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October 5, 2018

Public Service Commission
211 Sower Blvd.
Frankfort, Kentucky 40602-0615

Hand Delivered

RECEIVED

OCT 05 2018

PUBLIC SERVICE
COMMISSION

Re: Northeast Woodford County Water District;
Application for Certificate of Public
Convenience and Necessity and to Increase
Rates

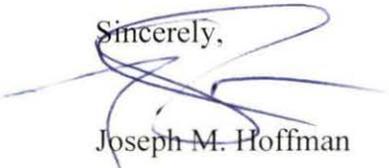
Dear Sir or Madam:

Enclosed you will please find one original Application for Certificate of Public Convenience and Necessity and to Increase Rates for the Northeast Woodford County Water District and eleven copies. Please file of record in your office and return the extra copy, stamped filed, to this office.

Please advise if you have any questions or require additional information.

Thank you.

Sincerely,


Joseph M. Hoffman

OCT 05 2018

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

CASE NO. 2018 - 00342

In the matter of:

APPLICATION OF THE NORTHEAST WOODFORD COUNTY WATER DISTRICT FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT AN EXTENSION OF 4,600 LINEAR FEET OF WATERLINE ALONG SUGAR HILL ROAD; TO REPLACE 6,000 LINEAR FEET OF DEGRADED WATERLINE ALONG OLD FRANKFORT PIKE AND PAYNES MILL ROAD; TO REPLACE EXISTING PUMP STATION; AND TO INCREASE RATES

The Northeast Woodford County Water District (the "District"), with counsel, pursuant to KRS 278.020 petitions the Commission for a certificate of public convenience and necessity to construct a waterline extension within its boundaries, replace certain waterlines and replace an existing pump station, and to increase its rates. The following is submitted in support of this Application.

1. The District's office address is 225A South Main Street, Versailles, Kentucky 40383. Its principal officers are as listed in its 2017 Annual Report which is on file with the Commission.

2. The District is a non-profit water district organized under KRS Chapter 74 and has no separate articles of incorporation or by-laws.

3. A description of the District's water system, its property, financial schedules, and other data is contained in its 2017 Annual Report which is on file with the Commission, and which is incorporated herein by reference.

4. The project which is the subject of this application is the construction of a new waterline along Sugar Hill Road in Woodford County to serve two unserved residents and several underserved residents. The new waterline will be approximately 4,800 linear feet of four inch PVC pipe. In addition, the District will replace approximately 6,000 linear feet along Old Frankfort Pike and Paynes Mill Road and replace an existing pump station with a new 600 GPM pump station on Big Sink Pike. The District also proposes to increase its rates to pay a portion of the necessary costs.

5. The District proposes to finance the construction of the Project through a loan from the Kentucky Infrastructure Authority (KIA) in the amount of \$400,000.00 bearing interest at 1.75% per annum to be repaid over a period of twenty years. A copy of the KIA Commitment Letter to the District is attached as Exhibit "A". The District further proposes to pay the additional costs of the Project in the amount of \$40,600.