificate of Public Convenience and Necessity ("CPCN"), permitting Applicant to construct an improvement project (the "Project"); and (ii) approval of the proposed plan of financing said Project.

4. That the description of the Project is attached hereto as **Exhibit "A"**.

5. That Applicant proposes to finance the construction of the Project through the issuance of \$1,365,000 of its Waterworks Revenue Bonds and a grant from the United States Department of Agriculture, acting through Rural Development ("RD") in the amount of \$585,000. Applicant has a commitment from RD to purchase said \$1,365,000 of bonds maturing over a 40-year period, at an interest rate not to exceed 2.75% per annum as set out in the RD Letter of Conditions filed herewith as an Exhibit.

6. That Applicant does not contemplate having the Project constructed with any deviation from minimum construction standards of this Commission.

7. That Applicant files herewith the following Exhibits pursuant to 807 KAR 5:069, Section 2 in support of this Application:

- A. Description of Project (**Exhibit "A"**).
- B. Copy of RD Letter of Conditions and Form RD 1940-1 Request for Obligation of Funds (**Exhibit "B"**).
- C. Copy of RD Letter of Concurrence in Contract Award (**Exhibit "C"**).
- D. Copy of Preliminary Engineering Report and Final Engineering Report with certified bid tabulations.
- E. Certified statement from the Chairman of Applicant (**Exhibit "D"**), based upon statements of the Engineers for Applicant, concerning the following:
  - (1) The proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066 Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8(1) through (3); Section 9(1) and Section 10.
  - (2) All other state approvals or permits have been obtained;
  - (3) The proposed rates of Applicant shall produce the total revenue requirements recommended in the reports; and
  - (4) Setting out the dates when it is anticipated that construction will begin and end.
- F. Copy of the Plans and Specifications of the Project on electronic storage medium in portable document format.

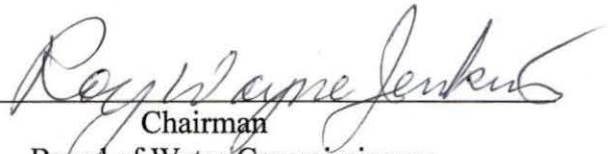
8. That the foregoing constitutes the documents necessary to obtain the approval of this Commission in accordance with Section 278.023 of the Kentucky Revised Statutes and in accordance with the "Filing Requirements" specified in 807 KAR 5:069, Section 2.

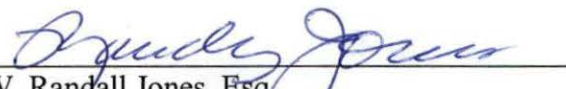


WHEREFORE, Applicant, Laurel County Water District No. 2 asks that the Public Service Commission of the Commonwealth of Kentucky grant to Applicant the following:

- a. A Certificate of Public Convenience and Necessity permitting Applicant to construct an improvement project.
- b. An Order approving the financing arrangements made by Applicant, viz., the issuance of \$1,365,000 of Laurel County Water District No. 2 Waterworks Revenue Bonds at an interest rate not to exceed 2.75% per annum and an RD grant in the amount of \$585,000.

Laurel County Water District No. 2


By:   
Chairman  
Board of Water Commissioners

  
W. Randall Jones, Esq.  
Rubin & Hays, Counsel for Applicant  
Kentucky Home Trust Building  
450 South Third Street  
Louisville, Kentucky 40202  
Phone: (502) 569-7534  
Fax: (502) 569-7555  
[wrjones@rubinhays.com](mailto:wrjones@rubinhays.com)

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF LAUREL )

The undersigned, Roy Jenkins, being duly sworn, deposes and states that he is the Chairman of the Board of Commissioners of the Laurel County Water District No. 2, Applicant, in the above proceedings; that he has read the foregoing Application and has noted the contents thereof; that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and as to those matters, he believes same to be true.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this September 14<sup>th</sup> 2017.

  
Roy Jenkins, Chairman  
Laurel County Water District No. 2

Subscribed and sworn to before me by Roy Jenkins, Chairman of the Board of Commissioners of the Laurel County Water District No. 2 on this September 14<sup>th</sup> 2017.

My Commission expires: 09/27/17

7  
*Cheryl Gray*  
\_\_\_\_\_  
Notary Public

## **PROJECT DESCRIPTION**

### **LAUREL COUNTY WATER DISTRICT #2 2017 WATER SYSTEM IMPROVEMENTS**

The Laurel County Water District #2 owns and operates a water treatment and distribution system which serves the rural population of south central Laurel and north western Knox Counties. Within the existing distribution system, there are various aging, undersized, and/or inadequate water mains which are in need of upgrade or replacement. These existing lines struggle to meet system demands during periods of peak demand. Additionally, these existing lines are subject to frequent breaks, leaks and other emergency repair situations. In addition, the London - Laurel County Industrial Development Authority is developing a new 98 acre industrial park which will be located with the distribution system. Existing infrastructure serving the site is not of adequate capacity to meet new demands on the system. Accordingly, implementation of this project is required for development of this important community facility.

In order to correct the above-described deficiencies, the project proposes the installation of approximately 8,000 L.F. of 6-inch, 6,000 L.F. of 4-inch, and 2,000 L.F. of 3-inch water line and appurtenances will be installed to replace existing aging and undersized lines in the Byrley Road, Cherry Avenue, Bakersfield Lane, and North Court Road areas of the system. In addition, approximately 13,100 L.F. of 12-inch water main and appurtenances to serve the proposed Fariston Industrial Park. The proposed water transmission main will extend from the existing 500,000 gallon storage tank located in the Lily community to the intersection of Hammock and Fariston Roads.

In addition, the District was recently notified by the London-Laurel County Industrial Development Authority of their intention to acquire a large parcel of land located just south on London on the corner of U.S. Highway 25 and Old Whitley Road. The Authority intends to develop this roughly 125 acre tract into a new industrial park, which will facilitate the need for a high capacity potable water supply. Considering the potential for large water users, the project will also include an additional 6,000 L.F. of 12-inch water main and appurtenances to supply the proposed industrial park and also supplement existing customer demands. Per approval from USDA Rural Development, this additional work will be funded using excess contingency funds and be incorporated into the project via change order.

The project cost is \$1,950,000. Project financing has been secured through the U.S.D.A. Rural Development program. The District is receiving loan funds of \$1,365,000 along with matching grant funds of \$585,000.



February 6, 2017

Roy Jenkins, Chairman  
Laurel County Water District No. 2  
3910 South Laurel Road  
London, KY 40744

COPY

SUBJECT: Recipient Name: Laurel County Water District No. 2  
Project Name: Fariston Park Water Main

Dear Chairman Jenkins:

This letter establishes conditions that must be understood and agreed to by you before further consideration may be given to the application. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area office staff of USDA Rural Development. Any changes in project cost, source of funds, scope of services or any other significant changes in the project or applicant must be reported to and approved by USDA Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application. It should also be understood that Rural Development is under no obligation to provide additional funds to meet an overrun in construction costs.

This letter is not to be considered as loan or grant approval or as a representation as to the availability of funds. The docket may be completed on the basis of a RUS loan not to exceed \$1,365,000 and a RUS grant not to exceed \$585,000; No applicant cash contribution will be required.

If Rural Development makes the loan, the interest rate will be the lower of the rate in effect at the time of loan approval or the rate in effect at the time of loan closing, unless the applicant otherwise chooses. The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," if you desire that further consideration be given to your application.

The "Letter of Intent to Meet Conditions" must be executed within three weeks from the date of this letter or it becomes invalid unless a time extension is granted by Rural Development.

If the conditions set forth in this letter are not met within 240 days from the date hereof, Rural Development reserves the right to discontinue the processing of the application. In signing Form RD 1942-46, "Letter of Intent to Meet Conditions," you are agreeing to complete the following as expeditiously as possible:

1. Number of Users and Their Contribution:

There shall be 5,957 water users of which all are existing users. The Area Director will review and authenticate the number of users prior to advertising for construction bids.

2. Grant Agreement:

Attached is a copy of RUS Bulletin 1780-12, "Water and Waste System Grant Agreement," for your review. You will be required to execute a completed form at the time of grant closing.

**Rural Development • Kentucky State Office**  
771 Corporate Drive, Suite 200, Lexington, Kentucky 40502  
Voice (859) 224-7300 • Fax (855) 661-8335 • TTY (859) 224-7422

USDA is an equal opportunity provider, employer and lender.

3. Drug-Free Work Place:

Prior to grant closing, the District will be required to execute Form AD-1049, "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - For Grantees Other Than Individuals."

4. Repayment Period:

The loan will be scheduled for repayment over a period not to exceed 40 years from the date of the Bond. Principal payment will not be deferred. Payments will be in accordance with applicable KRS, which requires interest to be paid semi-annually (January and July) and principal will be due on or before the first of January. Rural Development may require the District to adopt a supplemental payment agreement providing for monthly payments of principal and interest so long as the bond is held or insured by RUS. Monthly payments will be approximate amortized installments.

5. Recommended Repayment Method:

Payments on this loan shall be made using the Preauthorized Debit (PAD) payment method. This procedure eliminates the need for paper checks and ensures timely receipt of RD loan payments. To initiate PAD payments, Form RD 3550-28, "Authorization Agreement for Preauthorized Payments," should be signed by the District to authorize the electronic withdrawal of funds from your designated bank account on the exact installment payment due date. The Area Director will furnish the necessary forms and further guidance on the PAD procedure.

6. Reserve Accounts:

Reserves must be properly budgeted to maintain the financial viability of any operation. Reserves are important to fund unanticipated emergency maintenance, pay for repairs, and assist with debt service should the need arise.

The District will be required to deposit \$473 per month into a "Funded Debt Reserve Account" until the account reaches \$56,760. The deposits are to be resumed any time the account falls below the \$56,760.

The required monthly deposits to the Reserve Account and required Reserve Account levels are in addition to the requirements of the District's prior bond ordinances.

The monthly deposits to the Reserve Account are required to commence with the first month of the first full fiscal year after the facility becomes operational.

The District also needs to fund an account for short-lived assets by depositing a sum of \$3,098 monthly into the account. The funds in the short-lived asset account may be used by the District as needed to replace or add short-lived assets in the District's utility systems.

7. Security Requirements:

A pledge of gross water revenue(s) will be provided in the Bond Ordinance. Bonds shall rank on a parity with existing bonds, if possible.

If this is not possible, the bond will be subordinate and junior to the existing bonds, in which case the District will be required to abrogate its right to issue additional bonds ranking on a parity with the existing bonds, so long as any unpaid indebtedness remains on this bond issue. Additional security requirements are contained in [RUS Bulletin 1780-12, "Water and Waste System Grant Agreement," and RUS Bulletin 1780-27, "Loan Resolution Public Body." A draft of all security instruments, including, draft bond resolution, must be reviewed and concurred in by the Agency prior to advertising for bids. The Bond Resolution and Loan Resolution must be duly adopted and executed prior to loan closing. The Grant Agreement must be fully executed prior to the first disbursement of grant funds.



8. Land Rights and Real Property:

The District will be required to furnish satisfactory title, easements, etc., necessary to install, maintain and operate the facility to serve the intended users.

The pipelines will be on private rights-of-way where feasible. Easements and options are to be secured prior to advertising for construction bids.

9. Organization:

The District will be legally organized under applicable KRS, which will permit them to perform this service, borrow, or repay money.

The District must maintain a current registration of their Dun and Bradstreet Data Universal Numbering System (DUNS) number in SAM.gov (System for Award Management) in order to receive federal loan and/or grant financial assistance. This registration must be updated/renewed at least annually.

10. Business Operations:

The District will be required to operate the system under a well-established set of resolutions, rules and regulations. A budget must be established annually and adopted by the District after review by Rural Development. At no later than loan pre-closing, the District will be required to furnish a prior approved management plan to include, as a minimum, provisions for management, maintenance, meter reading, miscellaneous services, billing, collecting, delayed payment penalties, disconnect/reconnect fees, bookkeeping, making and delivering required reports and audits.

11. Conflict of Interest Policy:

Prior to obligation of funds, you will certify in writing that your organization has in place an up-to-date written policy on conflict of interest. The policy will include, at a minimum: (1) a requirement for those with a conflict/potential conflict to disclose the conflict/potential conflict, (2) a prohibition of interested members of the applicant's governing body from voting on any matter in which there is a conflict, and (3) a description of the specific process by which the governing body will manage identified or potential conflicts.

You must also submit a disclosure of planned or potential transactions related to the use of Federal funds that may constitute or present the appearance of personal or organizational conflict of interest. Sample conflict of interest policies may be found at the National Council of Nonprofits website, <https://www.councilofnonprofits.org/tools-resources/conflict-of-interest>, or in Internal Revenue Service Form 1023, Appendix A, "Sample Conflict of Interest Policy," at <http://www.irs.gov/pub/irs-pdf/i1023.pdf>. Though these examples reference non-profit corporations, the requirement applies to all types of Agency borrowers.

Disclosure must be in the form of a written letter signed and dated by the applicant's official. A negative disclosure of the same format is required if no conflicts are anticipated. Assistance in developing a conflict of interest policy is available through Agency-contracted technical assistance providers if desired.

12. Accounts, Records and Audits:

The District will be required to maintain adequate records and accounts and submit annual budgets and year-end reports (annual audits)/statistical and financial reports, quarterly and annually, in accordance with subsection 1780.47 of RUS Instruction 1780.

The District shall be required to submit a copy of its audit agreement for review and concurrence by Rural Development prior to pre-closing the loan.

13. Accomplish Audits for Years in Which Federal Financial Assistance is Received:

The type of financial information that must be submitted is specified below:

Audits – An annual audit under the Single Audit Act is required if you expend \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

All audits are to be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from the Agency. It is not intended that audits required by this part be separate and apart from audits performed in accordance with State and local laws. To the extent feasible, the audit work should be done in conjunction with those audits. The audit must be prepared by an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by State law, and must be submitted within 9 months of your fiscal year end.

14. Insurance and Bonding:

The following insurance and bonding will be required:

- A. Adequate Liability and Property Damage Insurance including vehicular coverage, if applicable, must be obtained and maintained by the District. The District should obtain amounts of coverage as recommended by its attorney, consulting engineer and/or insurance provider.
- B. Worker's Compensation - The District will carry worker's compensation insurance for employees in accordance with applicable state laws.
- C. Fidelity Bond - The District will provide Fidelity Bond Coverage for all persons who have access to funds. Coverage may be provided either for all individual positions or persons, or through "blanket" coverage providing protection for all appropriate employees and/or officials. The amount of coverage required for all RUS loans is \$504,000.
- D. Real Property Insurance - The District will obtain and maintain adequate fire and extended coverage on all structures including major items of equipment or machinery located in the structures.  
The amounts of coverage should be based on recommendations obtained by the District from its attorney, consulting engineer and/or insurance provider. Subsurface lift stations do not have to be covered except for the value of electrical and pumping equipment therein.
- E. Flood Insurance - The District will obtain and maintain adequate coverage on any facilities located in special flood and mudslide prone areas.

15. Planning and Performing Development:

- A. The engineer should not be authorized to commence work on final plans and specifications until a determination has been made that the project can be planned and constructed within the estimated cost shown in paragraph "28" of this letter. The engineer may then proceed to develop final plans and specifications to be completed no later than 210 days from this date, and prepare bid documents. The Area Director is prepared to furnish the necessary guide to follow so as to keep the project plans and documents within our guidelines and requirements. The project must be constructed by the design/bid/build method of construction. The project should not be advertised for construction bids until all easements and enforceable options have been obtained, and total funds are committed or available for the project.



- B. The following documents will be submitted to Rural Development for review and must be concurred in by Rural Development prior to advertisement for construction bids:
1. Final plans, specifications and bid documents.
  2. Applicant's letter on efforts to encourage small business and minority-owned business participation.
  3. Legal Service Agreements.
  4. Engineering Agreements.

Revision in these documents will be subject to Rural Development concurrence. Any agreements, contracts, etc. not reviewed and approved by Rural Development will not be eligible for payment from project funds or revenues from facilities financed by this Agency.

Prior to receipt of an authorization to advertise for construction bids, the District will obtain advance clearance from Bond Counsel and/or Local Counsel regarding compliance with KRS 424 pertaining to publishing of the advertisement for construction bids in local newspapers and the period of time the notice is required to be published.

16. Bid Tabulation:

Immediately after bid opening, you must provide the Agency with the bid tabulation and your engineer's evaluation of bids and recommendations for contract awards. If the Agency agrees that the construction bids received are acceptable, adequate funds are available to cover the total project costs, and all the requirements of this letter have been satisfied, the Agency will authorize you to issue the Notice of Award.

- A. Cost Overruns – If bids are higher than expected, or if unexpected construction problems are encountered, you must utilize all options to reduce cost overruns. Negotiations, redesign, use of bidding alternatives, rebidding or other means will be considered prior to commitment of subsequent funding by the Agency. Any requests for subsequent funding to cover cost overruns will be contingent on the availability of funds.

Cost overruns exceeding 20% of the development cost at time of loan or grant approval or where the scope of the original purpose has changed will compete for funds with all other applications on hand as of that date.

- B. Excess Funds – If bids are lower than anticipated at time of obligation, excess funds must be de-obligated prior to start of construction except in the cases addressed in this paragraph. In cases where the original PER for the project included items that were not bid, or were bid as an alternate, the State Office official may modify the project to fully utilize obligated funds for those items. Amendments to the PER, ER, and letter of conditions may be needed for any work not included in the original project scope. In all cases, prior to start of construction, excess funds will be de-obligated, with grant funds being de-obligated first. Excess funds do not include contingency funds as described in this letter.

17. Contract Documents, Final Plans, and Specifications:

- A. The contract documents must consist of the EJCDC construction contract documents as indicated in RUS Bulletin 1780-26 or other Agency-approved forms of agreement
- B. The contract documents, final plans, and specifications must comply with RUS Instruction 1780, Subpart C – Planning, Designing, Bidding, Contracting, Constructing and Inspections, and must be submitted to the Agency for concurrence prior to advertising for bids along with an updated cost estimate. The Agency may require another updated cost estimate if a significant amount of time elapses between the original submission and advertising for bids.
- C. The use of any procurement method other than competitive sealed bids must be requested in writing and approved by the Agency.

18. Contract Review:

Your attorney will certify that the executed contract documents, including performance and payment, if required, are adequate and that the persons executing these documents have been properly authorized to do so in accordance with RUS Instruction 1780.61 (b).

19. Civil Rights & Equal Opportunity:

You should be aware of and will be required to comply with other federal statute requirements including but not limited to:

A. Section 504 of the Rehabilitation Act of 1973:

Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Rural Development financial assistance.

B. Civil Rights Act of 1964:

All borrowers are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and Subpart E of Part 1901 of this Title, particularly as it relates to conducting and reporting of compliance reviews.

Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this Title.

C. The Americans with Disabilities Act (ADA) of 1990:

This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, state and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by state and local public entities that provide services, programs, and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities that accommodate the public.

D. Age Discrimination Act of 1975:

This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

E. Limited English Proficiency (LEP) under Executive Order 13166:

LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under Federally-assisted and/or conducted programs on the ground of race, color, or national origin. Title VI of the Civil Rights Act of 1964 covers program access for LEP persons.

LEP persons are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English. These individuals may be entitled to language assistance, free of charge. You must take reasonable steps to ensure that LEP persons receive the language assistance necessary to have meaningful access to USDA programs, services, and information your organization provides. These protections are pursuant to Executive Order 13166 entitled, "Improving Access to Services by Persons with Limited English Proficiency" and further affirmed in the USDA Departmental Regulation 4330-005, "Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA."

Agency financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. You must display posters (provided by the Agency) informing users of these requirements, and the Agency will monitor your compliance with these requirements during compliance reviews.

20. Closing Instructions:

The Office of General Counsel, our Regional Attorney, will be required to write closing instructions in connection with this loan. Conditions listed therein must be met by the District.

21. Compliance with Special Laws and Regulations:

The District will be required to conform to any and all state and local laws and regulations affecting this type project.

22. Treatment Plant and System Operator:

The District is reminded that the water treatment plant and water system operator must have an Operator's Certificate issued by the State.

23. Prior to Pre-Closing the Loan, the District Will Be Required to Adopt:

- A. Form RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)."
- B. Form RD 400-1, "Equal Opportunity Agreement."
- C. Form RD 400-4, "Assurance Agreement."
- D. Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transaction."
- E. Form RD 1910-11, "Applicant Certification Federal Collection Policies for Consumer or Commercial Debts."
- F. RD Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans."
- G. RUS Bulletin 1780-22, "Eligibility Certification."

24. Refinancing and Graduation Requirements:

The District is reminded that if at any time it shall appear to the Government that the District is able to refinance the amount of the RUS indebtedness then outstanding, in whole or in part, by obtaining a loan from commercial sources at reasonable rates and terms, upon the request of the Government, the District will apply for and accept such loan in sufficient amount to repay the Government.

25. Commercial Interim Financing:

The District will be required to use commercial interim financing for the project during construction for the RUS loan portion of the financing, if available at reasonable rates and terms.

Before the loan is closed, the District will be required to provide Rural Development with statements from the contractor, engineer and attorneys that they have been paid to date in accordance with their contract or other agreements and, in the case of the contractor, that he has paid his suppliers and sub-contractors.

26. Disbursement of Project Funds:

A construction account for the purpose of disbursement of project funds (RUS) will be established by the District prior to start of construction. The position of officials entrusted with the receipt and disbursement of RUS project funds will be covered by a "Fidelity Bond," with USDA Rural Development as Co-Obligee, in the amount of construction funds on hand at any one time during the construction phase.

For each "construction account" as established, if the amount of RUS loan and grant funds plus any applicant contributions or funds from other sources to be deposited into the account are expected to exceed \$250,000 at any time, the financial institution will secure the amount in excess of \$250,000 by pledging collateral with the Federal

Reserve Bank in an amount not less than the excess in accordance with 7 CFR, 1902.7(a).

Agency funds will be disbursed into the construction account through an electronic transfer system. The borrower should complete Form SF-3881, "Electronic Funds Transfer Payment Enrollment Form," for each account where funds will be electronically received. The completed form(s) must be received by Rural Development at least thirty (30) days prior to the first advance of funds.

Monthly audits of the District's construction account records shall be made by Rural Development.

Borrowers receiving federal loan and/or grant funds by EFT will have funds directly deposited to a specified account at a financial institution with funds being available to the recipient on the date of payment.

Any applicant contribution will be the first funds expended, followed by other funding sources. Interim financing or Agency loan funds will be expended after all other funding sources unless an agreement is reached with all other funding sources on how funds are to be disbursed prior to start of construction or loan closing, whichever occurs first. Interim financing funds or Agency loan funds must be used prior to the use of Agency grant funds. The Grant funds must not be disbursed prior to loan funds except as specified in RUS Instruction 1780.45 (d). In the unlikely event the Agency mistakenly disburses funds, the funds will be remitted back to the Agency electronically.

During construction, the District shall disburse project funds in a manner consistent with subsection 1780.76 (e) of RUS Instruction 1780. Form RD 1924-18, "Partial Payment Estimate," or similar form approved by Rural Development, shall be used for the purpose of documenting periodic construction estimates, and shall be submitted to Rural Development for review and acceptance. Prior to disbursement of funds by the District, the District Council shall review and approve each payment estimate. All bills and vouchers must be approved by Rural Development prior to payment by the District.

Form RD 440-11, "Estimate of Funds Needed for 30-Day Period Commencing \_\_\_\_\_," will be prepared by the District and submitted to Rural Development in order that a periodic advance of federal cash may be requested.

27. Disbursement of Grant Funds:

The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of obligations due and payable by the District.

Grant funds are to be deposited in an interest bearing account in accordance with 2 CFR part 200 and interest in excess of \$500 per year remitted to the Agency.

The funds should be disbursed by the recipient immediately upon receipt and there should be little interest accrual on the Federal funds. Recipients shall maintain advances of Federal funds in interest-bearing account, unless:

- a. The recipient receives less than \$120,000 in Federal awards per year.
- b. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.



- c. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
- d. A foreign government or banking system prohibits or precludes interest-bearing accounts.

28. Project Budget:

Estimated expenditures are as follows:

Project Costs:

Development	\$1,500,000
Legal and Administrative	25,000
Engineering Fees	205,000
Interest	35,000
Other	35,000
Contingencies	<u>150,000</u>
<b>TOTAL PROJECT COST</b>	<b>\$1,950,000</b>

Project Funding:

RUS Loan	\$1,365,000
RUS Grant	<u>585,000</u>
<b>TOTAL FUNDING</b>	<b>\$1,950,000</b>

Any changes in funding sources following obligation of Agency funds must be reported to the processing official. Project feasibility and funding will be reassessed if there is a significant change in project costs after bids are received. If actual project costs exceed the project cost estimates, an additional contribution by the Owner may be necessary. Prior to advertisement for construction bids, you must provide evidence of applicant contributions and approval of other funding sources. This evidence should include a copy of the commitment letter. Agency funds will not be used to pre-finance funds committed to the project from other sources.

Obligated loan or grant funds not needed to complete the proposed project will be de-obligated prior to start of construction. Any reduction will be applied to grant funds first. An amended letter of conditions will be issued for any changes to the total project budget.

29. Construction Completion Timeframe:

All projects are required to be completed and all funds disbursed within five years of obligation. If funds are not disbursed within five years of obligation, you must submit a written waiver request with adequate justification of extenuating circumstances beyond your control for an extension of time. Any additional requests for waivers beyond the initial extension will be submitted through the State Office to the Assistant Administrator for concurrence decision.

30. Use of Remaining Project Funds:

The applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining project funds will be considered to be RUS grant funds and refunded in proportion to participation in the project. If the amount of unused project funds exceeds the grants, that part would be RUS loan funds.

31. Proposed Operating Budget:

You will be required to submit to Rural Development a copy of your proposed annual operating budget that supports the proposed loan repayment prior to this agency giving you written authorization to proceed with the bidding phase. The operating budget should be based on a typical year cash flow, subject to completion of this project in the first full year of operation. Form RD 442-7, "Operating Budget," or similar form may be utilized for this purpose.

32. Rates and Charges:

Rates and charges for facilities and services rendered by the District must be at least adequate to meet cost of maintaining, repairing and operating the water system and meeting required principal and interest payments and the required deposits to debt service and/or depreciation reserve.

Water rates will be at least:

5/8-Inch Meter

First	1,000	gallons @ \$11.10 - Minimum Bill.
Next	99,000	gallons @ \$4.66 – per 1,000 gallons.
Over	100,000	gallons @ \$4.03 – per 1,000 gallons.

1-Inch Meter

First	5,000	gallons @ \$29.72 - Minimum Bill.
Next	95,000	gallons @ \$4.66 – per 1,000 gallons.
Over	100,000	gallons @ \$4.03 – per 1,000 gallons.

1 1/2-Inch Meter

First	10,000	gallons @ \$53.02 - Minimum Bill.
Next	90,000	gallons @ \$4.66 – per 1,000 gallons.
Over	100,000	gallons @ \$4.03 – per 1,000 gallons.

2-Inch Meter

First	20,000	gallons @ \$99.60 - Minimum Bill.
Next	80,000	gallons @ \$4.66 – per 1,000 gallons.
Over	100,000	gallons @ \$4.03 – per 1,000 gallons.

3-Inch Meter

First	30,000	gallons @ \$146.19 - Minimum Bill.
Next	70,000	gallons @ \$4.66 – per 1,000 gallons.
Over	100,000	gallons @ \$4.03 – per 1,000 gallons.

4-Inch Meter

First	50,000	gallons @ \$239.36 - Minimum Bill.
Next	50,000	gallons @ \$4.66 – per 1,000 gallons.
Over	100,000	gallons @ \$4.03 – per 1,000 gallons.

Campground Heights Buildings 1-81-Inch Meter

First	4,000	gallons @ \$44.36 - Minimum Bill.
Next	96,000	gallons @ \$4.66 – per 1,000 gallons.
Over	100,000	gallons @ \$4.03 – per 1,000 gallons.

Campground Heights Building 91-Inch Meter

First	5,000	gallons @ \$29.72 - Minimum Bill.
Next	95,000	gallons @ \$4.66 – per 1,000 gallons.
Over	100,000	gallons @ \$4.03 – per 1,000 gallons.

Benelly Investments, LLC (d/b/a Mt. Hill Apartments2-Inch Meter

First 22,000 gallons @ \$243.97 - Minimum Bill.  
Next 78,000 gallons @ \$4.66 – per 1,000 gallons.  
Over 100,000 gallons @ \$4.03 – per 1,000 gallons.

Emma's Place Apartments2-Inch Meter

First 49,000 gallons @ \$543.38 - Minimum Bill.  
Next 51,000 gallons @ \$4.66 – per 1,000 gallons.  
Over 100,000 gallons @ \$4.03 – per 1,000 gallons.

Pinegrove #2 Apartments2-Inch Meter

First 26,000 gallons @ \$288.33 - Minimum Bill.  
Next 74,000 gallons @ \$4.66 – per 1,000 gallons.  
Over 100,000 gallons @ \$4.03 – per 1,000 gallons.

Greater Corbin Manor4-Inch Meter

First 200,000 gallons @ \$875.74 - Minimum Bill.  
Over 200,000 gallons @ \$4.03 – per 1,000 gallons.

33. Vulnerability Assessment/Emergency Response Plan (VA/ERP):

The Agency requires all financed water and wastewater systems to have a VA/ERP in place. Borrowers with existing systems must provide a certification that a VA/ERP has been completed prior to advertising for bids. The documents are not submitted to the Agency for VA/ERP requirements throughout the life of the loan.

34. Floodplain Construction:

The District will be required to pass and adopt a Resolution or amend its By-Laws whereby the District will deny any water service to any future customer wishing to build on or develop property located within a designated floodplain.

If a customer or developer requests service for construction in a designated floodplain, the customer or developer must provide evidence and a justification for approval by the District and Rural Development officials that there are no other alternatives to construction or development within the designated floodplain. The community must be a participant in the National Flood Insurance Program (NFIP) and the customer or developer must obtain the required permits prior to the tap on restrictions being waived.

35. Water Withdrawal Permit:

The District will be required to obtain satisfactory evidence that a revised water withdrawal permit has been secured from the Division of Water. The permit must be obtained prior to the commencement of construction on the water project.

36. Mitigation Measures:

- A. The project shall be in compliance with all requirements noted in the Governor's Office for Local Development letter dated April 29, 2016, from Ms. Lee Nalley.



- B. The design and construction shall be in compliance with the requirements of the U.S. Fish and Wildlife Service by letter dated May 20, 2016, and signed by Virgil Lee Andrews, Jr., Field Supervisor.
- C. The line design and construction shall be accomplished in a way that will leave flood plains and farmland without effect after construction is complete. The Army Corps of Engineers Nationwide Permit No. 12 applies to all floodplain and wetland utility line construction.
- D. Any excavation by Contractor that uncovers a historical or archaeological artifact shall be immediately reported to Owner and a representative of Agency. Construction shall be temporarily halted until RD can consult with the State Historical Preservation Officer and issue further directions.
- E. The design and construction shall be in compliance with all local, state and federal environmental statutes, regulations and executive orders applicable to the project.
- F. Best Management Practices shall be incorporated into the project design, construction, and maintenance.

37. System for Award Management:

You will be required to maintain a Dun and Bradstreet Data Universal Numbering System (DUNS) number and maintain an active registration in the System for Award Management (SAM) database. Renewal can be done on-line at: <http://sam.gov>.

This registration must be renewed and revalidated every twelve (12) months for as long as there are Agency funds to be expended.

To ensure the information is current, accurate and complete, and to prevent the SAM account expiration, the review and updates must be performed within 365 days of the activation date, commonly referred to as the expiration date. The registration process may take up to 10 business days. (See 2 CFR Part 25 and the "Help" section at <http://sam.gov>).

38. Prepayment and Extra Payments:

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower, with no penalty.

Security instruments, including bonding documents, must contain the following language regarding extra payments, unless prohibited by State statute:

*Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the borrower. Refunds, extra payments and loan proceeds obtained from outside sources for the purpose of paying down the Agency debt, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of borrower to pay the remaining installments as scheduled in your security instruments.*

39. Security/Operational Inspections:

The Agency will inspect the facility and conduct a review of your operations and records management system and conflict of interest policy every three years for the life of the loan. You must participate in these inspections and provide the required information.

40. Final Approval Conditions:

Final approval of this assistance will depend on your willingness, with the assistance of all your co-workers, to meet the conditions of this letter in an orderly and systematic manner. Then too, final approval will depend on funds being available.

If you desire to proceed with your application, the Area Director will allot a reasonable portion of time to provide guidance in application processing.

Sincerely,



JEFFREY JONES  
Acting State Director

Enclosures

cc: Area Director – London, Kentucky  
Cumberland Valley ADD – London, Kentucky  
Monarch Engineering – Lawrenceburg, Kentucky  
Brandon C. Jones – London, Kentucky  
Talina Mathews, PSC – Frankfort, Kentucky  
Randy Jones – Louisville, Kentucky

REQUEST FOR OBLIGATION OF FUNDS

FORM APPROVED  
OMB No. 0570-0062

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED ( )			
Complete Items 1 through 29 and applicable Items 30 through 34. See FMI.			
1. CASE NUMBER ST CO BORROWER ID 21-025-*****1148		LOAN NUMBER	FISCAL YEAR
2. BORROWER NAME Laurel County Water District No. 2		3. NUMBER NAME FIELDS (1, 2, or 3 from Item 2)	
		4. STATE NAME Kentucky	
		5. COUNTY NAME Laurel	
GENERAL BORROWER/LOAN INFORMATION			
6. RACE/ETHNIC CLASSIFICATION 1 - WHITE 2 - BLACK 3 - AM/AN 4 - HISPANIC 5 - API	7. TYPE OF APPLICANT 1 - INDIVIDUAL 2 - PARTNERSHIP 3 - CORPORATION 4 - PUBLIC BODY 5 - ASSOC. OF FARMERS 6 - ORG. OF FARMERS 7 - NONPROFIT-SECULAR 8 - NONPROFIT-FAITH BASED 9 - INDIAN TRIBE 10 - PUBLIC COLLEGE/UNIVERSITY 11 - OTHER	8. COLLATERAL CODE 1 - REAL ESTATE SECURED 2 - REAL ESTATE AND CHATTEL 3 - NOTE ONLY OR CHATTEL ONLY 4 - MACHINERY ONLY 5 - LIVESTOCK ONLY 6 - CROPS ONLY 7 - SECURED BY BONDS 8 - RLF ACCT	9. EMPLOYEE RELATIONSHIP CODE 1 - EMPLOYEE 2 - MEMBER OF FAMILY 3 - CLOSE RELATIVE 4 - ASSOC.
10. SEX CODE 6 1 - MALE 2 - FEMALE 3 - FAMILY UNIT 4 - ORGAN MALE OWNED 5 - ORGAN FEMALE OWNED 6 - PUBLIC BODY	11. MARITAL STATUS 1 - MARRIED 2 - SEPARATED 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)	12. VETERAN CODE 1 - YES 2 - NO	13. CREDIT REPORT 1 - YES 2 - NO
14. DIRECT PAYMENT 3 (See FMI)	15. TYPE OF PAYMENT 2 1 - MONTHLY 2 - ANNUALLY 3 - SEMI-ANNUALLY 4 - QUARTERLY	16. FEE INSPECTION 2 1 - YES 2 - NO	
17. COMMUNITY SIZE 1 - 10,000 OR LESS (FOR SFH AND HPG ONLY) 2 - OVER 10,000		18. USE OF FUNDS CODE (See FMI)	
COMPLETE FOR OBLIGATION OF FUNDS			
19. TYPE OF ASSISTANCE 067 (See FMI)	20. PURPOSE CODE 3	21. SOURCE OF FUNDS	22. TYPE OF ACTION 1 - OBLIGATION ONLY 2 - OBLIGATION/CHECK REQUEST 3 - CORRECTION OF OBLIGATION
23. TYPE OF SUBMISSION 2 1 - INITIAL 2 - SUBSEQUENT	24. AMOUNT OF LOAN \$1,365,000.00	25. AMOUNT OF GRANT \$585,000.00	
26. AMOUNT OF IMMEDIATE ADVANCE	27. DATE OF APPROVAL MO DAY YR 02 15 17	28. INTEREST RATE 2.7500 %	29. REPAYMENT TERMS 40
COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS			
30. PROFIT TYPE 1 - FULL PROFIT 2 - LIMITED PROFIT 3 - NONPROFIT			
COMPLETE FOR EM LOANS ONLY		COMPLETE FOR CREDIT SALE-ASSUMPTION	
31. DISASTER DESIGNATION NUMBER (See FMI)	32. TYPE OF SALE 1 - CREDIT SALE ONLY 2 - ASSUMPTION ONLY 3 - CREDIT SALE WITH SUBSEQUENT LOAN 4 - ASSUMPTION WITH SUBSEQUENT LOAN		
FINANCE OFFICE USE ONLY		COMPLETE FOR FP LOANS ONLY	
33. OBLIGATION DATE MO DA YR		34. BEGINNING FARMER/RANCHER (See FMI)	

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder

COPY 1 - Finance Office

COPY 2 - Applicant/Lender

COPY 3 - State Office

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0062. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

## CERTIFICATION APPROVAL

For All Farmers Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

### 35. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

Approval of financial assistance is subject to the provisions of the Letter of Conditions dated 2/6/17, and any amendments thereto.

*2/15/17 Obligation entered over terminal @ 11:05 am RJ*

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 28 of this form. ☒ YES ☐ NO

**WARNING:** Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

Date 2-13, 20 17

*Roy Jenkins*  
Roy Jenkins, Chairman

(Signature of Applicant)

Date \_\_\_\_\_, 20 \_\_\_\_\_

(Signature of Co-Applicant)

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

*Jeff Jones*

(Signature of Approving Official)

Typed or Printed Name: Jeff Jones

Date Approved: 2/15/17

Title: Acting State Director

38. TO THE APPLICANT: As of this date 2/24/17, this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.



United States Department of Agriculture

Rural Development

August 17, 2017

Kentucky State Office

771 Corporate Drive,  
Suite 200  
Lexington, KY  
40503

Voice 859.224.7300  
Fax 859.224.7425  
TTY 859.224.7422

SUBJECT: Laurel County Water District No. 2  
2017 Water System Improvements  
Contract Award Concurrence

TO: Area Office  
London, Kentucky

Based on the bids received and the recommendation of the consulting engineer, Rural Development concurs in the award of subject contract to the low bidder Clay Pipeline, in the amount of \$1,074,665. The total bid includes base bid plus two alternates that have been added.

If you have any questions, please contact Julie Anderson, State Engineer, at (859) 224-7348.

  
Jeff Jones  
Acting State Director  
Rural Development

cc: Monarch Engineering  
Lawrenceburg, Kentucky

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

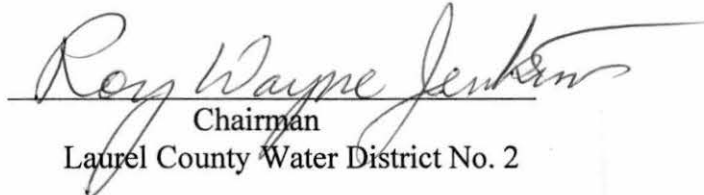
**CERTIFICATE OF CHAIRMAN OF LAUREL COUNTY  
WATER DISTRICT No. 2 AS TO STATEMENT REQUIRED BY  
SECTION 2(6) OF 807 KAR 5:069**

I, the undersigned, hereby certify that I am the duly qualified and acting Chairman of the Laurel County Water District No. 2 and that said District is in the process of arranging to finance the construction of an improvement project (the "Project"), in cooperation with Monarch Engineering, Inc., Lawrenceburg, Kentucky, the Engineers for the District (the "Engineers").

Based on information furnished to me by said Engineers, I hereby certify as follows:

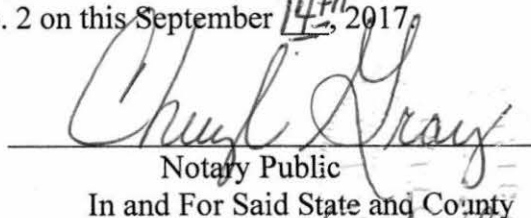
1. That the proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066 Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8(1) through (3); Section 9(1) and Section 10.
2. That all other state approvals and/or permits have been obtained.
3. That the current rates of the District are contemplated to produce total revenue requirements recommended in the Engineering Reports prepared by such Engineers and filed with the Kentucky Public Service Commission.
4. That it is now contemplated that construction of the Project will begin on or about October 31, 2017, and will end on or about July 30, 2018.

IN TESTIMONY WHEREOF, witness my signature this September 14<sup>th</sup> 2017.

  
Chairman  
Laurel County Water District No. 2

STATE OF KENTUCKY                    )  
  ) SS  
COUNTY OF LAUREL                 )

Subscribed and sworn to before me by Roy Jenkins, Chairman of the Board of Commissioners of the Laurel County Water District No. 2 on this September 14<sup>th</sup>, 2017.

  
Notary Public  
In and For Said State and County

RECEIVED

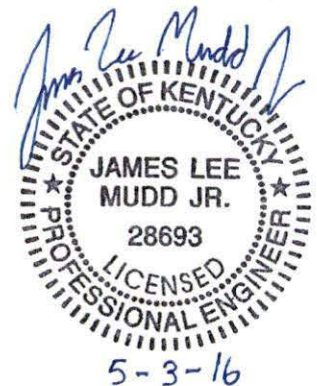
SEP 29 2017

PUBLIC SERVICE  
COMMISSION

**PRELIMINARY ENGINEERING REPORT  
FOR THE  
LAUREL COUNTY WATER DISTRICT #2**

**2017 WATER SYSTEM IMPROVEMENTS**

**MAY 2016**





**PRELIMINARY ENGINEERING REPORT  
2017 WATER SYSTEM IMPROVEMENTS  
LAUREL COUNTY WATER DISTRICT #2  
LAUREL COUNTY, KENTUCKY**

**I.     GENERAL**

This Preliminary Engineering Report is intended to analyze the proposed water system improvements which are being planned by the Laurel County Water District #2. The proposed project will upgrade, replace, and/or supplement various aging, undersized, and inadequate infrastructure components throughout the District's water distribution system.

Rural Development "Kentucky Guide 7A" will be submitted at a later date and will serve as the Summary Addendum to this report. The Summary Addendum will further analyze the capability of the Company to execute this project through an evaluation of its financial standing and overall system operation.

**II.    PROJECT PLANNING AREA**

The areas to be affected by construction will generally lie adjacent to existing transportation routes. All new water mains will be installed on county road rights-of-way or on utility easements granted to the District. The topography of these areas is generally flat, but does vary to gently rolling hills. The land use is mainly agricultural with intermittent areas of dense residential and commercial development. Both the topography and land use within the project area are typical for this region of Kentucky.

For the majority of the project area, there are no major commercial or industrial businesses expected in the next decade. However, a portion of the project will provide high capacity service to the proposed Fariston Industrial Park which is currently being developed just south of London, Kentucky. It is anticipated that several intermediate to large industrial users will be located here in the near future. One major governmental user, the Laurel County Correctional Center, is also planned within the development. Implementation of this project is vital to ensure that the District can meet the demands of the proposed correctional facility.

All areas included in the project have experienced significant growth since the water system was first developed over fifty years ago. Due to its close proximity to the I-65 corridor, lying between the cities of London and Corbin, it is anticipated that sustained residential and commercial growth will continue within the system going forward. Implementation of the project will have a direct and substantial impact on those customers currently connected to the existing lines to be upgraded. Development of the proposed industrial park supply will also serve to improve service for the entire northern portion of the system, indirectly affecting all existing users lying north of the community of Lilly.

Attached as a part of this report are location and topographic maps which depict the water main route and proposed connection points to existing system mains. The location of the major appurtenances proposed as part of this project are also shown.

### III. EXISTING FACILITIES

The Laurel County Water District #2 owns and operates a water treatment and distribution system which serves the rural population of south central Laurel and north western Knox Counties. The District operates and maintains the water system through a Board of Commissioners, a General Manager, as well as office and field personnel. The Board of Commissioners consists of a chairperson and four commissioners, all of which are appointed by the Laurel County Fiscal Court.

The District produces the vast majority of the systems potable water at its own treatment facility, however it does purchase a small amount of wholesale water for resale from the London Utility Commission. The combination of which has sufficient capacity to serve the Company's approximately 6,000 existing residential, commercial and industrial customers.

The District's water treatment plant is located in the approximate center of the distribution system, near the community of Hopewell. The facility has a rated treatment capacity of 2.88 MGD and is currently operating at approximately 50% of that capacity producing 1.46 MGD on average. The treatment plant is a conventional surface water filtration facility, consisting of a raw water intake & pumping structure, flash mix, settling basins, multi-media filters, chemical disinfection, clearwell storage, and finished water pumping facilities. The primary water source is the Laurel River Lake, which generally yields high quality raw water and is of abundant capacity.

The water distribution system consists of a network of water supply and distribution mains along with a series of water tanks and booster pump stations. This includes various sized water lines ranging from 2-inch to 16-inch, three pumps stations, and three water storage tanks with a rated capacity of 1,700,000 gallons. The majority of the system has been in place for less than 50 years. Pipe material within the system consists of cast iron and asbestos cement for the older lines along with ductile iron and plastic for the newer ones. Water loss within the system is generally maintained at acceptable levels, with an average annual loss of about 15%.

Information regarding the current rate structure, annual operating and maintenance data, a tabulation of monthly users and revenue, and a list of the outstanding bonds can be found in the Summary Addendum which will be submitted at a later date.

#### IV. NEED FOR THE PROJECT

The project's primary objective is to upgrade, replace, and/or supplement various aging, undersized, and/or inadequate water mains located in various areas throughout the distribution system. The improvements will ensure that the system can meet the demands of existing and future customers in a safe and efficient manner. In addition to correcting the existing capacity issues, the upgraded mains will allow the District to provide fire protection coverage in several areas of dense residential development.

As previously stated, the project includes construction of a high capacity transmission main to the proposed Fariston Industrial Park which is currently being developed just south of London, Kentucky. Laurel County leaders are currently in the design stage of a 700 bed correctional facility which will be constructed on a portion of the site. It is anticipated that the jail will be completed in the fall of 2018. The projected daily water demand at peak occupancy is approximately 100,000 gallons per day. Existing infrastructure serving the site is not of adequate capacity to meet these new demands on the system. Accordingly, implementation of this project is required for development of this important community facility.

In addition to supplying the proposed industrial park, the proposed transmission main will also provide improved service to the entire northern portion of the distribution system. Currently this portion of the system struggles to meet customer demands during periods of peak usage. If demand continues to increase without the proposed improvements, a potentially serious health hazard could result. The risk would occur during instances where customer demand could not be maintained, leading to water pressures at or below the established regulatory minimum.

The improvements planned in the Bakersfield Lane, North Court Road, and Park Hills areas of the system are also required due to capacity issues with the existing infrastructure. Presently, these residential areas are served via small (2" - 4") lines which were installed over 40 years ago. Additional areas of residential development have been added to these lines following their original construction. As a result, the system demands have exceeded the capacity. As described above, this leads to periods of decreased system pressure and therefore an increased risk of unsafe conditions. In addition to being undersized, they are also aging and are subject to frequent breaks, leaks and other emergency repair situations.

When the District was first formed, they purchased an existing 14-inch cast iron water main and other associated appurtenances from the L&N Railroad. This existing main runs along the gravel shoulder of the rail bed and was used in the early 1900's to fill steam locomotives with non-potable water. Currently, this line serves as a major north-south transmission main within the District's system. The far southern portion of the main beyond US Highway 25E serves only a few residential customers and is therefore greatly oversized. As a result, the line must be continuously flushed in order to maintain the required chlorine residual. Additionally, in many areas, the line is inaccessible for conventional repair methods and all work must be done by hand. The proposed improvements in the Byrley Road area of the system will eliminate the section of oversized main.

## V. ALTERNATIVES CONSIDERED

Based on the continued need for potable water service and also need to accommodate growth within the project area, the Laurel County Water District #2 must take the necessary steps to continue to provide service as required by the Kentucky Division of Water and the Kentucky Public Service Commission. The final project scope determination was centered on meeting existing and future customer demands without significantly burdening the District's ability to meet its current and future financial obligations. Accordingly, viable project alternatives were limited and focused largely on determining the most efficient route and location of the proposed water mains.

The primary alternative explored was to extend the proposed transmission main beyond the Fariston Industrial Park, further north to the community of Sublimity which is located just south of the London corporate limits. This would have incorporated the construction of an additional 16,000 L.F. of 12" water transmission main and appurtenances, including a substantial creek crossing, into the project. The inclusion of this additional work into the project would complete a high capacity north-south transmission main from the treatment facility to the northern most portion of the system. This would have greatly strengthened the District's transmission capabilities in the northern portion of the system and allowed the system withstand the projected demand growth for several decades to come. It was determined that this additional work should be delayed so to decrease the debt service impact of project. However, all or a portion may be completed if the as-bid construction cost of the project are less than anticipated herein.

The alternatives described above and others were evaluated based on several factors. They included: the needs of each service area; the total project costs; the topography and location of exiting water main routes; the availability of water main rights-of-way; and the future cost of maintaining the existing system and proposed improvements.

## VI. PROPOSED PROJECT

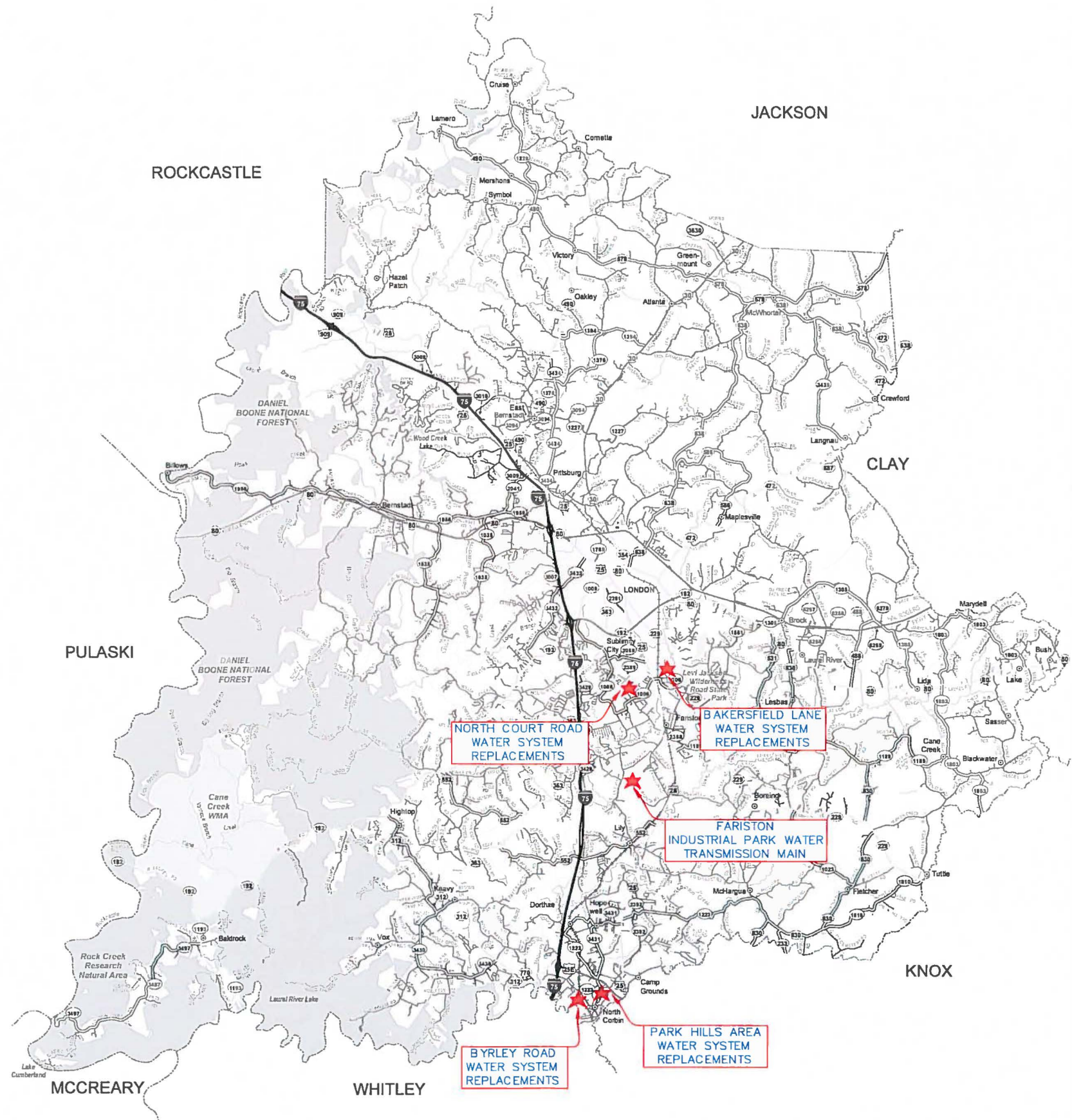
In order to correct the above-described deficiencies, the project proposes the installation of approximately 13,300 L.F. of 12-inch water main and appurtenances to serve the newly developed Fariston Industrial Park. The proposed water transmission main will extend from the existing 500,000 gallon storage tank located in the Lily community to the intersection of Hammock and Fariston Roads. In addition, approximately 14,100 L.F. of 6-inch and 7,600 L.F. of 4-inch water line and appurtenances will be installed to replace existing aging and undersized (or oversized) lines in the Byrley Road, Bakersfield Lane, North Court Road, and Park Hills areas of the system.

An itemized cost estimate is included in this report and outlines all of the individual construction items along with their associated estimated unit costs. A summary cost estimate recaps all of the project costs and outlines the funding scheme for the project, is also included in this report. The total cost of the expansion and improvements is estimated to be \$1,950,000 with full funding to be provided by USDA Rural Development loan and grant funds.

## VII. CONCLUSIONS AND RECOMMENDATIONS

Based on the need to continue to supply the existing and future customers with a sufficient and dependable potable water supply, it is recommended that the Laurel County Water District #2 pursue the financial assistance as outlined herein so that the proposed project can be implemented as soon as possible.





**Monarch Engineering, Inc.**  
556 CARLTON DRIVE  
LAWRENCEBURG, KY 40342

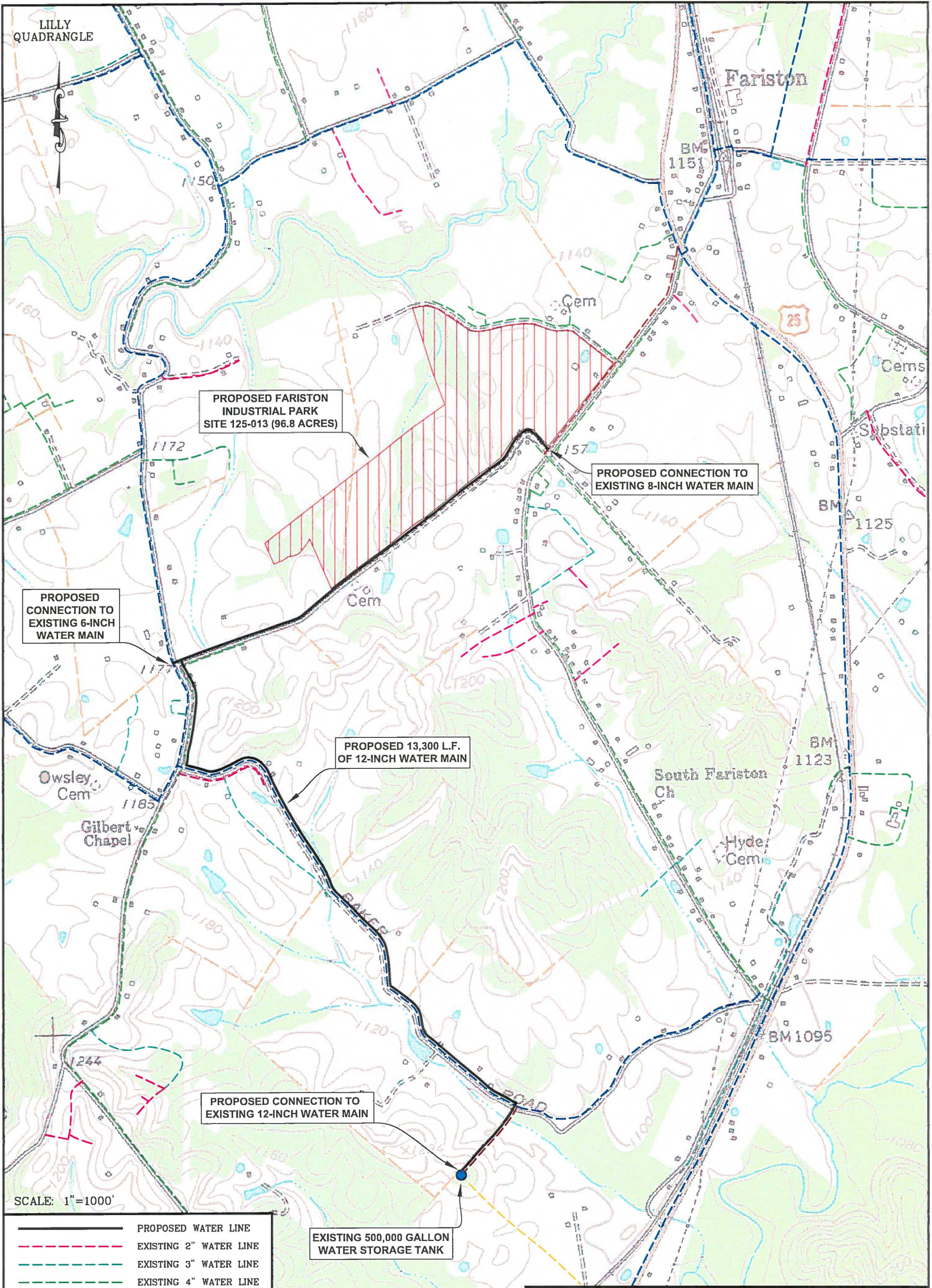
**LOCATION MAP**  
**2017 WATER SYSTEM IMPROVEMENTS**  
**CUSTOMER:**  
**LAUREL COUNTY WATER DISTRICT #2**  
**LAUREL COUNTY, KENTUCKY**

**PROJECT NO. 1600**  
**DATE: MARCH 2016**  
**DRAWN BY: JLM**  
**CHECKED BY: DSB**  
**CHECKED BY: DMB**  
**SCALE: N.T.S.**

**SHEET:**  
**LM-1**







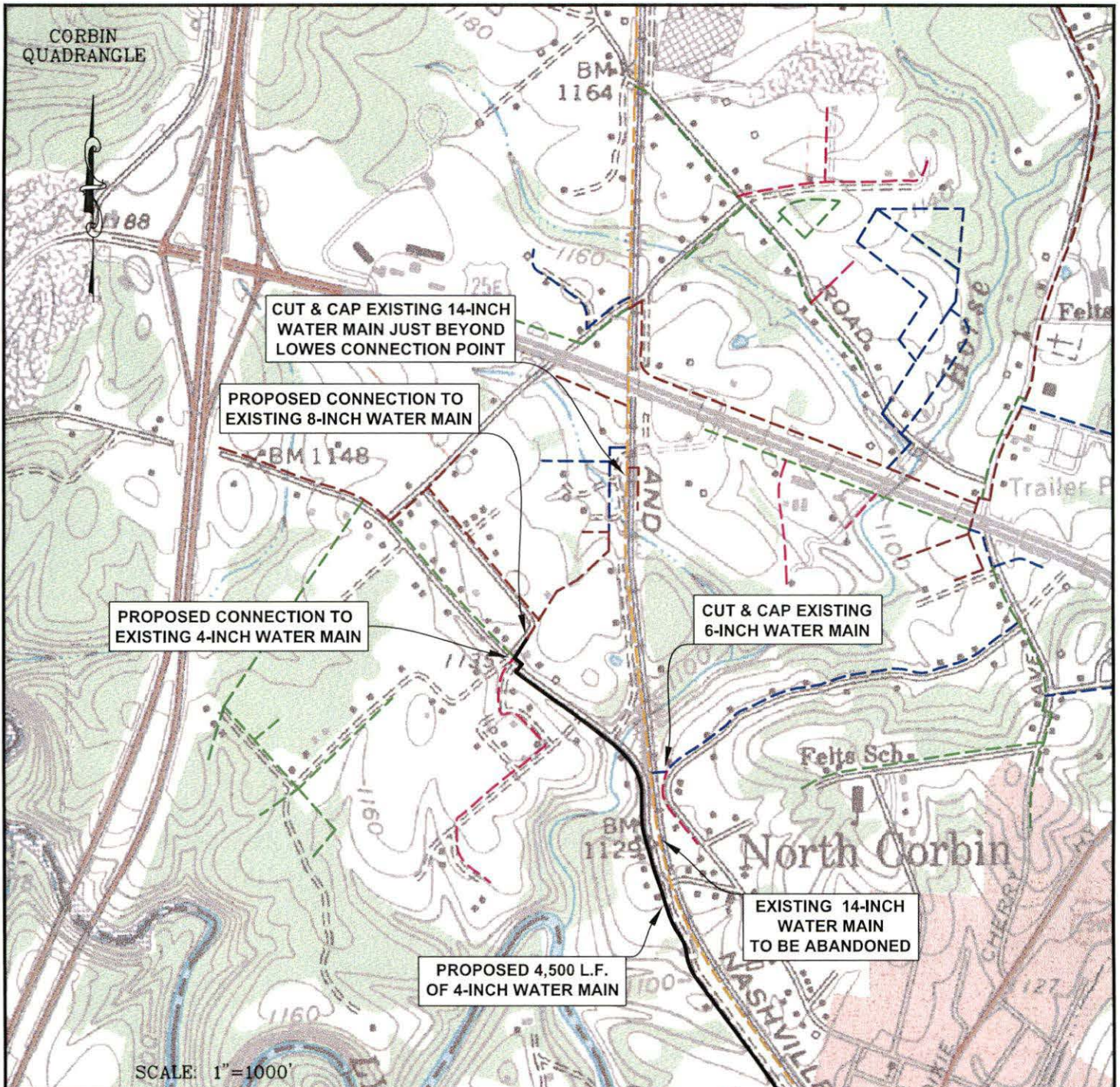
SCALE: 1"=1000'

	PROPOSED WATER LINE
	EXISTING 2" WATER LINE
	EXISTING 3" WATER LINE
	EXISTING 4" WATER LINE
	EXISTING 6" WATER LINE
	EXISTING 8" WATER LINE
	EXISTING 10" WATER LINE
	EXISTING 12" WATER LINE
	EXISTING 14" WATER LINE
	EXISTING 16" WATER LINE

MAP LEGEND

	LAURAL COUNTY WATER DISTRICT #2 2017 WATER SYSTEM IMPROVEMENTS FARISTON INDUSTRIAL PARK SUPPLY
	FEBRUARY 2016





SCALE: 1"=1000'

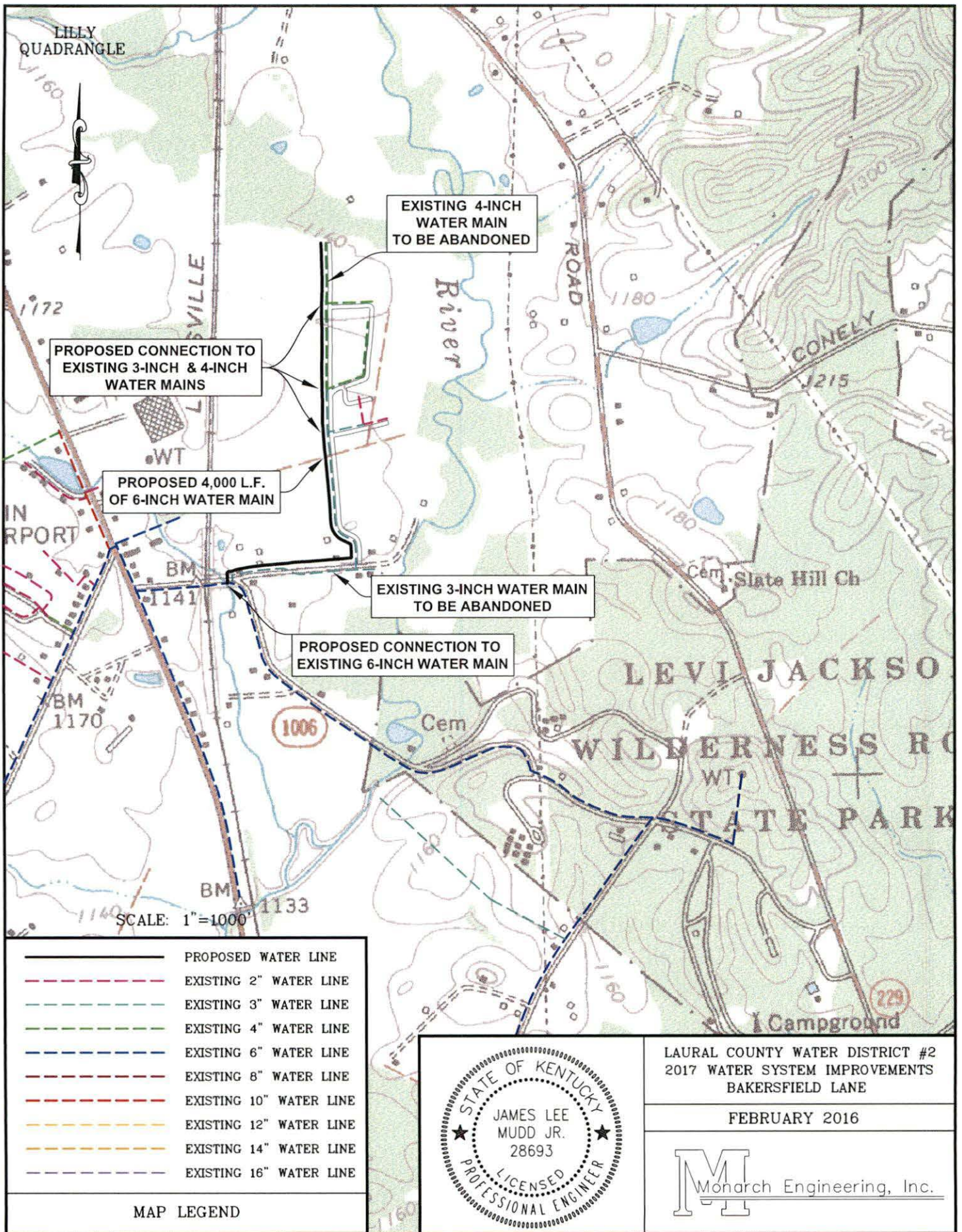
	PROPOSED WATER LINE
	EXISTING 2" WATER LINE
	EXISTING 3" WATER LINE
	EXISTING 4" WATER LINE
	EXISTING 6" WATER LINE
	EXISTING 8" WATER LINE
	EXISTING 10" WATER LINE
	EXISTING 12" WATER LINE
	EXISTING 14" WATER LINE
	EXISTING 16" WATER LINE

MAP LEGEND

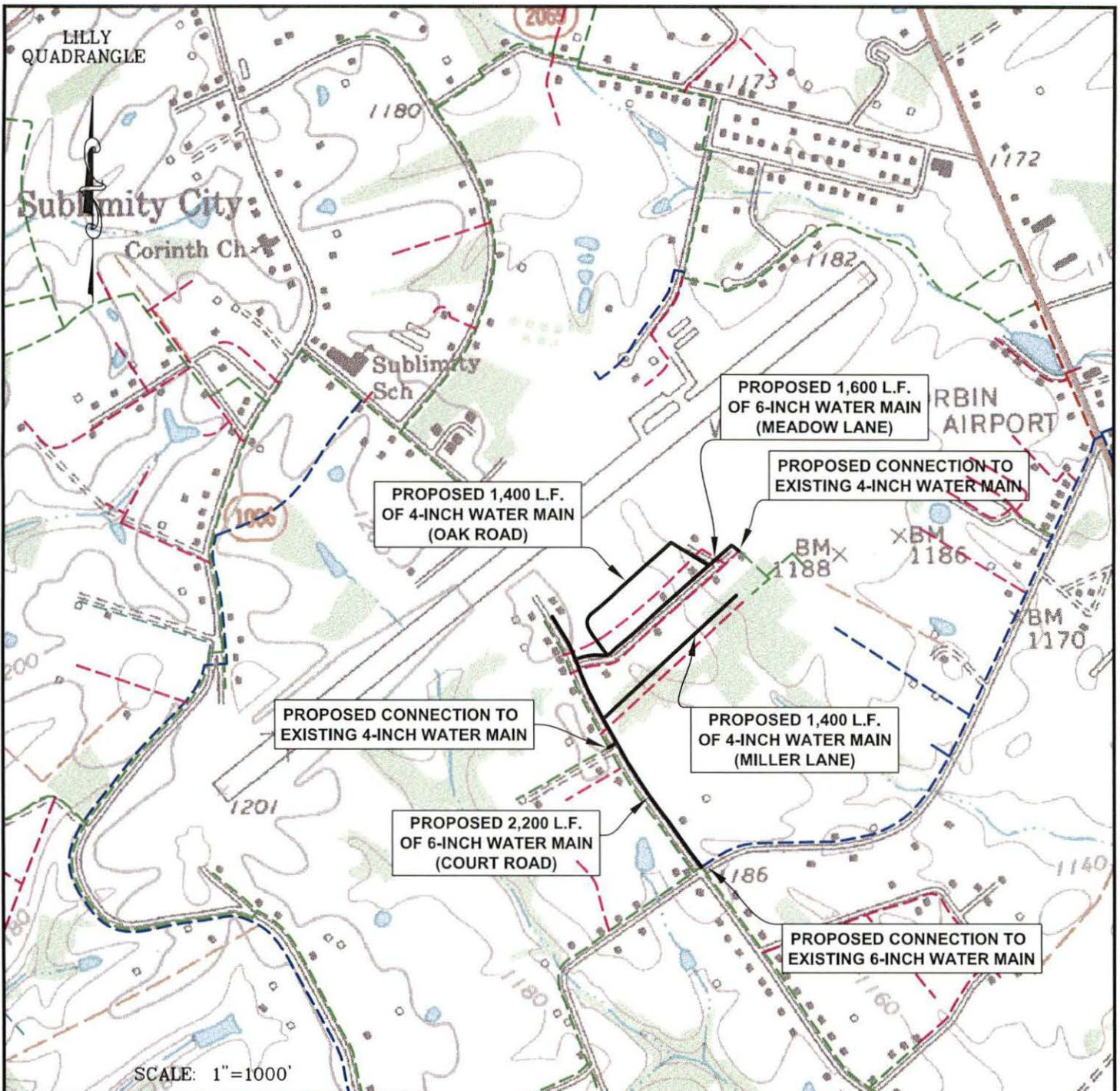


LAURAL COUNTY WATER DISTRICT #2 2017 WATER SYSTEM IMPROVEMENTS BYRLEY ROAD	
FEBRUARY 2016	









	PROPOSED WATER LINE
	EXISTING 2" WATER LINE
	EXISTING 3" WATER LINE
	EXISTING 4" WATER LINE
	EXISTING 6" WATER LINE
	EXISTING 8" WATER LINE
	EXISTING 10" WATER LINE
	EXISTING 12" WATER LINE
	EXISTING 14" WATER LINE
	EXISTING 16" WATER LINE

MAP LEGEND

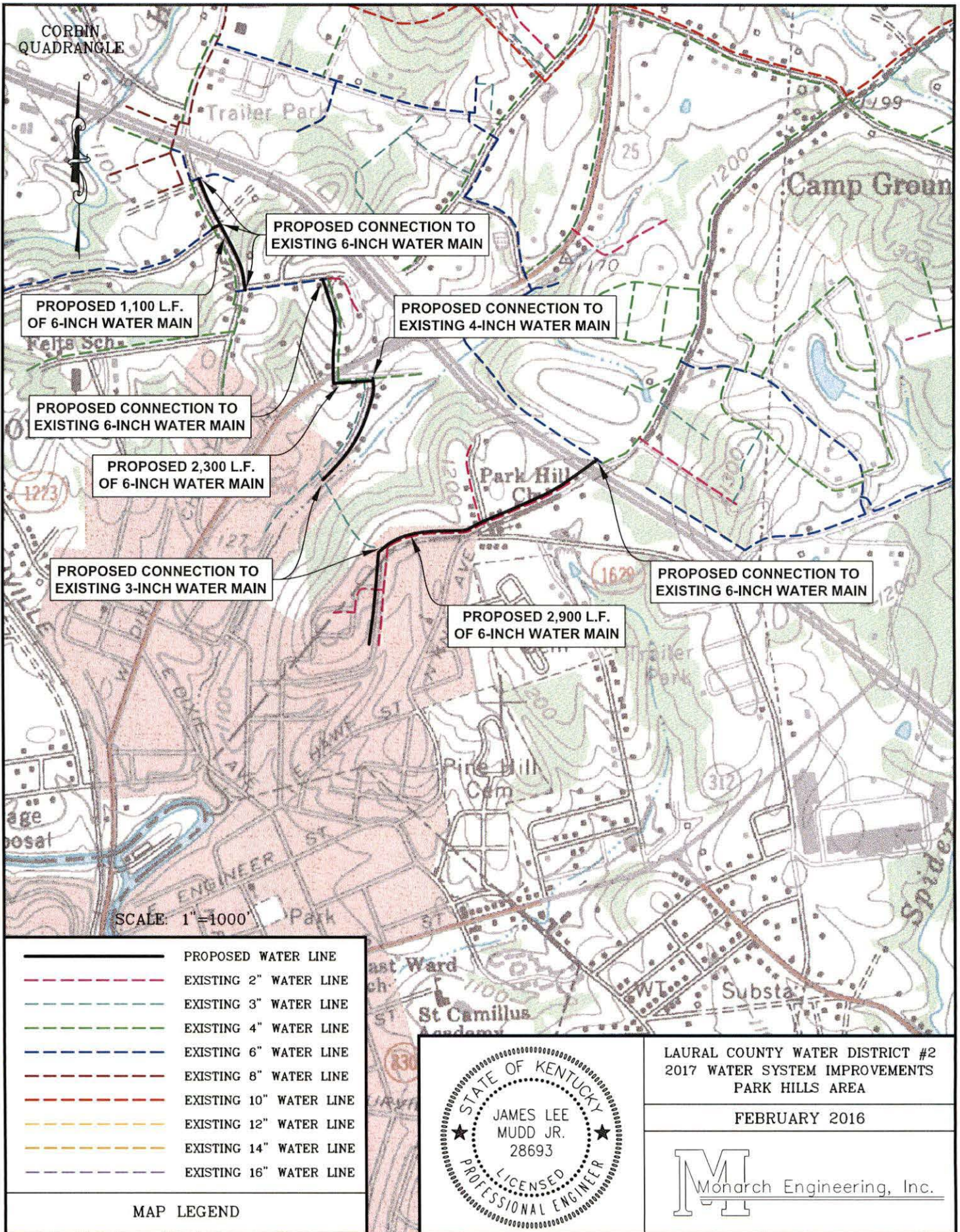


LAURAL COUNTY WATER DISTRICT #2  
2017 WATER SYSTEM IMPROVEMENTS  
NORTH COURT ROAD AREA

FEBRUARY 2016

Monarch Engineering, Inc.







**PRELIMINARY COST ESTIMATE  
2017 WATER SYSTEM IMPROVEMENTS  
LAURAL COUNTY WATER DISTRICT #2  
FEBRUARY 2016**

<b>FARISTON INDUSTRIAL PARK SUPPLY</b>				
ITEM	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	12-Inch PVC SDR-17 Water Line	13,300 LF	\$35.00	\$465,500.00
2	8-Inch PVC SDR-17 Water Line	40 LF	25.00	1,000.00
3	6-Inch PVC SDR-17 Water Line	60 LF	20.00	1,200.00
4	Bore & Case for 12-Inch Water Line	75 LF	225.00	16,875.00
5	Bore & Case for 6-Inch Water Line	40 LF	160.00	6,400.00
6	Driveway Bore & Case for 12-Inch Water Line	120 LF	150.00	18,000.00
7	Creek Crossing for 12-Inch Water Line	60 LF	160.00	9,600.00
8	12-Inch Gate Valve	8 EA	2,500.00	20,000.00
9	8-Inch Gate Valve	1 EA	1,475.00	1,475.00
10	6-Inch Gate Valve	1 EA	950.00	950.00
11	Connection	4 EA	4,000.00	16,000.00
12	Flush Hydrant Assembly	5 EA	3,500.00	17,500.00
13	Air Release Valves	3 EA	2,500.00	7,500.00
14	Exploration	40 HR	200.00	8,000.00
Subtotal				\$590,000.00
<b>BYRLEY ROAD</b>				
ITEM	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	4-Inch PVC SDR-21 Water Line	4,500 LF	\$18.00	\$81,000.00
2	Bore & Case for 4-Inch Water Line	30 LF	150.00	4,500.00
3	Driveway Bore & Case for 4-Inch Water Line	80 LF	100.00	8,000.00
4	Creek Crossing for 4-Inch Water Line	60 LF	80.00	4,800.00
5	4-Inch Gate Valve	2 EA	850.00	1,700.00
6	Connection	2 EA	3,250.00	6,500.00
7	Blowoff Assembly	1 EA	2,500.00	2,500.00
8	Meter Reconnection	20 EA	350.00	7,000.00
9	3/4-Inch P.E. Service Tubing	200 LF	8.00	1,600.00
10	Exploration	12 HR	200.00	2,400.00
Subtotal				\$120,000.00
<b>BAKERSFIELD LANE</b>				
ITEM	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	6-Inch PVC SDR-21 Water Line	4,000 LF	\$15.00	\$60,000.00
2	4-Inch PVC SDR-21 Water Line	25 LF	12.00	\$300.00
3	3-Inch PVC SDR-21 Water Line	20 LF	10.00	\$200.00
4	Bore & Case for 6-Inch Water Line	40 LF	160.00	6,400.00
5	Driveway Bore & Case for 6-Inch Water Line	320 LF	110.00	35,200.00
6	Creek Crossing for 6-Inch Water Line	20 LF	100.00	2,000.00
7	6-Inch Gate Valve	3 EA	950.00	2,850.00
8	4-Inch Gate Valve	2 EA	850.00	1,700.00
9	3-Inch Gate Valve	1 EA	800.00	800.00
10	Connection	4 EA	3,000.00	12,000.00
11	Flush Hydrant Assembly	3 EA	3,500.00	10,500.00
12	Meter Reconnection	35 EA	350.00	12,250.00
13	3/4-Inch P.E. Service Tubing	350 LF	8.00	2,800.00
14	Exploration	15 HR	200.00	3,000.00
Subtotal				\$150,000.00

**PRELIMINARY COST ESTIMATE  
2017 WATER SYSTEM IMPROVEMENTS  
LAURAL COUNTY WATER DISTRICT #2  
FEBRUARY 2016**

<b>NORTH COURT ROAD AREA</b>				
ITEM	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	6-Inch PVC SDR-21 Water Line	3,800 LF	\$15.00	\$57,000.00
2	4-Inch PVC SDR-21 Water Line	3,000 LF	12.00	36,000.00
3	Bore & Case for 6-Inch Water Line	140 LF	160.00	22,400.00
4	Bore & Case for 4-Inch Water Line	90 LF	150.00	13,500.00
5	Driveway Bore & Case for 6-Inch Water Line	370 LF	110.00	40,700.00
6	Driveway Bore & Case for 4-Inch Water Line	420 LF	100.00	42,000.00
7	6-Inch Gate Valve	5 EA	950.00	4,750.00
8	4-Inch Gate Valve	5 EA	850.00	4,250.00
9	Connection	4 EA	3,000.00	12,000.00
10	Flush Hydrant Assembly	3 EA	3,500.00	10,500.00
11	Meter Setting	15 EA	1,000.00	15,000.00
12	Meter Reconnection	58 EA	350.00	20,300.00
13	3/4-Inch P.E. Service Tubing	3,000 LF	8.00	24,000.00
14	Exploration	38 HR	200.00	7,600.00
Subtotal				\$310,000.00
<b>PARK HILLS AREA</b>				
ITEM	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	6-Inch PVC SDR-21 Water Line	6,300 LF	\$18.00	\$113,400.00
2	4-Inch PVC SDR-21 Water Line	25 LF	12.00	300.00
3	3-Inch PVC SDR-21 Water Line	40 LF	10.00	400.00
4	2-Inch PVC SDR-21 Water Line	40 LF	10.00	400.00
5	Bore & Case for 6-Inch Water Line	435 LF	160.00	69,600.00
6	Bore & Case for 2-Inch Water Line	90 LF	120.00	10,800.00
7	Driveway Bore & Case for 6-Inch Water Line	240 LF	110.00	26,400.00
8	6-Inch Gate Valve	8 EA	950.00	7,600.00
9	4-Inch Gate Valve	5 EA	850.00	4,250.00
10	3-Inch Gate Valve	2 EA	750.00	1,500.00
11	2-Inch Gate Valve	2 EA	725.00	1,450.00
12	Connection	10 EA	3,500.00	35,000.00
13	Flush Hydrant Assembly	6 EA	3,500.00	21,000.00
14	Meter Reconnection	50 EA	350.00	17,500.00
15	3/4-Inch P.E. Service Tubing	1,500 LF	8.00	12,000.00
16	Exploration	42 HR	200.00	8,400.00
Subtotal				\$330,000.00
Construction Total				\$1,500,000.00
Contingencies (10%)				150,000.00
<b>TOTAL CONSTRUCTION</b>				<b>\$1,650,000.00</b>



**PRELIMINARY COST ESTIMATE  
2017 WATER SYSTEM IMPROVEMENTS  
LAURAL COUNTY WATER DISTRICT #2  
FEBRUARY 2016**

**PROJECT COSTS**

DEVELOPMENT	\$1,500,000
CONTINGENCY	150,000
ENGINEERING DESIGN	125,000
CONSTRUCTION INSPECTION	80,000
PRELIMINARY ENGINEERING REPORT	10,000
ENVIRONMENTAL ASSESSMENT	10,000
ADMINISTRATION	10,000
LEGAL	15,000
LAND & EASEMENT ACQUISITION	15,000
INTEREST	<u>35,000</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$1,950,000</b>

**PROJECT FUNDING**

USDA RURAL DEVELOPMENT LOAN	\$1,365,000
USDA RURAL DEVELOPMENT GRANT	<u>585,000</u>
<b>TOTAL PROJECT FUNDING</b>	<b>\$1,950,000</b>

**PRELIMINARY COST ESTIMATE  
2017 WATER SYSTEM IMPROVEMENTS  
LAURAL COUNTY WATER DISTRICT #2  
FEBRUARY 2016**

**SUMMARY NOTES**

**DEBT SERVICE CALCULATIONS:**

Debt Service based on interest rate of 2.875%, 40 year term.

Annual Debt Service based on a loan of \$1,365,000 = \$59,600

Annual Debt Reserve Allowance =  $(\$59,600 * 0.10) = \$5,960$

Total Annual Debt Payment =  $(\$59,600 + \$5,960) = 65,560$

Monthly Debt Payment =  $(\$65,560 / 12) = \$5,463.33$

**COST PER CUSTOMER CALCULATIONS:**

Monthly debt payment = \$5,463.33

Approximate Number of Customers = 5,900

Monthly Cost per Customer =  $(\$5,463.33 / 5,900) = \$0.93$

RECEIVED

SEP 29 2017

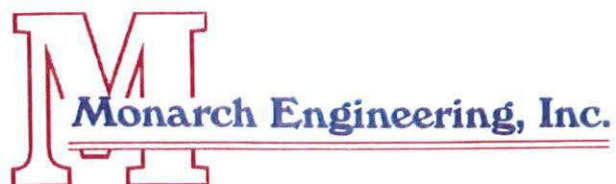
PUBLIC SERVICE  
COMMISSION

# FINAL ENGINEERING REPORT

2017 WATER SYSTEM IMPROVEMENTS PROJECT

LAUREL COUNTY WATER DISTRICT NO. 2  
LAUREL COUNTY, KENTUCKY

AUGUST 2017





August 4, 2017

Mr. Roy Wayne Jenkins, Chairman  
Laurel County Water District No. 2  
P.O. Box 2598  
London, KY 40743

Re: 2017 Water System Improvements  
Bid Opening Results and Recommendations

Dear Mr. Jenkins:

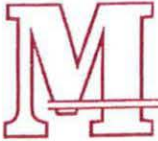
On August 3, 2017, bids were received by the Laurel County Water District No. 2 for the construction of various water system improvements, known collectively as the 2017 Water System Improvements. Four (4) proposals were received, with the lowest Base Bid being submitted by Clay Pipeline, Inc. of Manchester, Kentucky for \$683,815.00. Work included in the Base Bid consists of the installation of a new 12-inch water main from the Aisin Storage Tank to the Fariston Industrial Park and also water line replacements on Byrley Road and Cherry Avenue as required to eliminate the portion of the existing 14-inch Cast Iron railroad line south of the Cumberland Gap Parkway. In addition to the Base Bid, four (4) Additive Alternate Bids for additional work were also received as follows:

Additive Alternate No. 1 (North Court Road Area water line upgrades) for \$256,518.00;  
Additive Alternate No. 2 (Bakersfield Lane water line upgrades) for \$134,332.00;  
Additive Alternate No. 3 (Park Hills Area water line upgrades) for \$125,590.00;  
Additive Alternate No. 4 (Tom Town Road water line upgrades) for \$135,161.00.

A summarized tabulation of all bids received is attached for your reference.

Please be advised that the work included as part of Additive Alternates No. 3 & No. 4 (Park Hills and Tom Town Road) cannot be constructed at this time as are result of the Kentucky Transportation Cabinet (KYTC) withholding approval of needed highway encroachment permits. The proposed work in both areas is in conflict with KYTC's planned improvements on the Cumberland Gap Parkway. As a result, KYTC has mandated that the highway work be completed before they will issue the needed permits. KYTC has indicated that it may be up to two years before this occurs. Accordingly, it is recommended that the District postpone this work until the needed encroachment permits can be obtained.





August 4, 2017

Page Two

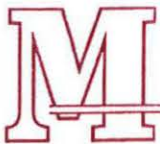
As indicated in the attached Final Project Budget, considering an award of the Base Bid and Additive Alternates No. 1 & No. 2, the total "as-bid" project costs are within the amount of allocated financing. Proceeding with a contract award to the low bidder for this work would leave remaining funds in the amount of \$485,000 in excess of the standard 10% contingency allowance. Therefore, based on the competitive nature of the bids received, and the necessity of the proposed improvements, we recommend that the District consider awarding a contract to Clay Pipeline, Inc. for the Base Bid, Additive Alternate No. 1, and Additive Alternate No. 2. This will result in a total contract award of \$1,074,665.00.

The District was recently notified by the London-Laurel County Industrial Development Authority of their intention to acquire the Greer Farm located just south on London on the corner of U.S. Highway 25 and Old Whitley Road. The Authority intends to develop this roughly 125 acre tract into a new industrial park, which will facilitate the need for a high capacity potable water supply. Considering the potential for large water users, the District is currently exploring options to develop a new 12-inch main to the proposed industrial park. This work represents a portion of that which was outlined as the primary alternative in the Preliminary Engineering Report. Therefore, at the discretion of the Board and USDA Rural Development, the remaining \$485,000 could be applied towards extending the proposed transmission main further north.

A preliminary cost estimate and location map relative to the additional 12-inch water line are attached for your consideration. The cost estimate assumes that the additional work will be incorporated into the District's original contract with Clay Pipeline, Inc. via change order. Clay Pipeline was contacted regarding the potential change order and were very receptive to the idea. They indicated that they would most likely honor the unit prices included in their base bid. Accordingly, the cost estimate was based largely upon their as-bid unit prices. Pending USDA Rural Development approval of this additional work, it is recommended that all Base Bid work be completed prior to issuance of a change order to Clay Pipeline, Inc.

Please be aware that moving forward with either of the proposed options on the additional 12-inch line would not allow project funds to remain for the work included in Additive Alternates No. 3 & No. 4. However, considering that these portions of the project are on hold for the foreseeable future, it is recommended that District postpone them for inclusion into another future project and move forward with construction of the additional portion of 12-inch water transmission main.

All recommendations detailed herein are contingent upon approval from USDA Rural Development and the Kentucky Public Service Commission.



August 4, 2017

Page Three

Should you have any questions or require any additional information, please advise.

Sincerely,

A handwritten signature in blue ink, which appears to read 'Lee Mudd', is written over the typed name.

Lee Mudd, P.E.  
Project Engineer

/jlm

Attachments

Cc: Tom Partin  
Area Specialist, USDA Rural Development  
Anthony Hollinsworth  
Program Director, USDA Rural Development  
Julie Anderson  
State Engineer, USDA Rural Development



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


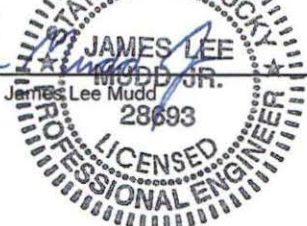
**BID TABULATIONS**  
**LAUREL COUNTY WATER DISTRICT NO. 2**  
**2017 WATER SYSTEM IMPROVEMENTS**  
**LAUREL COUNTY, KENTUCKY**  
**BID DATE: AUGUST 3, 2017 @ 11:00 A.M. LOCAL TIME**

Page 1 of 12

			Clay Pipeline 70 Fox Hollow Road Manchester, KY 40962		D & H Conctracting Co., Inc. 2003 Lakeview Drive London, KY 40741	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	<b>BASE BID CONTRACT</b>					
1	12-Inch PVC SDR-17 Water Line	13,100 LF	\$29.70	\$389,070.00	\$30.00	\$393,000.00
2	8-Inch PVC SDR-17 Water Line	60 LF	19.80	1,188.00	30.00	1,800.00
3	6-Inch PVC SDR-17 Water Line	580 LF	15.55	9,019.00	41.00	23,780.00
4	4-Inch PVC SDR-17 Water Line	4,350 LF	18.00	78,300.00	18.00	78,300.00
5	2-Inch PVC SDR-17 Water Line	130 LF	10.70	1,391.00	15.00	1,950.00
6	Bore & Case for 12-Inch Water Line	210 LF	189.00	39,690.00	215.00	45,150.00
7	Bore & Case for 6-Inch Water Line	20 LF	120.00	2,400.00	165.00	3,300.00
8	Free Bore & Case for 4-Inch Water Line	40 LF	66.00	2,640.00	60.00	2,400.00
9	Open Cut & Case for 12-Inch Water Line	60 LF	92.00	5,520.00	80.00	4,800.00
10	Open Cut & Case for 6-Inch Water Line	80 LF	48.00	3,840.00	60.00	4,800.00
11	Open Cut & Case for 4-Inch Water Line	20 LF	41.00	820.00	50.00	1,000.00
12	Creek Crossing for 12-Inch Water Line	40 LF	105.00	4,200.00	150.00	6,000.00
13	12-Inch Gate Valve	12 EA	2,520.00	30,240.00	2,500.00	30,000.00
14	8-Inch Gate Valve	2 EA	1,565.00	3,130.00	1,550.00	3,100.00
15	6-Inch Gate Valve	3 EA	940.00	2,820.00	1,200.00	3,600.00
16	4-Inch Gate Valve	2 EA	868.00	1,736.00	925.00	1,850.00
17	2-Inch Gate Valve	2 EA	720.00	1,440.00	790.00	1,580.00
18	Air Release Valve	1 EA	3,150.00	3,150.00	3,500.00	3,500.00
19	Flush Hydrant Assembly	3 EA	4,470.00	13,410.00	4,390.00	13,170.00
20	Blowoff Assembly	4 EA	1,650.00	6,600.00	2,210.00	8,840.00
21	Direct Connection	4 EA	2,125.00	8,500.00	1,600.00	6,400.00
	<b>BASE BID CONTRACT - Continued</b>					

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 11:00A.M. LOCAL TIME, THURSDAY, AUGUST 3, 2017 AT THE LAUREL COUNTY WATER DISTRICT NO. 2.

BY:

  
  
 Project No. 1620

8-4-17

Date

**BID TABULATIONS**  
**LAUREL COUNTY WATER DISTRICT NO. 2**  
**2017 WATER SYSTEM IMPROVEMENTS**  
**LAUREL COUNTY, KENTUCKY**

**BID DATE: AUGUST 3, 2017 @ 11:00 A.M. LOCAL TIME**

			Clay Pipeline 70 Fox Hollow Road Manchester, KY 40962		D & H Conctracting Co., Inc. 2003 Lakeview Drive London, KY 40741	
ITEM NO.	DESCRIPTION	QUANTITY	PRICE	COST	UNIT PRICE	TOTAL COST
	<b>BASE BID CONTRACT - Continued</b>					
22	Type I Connection	2 EA	\$3,764.00	\$7,528.00	\$3,500.00	\$7,000.00
23	Type II Connection	4 EA	3,600.00	14,400.00	3,000.00	12,000.00
24	Meter Setting (less meter)	3 EA	921.00	2,763.00	730.00	2,190.00
25	Standard Meter Reconnection	33 EA	520.00	17,160.00	545.00	17,985.00
26	2-Inch Meter Reconnection	2 EA	600.00	1,200.00	1,500.00	3,000.00
27	Service Line Reconnection	3 EA	220.00	660.00	500.00	1,500.00
28	3/4-Inch PE Service Line	1,020 LF	10.00	10,200.00	7.00	7,140.00
29	Exploration	100 HR	20.00	2,000.00	60.00	6,000.00
29	Master Meter Vault	1 LS	18,800.00	18,800.00	20,000.00	20,000.00
	<b>TOTAL BASE BID</b>			<b>\$683,815.00</b>		<b>\$715,135.00</b>

MONARCH ENGINEERING, INC.

556 Carlton Drive

Lawrenceburg, KY 40342

Phone (502) 839-1310

Fax (502) 839-1373

**BID TABULATIONS**  
**LAUREL COUNTY WATER DISTRICT NO. 2**  
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**LAUREL COUNTY, KENTUCKY**

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**BID DATE: AUGUST 3, 2017 @ 11:00 A.M. LOCAL TIME**

			Clay Pipeline 70 Fox Hollow Road Manchester, KY 40962		D & H Conctracting Co., Inc. 2003 Lakeview Drive London, KY 40741	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	<b>ADDITIVE ALTERNATE NO. 1</b>					
1	6-Inch PVC SDR-17 Water Line	3,600 LF	\$14.00	\$50,400.00	\$14.00	\$50,400.00
2	4-Inch PVC SDR-17 Water Line	1,650 LF	12.00	19,800.00	12.50	20,625.00
3	3-Inch PVC SDR-17 Water Line	1,800 LF	11.50	20,700.00	12.00	21,600.00
4	Free Bore & Case for 6-Inch Water Line	440 LF	68.00	29,920.00	75.00	33,000.00
5	Free Bore & Case for 4-Inch Water Line	160 LF	66.00	10,560.00	60.00	9,600.00
6	Free Bore & Case for 3-Inch Water Line	170 LF	66.00	11,220.00	60.00	10,200.00
7	Creek Crossing for 6-Inch Water Line	20 LF	37.00	740.00	100.00	2,000.00
8	Creek Crossing for 4-Inch Water Line	20 LF	32.25	645.00	100.00	2,000.00
9	Creek Crossing for 3-Inch Water Line	20 LF	33.00	660.00	100.00	2,000.00
10	6-Inch Gate Valve	2 EA	941.00	1,882.00	1,200.00	2,400.00
11	4-Inch Gate Valve	2 EA	868.00	1,736.00	925.00	1,850.00
12	3-Inch Gate Valve	4 EA	725.00	2,900.00	875.00	3,500.00
13	Flush Hydrant Assembly	3 EA	2,980.00	8,940.00	4,390.00	13,170.00
14	Direct Connection	3 EA	1,580.00	4,740.00	1,600.00	4,800.00
15	Type II Connection	1 EA	2,605.00	2,605.00	3,000.00	3,000.00
16	Meter Setting (less meter)	18 EA	935.00	16,830.00	730.00	13,140.00
17	Standard Meter Reconnection	64 EA	520.00	33,280.00	545.00	34,880.00
18	Service Line Reconnection	18 EA	220.00	3,960.00	500.00	9,000.00
19	3/4-Inch PE Service Line	3,300 LF	10.00	33,000.00	7.00	23,100.00
20	Exploration	100 HR	20.00	2,000.00	60.00	6,000.00
	<b>TOTAL ADDITIVE ALTERNATE NO. 1 BID</b>			<b>\$256,518.00</b>		<b>\$266,265.00</b>

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**BID TABULATIONS**  
**LAUREL COUNTY WATER DISTRICT NO. 2**  
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**LAUREL COUNTY, KENTUCKY**  
**BID DATE: AUGUST 3, 2017 @ 11:00 A.M. LOCAL TIME**

			Clay Pipeline 70 Fox Hollow Road Manchester, KY 40962		D & H Conctracting Co., Inc. 2003 Lakeview Drive London, KY 40741	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	<b>ADDITIVE ALTERNATE NO. 2</b>					
1	6-Inch PVC SDR-17 Water Line	3,800 LF	\$14.00	\$53,200.00	\$11.00	\$41,800.00
2	4-Inch PVC SDR-17 Water Line	60 LF	12.00	720.00	10.00	600.00
3	3-Inch PVC SDR-17 Water Line	30 LF	11.30	339.00	10.00	300.00
4	Free Bore & Case for 6-Inch Water Line	380 LF	68.00	25,840.00	75.00	28,500.00
5	6-Inch Gate Valve	2 EA	941.00	1,882.00	1,200.00	2,400.00
6	4-Inch Gate Valve	2 EA	868.00	1,736.00	925.00	1,850.00
7	3-Inch Gate Valve	1 EA	725.00	725.00	875.00	875.00
8	Flush Hydrant Assembly	2 EA	3,000.00	6,000.00	4,390.00	8,780.00
9	Type I Connection	4 EA	3,100.00	12,400.00	3,500.00	14,000.00
10	Meter Setting (less meter)	2 EA	935.00	1,870.00	730.00	1,460.00
11	Standard Meter Reconnection	38 EA	520.00	19,760.00	545.00	20,710.00
12	Service Line Reconnection	2 EA	30.00	60.00	500.00	1,000.00
13	3/4-Inch PE Service Line	860 LF	10.00	8,600.00	7.00	6,020.00
14	Exploration	60 HR	20.00	1,200.00	60.00	3,600.00
	<b>TOTAL ADDITIVE ALTERNATE NO. 2 BID</b>			<b>\$134,332.00</b>		<b>\$131,895.00</b>



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Fax (502) 839-1373

**BID TABULATIONS**  
**LAUREL COUNTY WATER DISTRICT NO. 2**  
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**BID DATE: AUGUST 3, 2017 @ 11:00 A.M. LOCAL TIME**

			Clay Pipeline 70 Fox Hollow Road Manchester, KY 40962		D & H Conctracting Co., Inc. 2003 Lakeview Drive London, KY 40741	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	<b>ADDITIVE ALTERNATE NO. 3</b>					
1	6-Inch PVC SDR-17 Water Line	2,500 LF	\$16.00	\$40,000.00	\$28.00	\$70,000.00
2	6-Inch PVC SDR-17 I.B.R.J. Water Line	160 LF	35.00	5,600.00	26.00	4,160.00
3	4-Inch PVC SDR-17 Water Line	20 LF	13.50	270.00	28.00	560.00
4	2-Inch PVC SDR-17 Water Line	50 LF	11.00	550.00	28.00	1,400.00
5	Bore & Case for 6-Inch Water Line	240 LF	118.00	28,320.00	250.00	60,000.00
6	Free Bore & Case for 6-Inch Water Line	40 LF	69.00	2,760.00	90.00	3,600.00
7	6-Inch Gate Valve	2 EA	941.00	1,882.00	1,200.00	2,400.00
8	4-Inch Gate Valve	1 EA	868.00	868.00	925.00	925.00
9	2-Inch Gate Valve	2 EA	720.00	1,440.00	790.00	1,580.00
10	Flush Hydrant Assembly	2 EA	3,000.00	6,000.00	4,390.00	8,780.00
11	Type II Connection	3 EA	3,000.00	9,000.00	3,000.00	9,000.00
12	Direct Connection	4 EA	2,100.00	8,400.00	1,600.00	6,400.00
13	Standard Meter Reconnection	25 EA	520.00	13,000.00	545.00	13,625.00
14	3/4-Inch PE Service Line	650 LF	10.00	6,500.00	10.00	6,500.00
15	Exploration	50 HR	20.00	1,000.00	60.00	3,000.00
	<b>TOTAL ADDITIVE ALTERNATE NO. 3 BID</b>			<b>\$125,590.00</b>		<b>\$191,930.00</b>

**BID TABULATIONS**  
**LAUREL COUNTY WATER DISTRICT NO. 2**  
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**LAUREL COUNTY, KENTUCKY**

**BID DATE: AUGUST 3, 2017 @ 11:00 A.M. LOCAL TIME**

			Clay Pipeline 70 Fox Hollow Road Manchester, KY 40962		D & H Conctracting Co., Inc. 2003 Lakeview Drive London, KY 40741	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	<b>ADDITIVE ALTERNATE NO. 4</b>					
1	6-Inch PVC SDR-17 Water Line	1,460 LF	\$24.00	\$35,040.00	\$28.00	\$40,880.00
2	6-Inch PVC SDR I.B.R.J. Water Line	140 LF	29.00	4,060.00	26.00	3,640.00
3	3-Inch PVC SDR-17 Water Line	1,850 LF	16.50	30,525.00	26.00	48,100.00
4	2-Inch PVC SDR-17 Water Line	20 LF	18.40	368.00	28.00	560.00
5	Bore & Case for 3-Inch Water Line	100 LF	65.00	6,500.00	200.00	20,000.00
6	Open Cut & Case for 3-Inch Water Line	25 LF	42.00	1,050.00	60.00	1,500.00
7	6-Inch Gate Valve	1 EA	941.00	941.00	1,200.00	1,200.00
8	3-Inch Gate Valve	2 EA	392.00	784.00	875.00	1,750.00
9	2-Inch Gate Valve	1 EA	720.00	720.00	790.00	790.00
10	Flush Hydrant Assembly	1 EA	3,000.00	3,000.00	4,390.00	4,390.00
11	Blowoff Assembly	2 EA	3,000.00	6,000.00	2,210.00	4,420.00
12	Direct Connection	1 EA	2,100.00	2,100.00	1,600.00	1,600.00
13	Type I Connection	1 EA	3,550.00	3,550.00	3,500.00	3,500.00
14	Type II Connection	1 EA	3,100.00	3,100.00	3,000.00	3,000.00
15	Meter Setting (less meter)	3 EA	941.00	2,823.00	730.00	2,190.00
16	Standard Meter Reconnection	18 EA	520.00	9,360.00	545.00	9,810.00
17	Service Line Reconnection	2 EA	220.00	440.00	500.00	1,000.00
18	3/4-Inch PE Service Line	1,200 LF	20.00	24,000.00	9.00	10,800.00
19	Exploration	40 HR	20.00	800.00	60.00	2,400.00
	<b>TOTAL ADDITIVE ALTERNATE NO. 4 BID</b>			<b>\$135,161.00</b>		<b>\$161,530.00</b>



**BID TABULATIONS**  
**LAUREL COUNTY WATER DISTRICT NO. 2**  
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**LAUREL COUNTY, KENTUCKY**

**BID DATE: AUGUST 3, 2017 @ 11:00 A.M. LOCAL TIME**

			Akins Ecavating Company, Inc. 182 Busy Lane Corbin, KY 40701		Flo-Line Contracting 189 Sunstar Blvd. Monticello, KY 42633	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	<b>BASE BID CONTRACT</b>					
1	12-Inch PVC SDR-17 Water Line	13,100 LF	\$34.00	\$445,400.00	\$39.00	\$510,900.00
2	8-Inch PVC SDR-17 Water Line	60 LF	32.00	1,920.00	38.00	2,280.00
3	6-Inch PVC SDR-17 Water Line	580 LF	37.00	21,460.00	34.00	19,720.00
4	4-Inch PVC SDR-17 Water Line	4,350 LF	15.50	67,425.00	32.50	141,375.00
5	2-Inch PVC SDR-17 Water Line	130 LF	14.00	1,820.00	30.00	3,900.00
6	Bore & Case for 12-Inch Water Line	210 LF	355.00	74,550.00	220.00	46,200.00
7	Bore & Case for 6-Inch Water Line	20 LF	295.00	5,900.00	150.00	3,000.00
8	Free Bore & Case for 4-Inch Water Line	40 LF	40.00	1,600.00	50.00	2,000.00
9	Open Cut & Case for 12-Inch Water Line	60 LF	120.00	7,200.00	80.00	4,800.00
10	Open Cut & Case for 6-Inch Water Line	80 LF	83.00	6,640.00	50.00	4,000.00
11	Open Cut & Case for 4-Inch Water Line	20 LF	64.00	1,280.00	50.00	1,000.00
12	Creek Crossing for 12-Inch Water Line	40 LF	170.00	6,800.00	150.00	6,000.00
13	12-Inch Gate Valve	12 EA	3,000.00	36,000.00	2,300.00	27,600.00
14	8-Inch Gate Valve	2 EA	1,640.00	3,280.00	1,200.00	2,400.00
15	6-Inch Gate Valve	3 EA	1,070.00	3,210.00	900.00	2,700.00
16	4-Inch Gate Valve	2 EA	882.00	1,764.00	800.00	1,600.00
17	2-Inch Gate Valve	2 EA	650.00	1,300.00	600.00	1,200.00
18	Air Release Valve	1 EA	3,875.00	3,875.00	4,500.00	4,500.00
19	Flush Hydrant Assembly	3 EA	4,510.00	13,530.00	4,200.00	12,600.00
20	Blowoff Assembly	4 EA	1,435.00	5,740.00	1,500.00	6,000.00
21	Direct Connection	4 EA	1,000.00	4,000.00	1,800.00	7,200.00
	<b>BASE BID CONTRACT - Continued</b>					

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Fax (502) 839-1373

**BID TABULATIONS**  
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**BID DATE: AUGUST 3, 2017 @ 11:00 A.M. LOCAL TIME**

			<b>Akins Ecavating Company, Inc.</b> <b>182 Busy Lane</b> <b>Corbin, KY 40701</b>		<b>Flo-Line Contracting</b> <b>189 Sunstar Blvd.</b> <b>Monticello, KY 42633</b>	
ITEM NO.	DESCRIPTION	QUANTITY	PRICE	COST	UNIT PRICE	TOTAL COST
	<b>BASE BID CONTRACT - Continued</b>					
22	Type I Connection	2 EA	\$2,735.00	\$5,470.00	\$2,100.00	\$4,200.00
23	Type II Connection	4 EA	3,712.00	14,848.00	3,000.00	12,000.00
24	Meter Setting (less meter)	3 EA	945.00	2,835.00	850.00	2,550.00
25	Standard Meter Reconnection	33 EA	765.00	25,245.00	775.00	25,575.00
26	2-Inch Meter Reconnection	2 EA	1,890.00	3,780.00	1,200.00	2,400.00
27	Service Line Reconnection	3 EA	555.00	1,665.00	800.00	2,400.00
28	3/4-Inch PE Service Line	1,020 LF	10.50	10,710.00	10.00	10,200.00
29	Exploration	100 HR	200.00	20,000.00	100.00	10,000.00
29	Master Meter Vault	1 LS	20,430.00	20,430.00	18,500.00	18,500.00
	<b>TOTAL BASE BID</b>			<b>\$819,677.00</b>		<b>\$898,800.00</b>

**BID TABULATIONS**  
**LAUREL COUNTY WATER DISTRICT NO. 2**  
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**BID DATE: AUGUST 3, 2017 @ 11:00 A.M. LOCAL TIME**

			Akins Ecavating Company, Inc. 182 Busy Lane Corbin, KY 40701		Flo-Line Contracting 189 Sunstar Blvd. Monticello, KY 42633	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	<b>ADDITIVE ALTERNATE NO. 1</b>					
1	6-Inch PVC SDR-17 Water Line	3,600 LF	\$15.50	\$55,800.00	\$34.00	\$122,400.00
2	4-Inch PVC SDR-17 Water Line	1,650 LF	13.00	21,450.00	32.50	53,625.00
3	3-Inch PVC SDR-17 Water Line	1,800 LF	13.00	23,400.00	31.00	55,800.00
4	Free Bore & Case for 6-Inch Water Line	440 LF	80.00	35,200.00	80.00	35,200.00
5	Free Bore & Case for 4-Inch Water Line	160 LF	40.00	6,400.00	50.00	8,000.00
6	Free Bore & Case for 3-Inch Water Line	170 LF	40.00	6,800.00	50.00	8,500.00
7	Creek Crossing for 6-Inch Water Line	20 LF	137.00	2,740.00	70.00	1,400.00
8	Creek Crossing for 4-Inch Water Line	20 LF	130.00	2,600.00	70.00	1,400.00
9	Creek Crossing for 3-Inch Water Line	20 LF	130.00	2,600.00	70.00	1,400.00
10	6-Inch Gate Valve	2 EA	958.00	1,916.00	900.00	1,800.00
11	4-Inch Gate Valve	2 EA	800.00	1,600.00	800.00	1,600.00
12	3-Inch Gate Valve	4 EA	462.00	1,848.00	700.00	2,800.00
13	Flush Hydrant Assembly	3 EA	4,300.00	12,900.00	4,200.00	12,600.00
14	Direct Connection	3 EA	972.00	2,916.00	1,800.00	5,400.00
15	Type II Connection	1 EA	2,550.00	2,550.00	3,000.00	3,000.00
16	Meter Setting (less meter)	18 EA	945.00	17,010.00	850.00	15,300.00
17	Standard Meter Reconnection	64 EA	605.00	38,720.00	775.00	49,600.00
18	Service Line Reconnection	18 EA	395.00	7,110.00	800.00	14,400.00
19	3/4-Inch PE Service Line	3,300 LF	10.50	34,650.00	10.00	33,000.00
20	Exploration	100 HR	200.00	20,000.00	100.00	10,000.00
	<b>TOTAL ADDITIVE ALTERNATE NO. 1 BID</b>			<b>\$298,210.00</b>		<b>\$437,225.00</b>

**BID TABULATIONS**  
**LAUREL COUNTY WATER DISTRICT NO. 2**  
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**BID DATE: AUGUST 3, 2017 @ 11:00 A.M. LOCAL TIME**

			Akins Ecavating Company, Inc. 182 Busy Lane Corbin, KY 40701		Flo-Line Contracting 189 Sunstar Blvd. Monticello, KY 42633	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	<b>ADDITIVE ALTERNATE NO. 2</b>					
1	6-Inch PVC SDR-17 Water Line	3,800 LF	\$15.00	\$57,000.00	\$34.00	\$129,200.00
2	4-Inch PVC SDR-17 Water Line	60 LF	14.00	840.00	32.50	1,950.00
3	3-Inch PVC SDR-17 Water Line	30 LF	15.00	450.00	31.00	930.00
4	Free Bore & Case for 6-Inch Water Line	380 LF	80.00	30,400.00	80.00	30,400.00
5	6-Inch Gate Valve	2 EA	955.00	1,910.00	900.00	1,800.00
6	4-Inch Gate Valve	2 EA	790.00	1,580.00	800.00	1,600.00
7	3-Inch Gate Valve	1 EA	710.00	710.00	700.00	700.00
8	Flush Hydrant Assembly	2 EA	4,300.00	8,600.00	4,200.00	8,400.00
9	Type I Connection	4 EA	2,470.00	9,880.00	2,100.00	8,400.00
10	Meter Setting (less meter)	2 EA	945.00	1,890.00	850.00	1,700.00
11	Standard Meter Reconnection	38 EA	582.00	22,116.00	775.00	29,450.00
12	Service Line Reconnection	2 EA	394.00	788.00	800.00	1,600.00
13	3/4-Inch PE Service Line	860 LF	10.50	9,030.00	10.00	8,600.00
14	Exploration	60 HR	200.00	12,000.00	100.00	6,000.00
	<b>TOTAL ADDITIVE ALTERNATE NO. 2 BID</b>			<b>\$157,194.00</b>		<b>\$230,730.00</b>



**BID TABULATIONS**  
**LAUREL COUNTY WATER DISTRICT NO. 2**  
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			Akins Ecavating Company, Inc. 182 Busy Lane Corbin, KY 40701		Flo-Line Contracting 189 Sunstar Blvd. Monticello, KY 42633	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	<b>ADDITIVE ALTERNATE NO. 3</b>					
1	6-Inch PVC SDR-17 Water Line	2,500 LF	\$17.50	\$43,750.00	\$34.00	\$85,000.00
2	6-Inch PVC SDR-17 I.B.R.J. Water Line	160 LF	30.00	4,800.00	34.00	5,440.00
3	4-Inch PVC SDR-17 Water Line	20 LF	20.00	400.00	32.50	650.00
4	2-Inch PVC SDR-17 Water Line	50 LF	20.00	1,000.00	30.00	1,500.00
5	Bore & Case for 6-Inch Water Line	240 LF	295.00	70,800.00	150.00	36,000.00
6	Free Bore & Case for 6-Inch Water Line	40 LF	80.00	3,200.00	80.00	3,200.00
7	6-Inch Gate Valve	2 EA	955.00	1,910.00	900.00	1,800.00
8	4-Inch Gate Valve	1 EA	788.00	788.00	800.00	800.00
9	2-Inch Gate Valve	2 EA	567.00	1,134.00	600.00	1,200.00
10	Flush Hydrant Assembly	2 EA	4,200.00	8,400.00	4,200.00	8,400.00
11	Type II Connection	3 EA	2,420.00	7,260.00	3,000.00	9,000.00
12	Direct Connection	4 EA	990.00	3,960.00	1,800.00	7,200.00
13	Standard Meter Reconnection	25 EA	605.00	15,125.00	775.00	19,375.00
14	3/4-Inch PE Service Line	650 LF	10.50	6,825.00	10.00	6,500.00
15	Exploration	50 HR	200.00	10,000.00	100.00	5,000.00
	<b>TOTAL ADDITIVE ALTERNATE NO. 3 BID</b>			<b>\$179,352.00</b>		<b>\$191,065.00</b>

**BID TABULATIONS**  
**LAUREL COUNTY WATER DISTRICT NO. 2**  
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**BID DATE: AUGUST 3, 2017 @ 11:00 A.M. LOCAL TIME**

			Akins Ecavating Company, Inc. 182 Busy Lane Corbin, KY 40701		Flo-Line Contracting 189 Sunstar Blvd. Monticello, KY 42633	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	<b>ADDITIVE ALTERNATE NO. 4</b>					
1	6-Inch PVC SDR-17 Water Line	1,460 LF	\$18.00	\$26,280.00	\$34.00	\$49,640.00
2	6-Inch PVC SDR I.B.R.J. Water Line	140 LF	30.50	4,270.00	34.00	4,760.00
3	3-Inch PVC SDR-17 Water Line	1,850 LF	14.00	25,900.00	31.00	57,350.00
4	2-Inch PVC SDR-17 Water Line	20 LF	19.00	380.00	30.00	600.00
5	Bore & Case for 3-Inch Water Line	100 LF	100.00	10,000.00	150.00	15,000.00
6	Open Cut & Case for 3-Inch Water Line	25 LF	73.00	1,825.00	50.00	1,250.00
7	6-Inch Gate Valve	1 EA	955.00	955.00	900.00	900.00
8	3-Inch Gate Valve	2 EA	707.00	1,414.00	700.00	1,400.00
9	2-Inch Gate Valve	1 EA	590.00	590.00	600.00	600.00
10	Flush Hydrant Assembly	1 EA	4,300.00	4,300.00	4,200.00	4,200.00
11	Blowoff Assembly	2 EA	1,258.00	2,516.00	1,500.00	3,000.00
12	Direct Connection	1 EA	975.00	975.00	1,800.00	1,800.00
13	Type I Connection	1 EA	2,175.00	2,175.00	2,100.00	2,100.00
14	Type II Connection	1 EA	2,870.00	2,870.00	3,000.00	3,000.00
15	Meter Setting (less meter)	3 EA	945.00	2,835.00	850.00	2,550.00
16	Standard Meter Reconnection	18 EA	605.00	10,890.00	775.00	13,950.00
17	Service Line Reconnection	2 EA	395.00	790.00	800.00	1,600.00
18	3/4-Inch PE Service Line	1,200 LF	10.50	12,600.00	10.00	12,000.00
19	Exploration	40 HR	200.00	8,000.00	100.00	4,000.00
	<b>TOTAL ADDITIVE ALTERNATE NO. 4 BID</b>			<b>\$119,565.00</b>		<b>\$179,700.00</b>

**FINAL PROJECT BUDGET  
2017 WATER SYSTEM IMPROVEMENTS  
LAURAL COUNTY WATER DISTRICT #2  
AUGUST 2017**

**PROJECT COSTS**

DEVELOPMENT

<i>BASE BID: FARISTON INDUSTRIAL PARK SUPPLY / BYRLEY ROAD / CHERRY AVENUE</i>	\$683,815.00
<i>ADDITIVE ALTERNATE NO. 1: NORTH COURT ROAD AREA</i>	256,518.00
<i>ADDITIVE ALTERNATE NO. 2: BAKERSFIELD LANE</i>	<u>134,332.00</u>
TOTAL DEVELOPMENT	\$1,074,665.00
CONTINGENCY (≈10%)	106,835.00
ENGINEERING DESIGN	125,000.00
CONSTRUCTION INSPECTION	80,000.00
PRELIMINARY ENGINEERING REPORT	10,000.00
ENVIROMENTAL ASSESSMENT	7,500.00
ADMINISTRATION	10,000.00
LEGAL	15,000.00
LAND & EASEMENT ACQUISITION	1,000.00
INTEREST	35,000.00
12-INCH WATER TRANSMISSION MAIN - PHASE II (SEE ATTACHEMENT)	<u>485,000.00</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$1,950,000.00</b>

**PROJECT FUNDING**

USDA RURAL DEVELOPMENT LOAN	\$1,365,000.00
USDA RURAL DEVELOPMENT GRANT	<u>585,000.00</u>
<b>TOTAL PROJECT FUNDING</b>	<b>\$1,950,000.00</b>

**PRELIMINARY COST ESTIMATE  
2017 WATER SYSTEM IMPROVEMENTS  
LAURAL COUNTY WATER DISTRICT #2  
AUGUST 2017**

**12-INCH WATER TRANSMISSION MAIN - PHASE II**

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	12-Inch PVC SDR-17 Water Line	5,650 LF	\$29.70	\$167,805.00
2	6-Inch PVC SDR-17 Water Line	20 LF	15.55	311.00
3	Bore & Case for 12-Inch Water Line	260 LF	189.00	49,140.00
4	Driveway Bore & Case for 12-Inch Water Line	100 LF	160.00	16,000.00
5	Directional Bore Creek Crossing for 12-Inch Water Line	400 LF	260.00	104,000.00
6	Creek Crossing for 12-Inch Water Line	80 LF	105.00	8,400.00
7	12-Inch Gate Valve	4 EA	2,520.00	10,080.00
8	6-Inch Gate Valve	1 EA	940.00	940.00
9	Type II Connection	2 EA	3,600.00	7,200.00
10	Flush Hydrant Assembly	1 EA	4,470.00	4,470.00
11	Air Release Valves	1 EA	3,150.00	3,150.00
12	Exploration	25 HR	20.00	504.00
SUBTOTAL				\$372,000.00
CONTINGENCY (10%)				37,000.00
<b>TOTAL CONSTRUCTION</b>				<b>\$409,000.00</b>

**TOTAL PROJECT COSTS**

DEVELOPMENT	\$372,000
CONTINGENCY	37,000
ENGINEERING DESIGN	40,500
CONSTRUCTION INSPECTION	30,500
ENVIROMENTAL ASSESSMENT	5,000

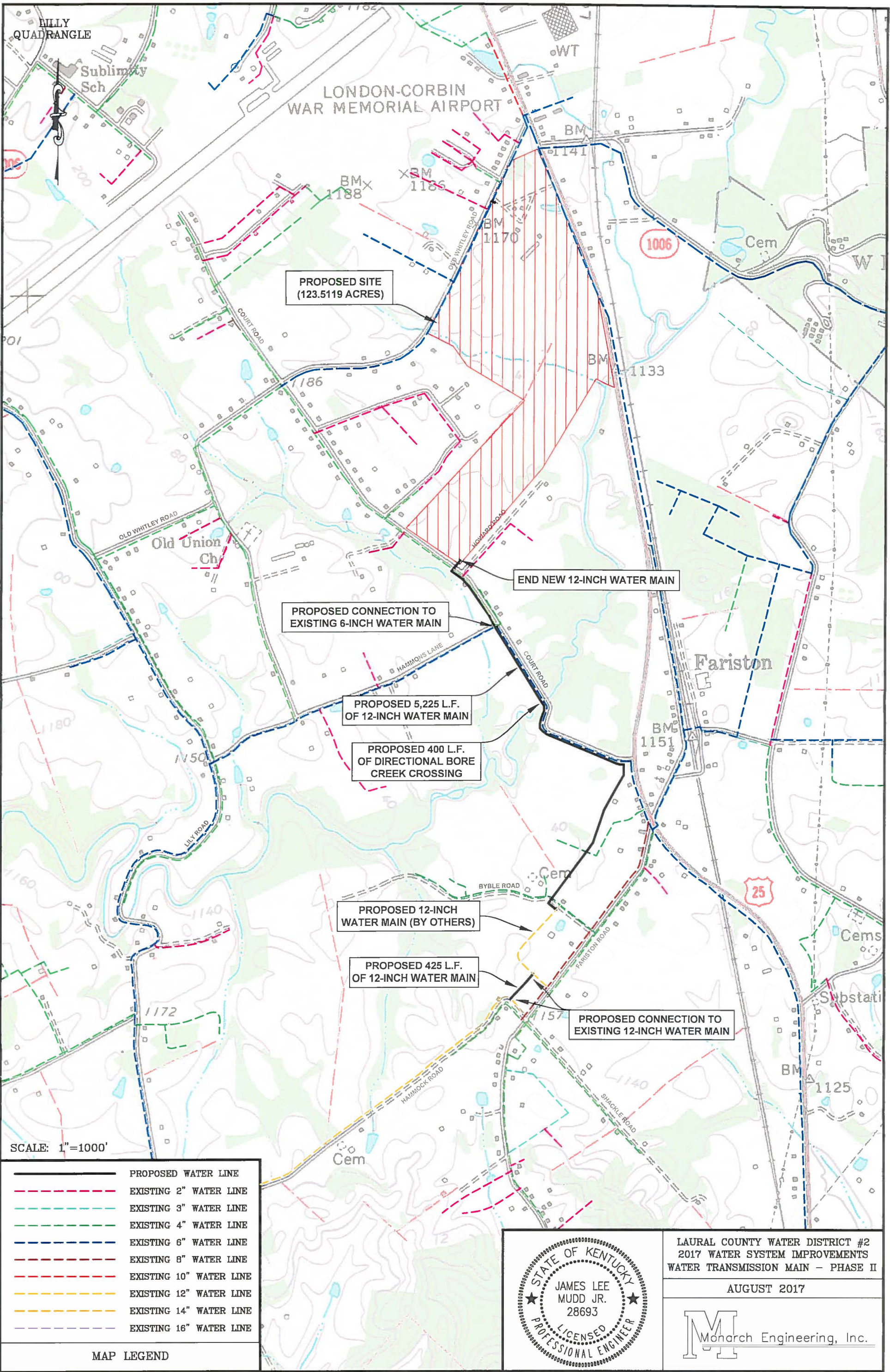
**TOTAL PROJECT COSTS** **\$485,000**

**PROJECT FUNDING**

REMAINING USDA RURAL DEVELOPMENT FUNDS	\$485,000
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**TOTAL PROJECT FUNDING** **\$485,000**





SCALE: 1"=1000'

	PROPOSED WATER LINE
	EXISTING 2" WATER LINE
	EXISTING 3" WATER LINE
	EXISTING 4" WATER LINE
	EXISTING 6" WATER LINE
	EXISTING 8" WATER LINE
	EXISTING 10" WATER LINE
	EXISTING 12" WATER LINE
	EXISTING 14" WATER LINE
	EXISTING 16" WATER LINE

MAP LEGEND



LAUREL COUNTY WATER DISTRICT #2  
2017 WATER SYSTEM IMPROVEMENTS  
WATER TRANSMISSION MAIN - PHASE II

AUGUST 2017

Monarch Engineering, Inc.



Application  
CONTAINS  
LARGE OR OVERSIZED  
MAP(S)

RECEIVED ON:  
09/29/2017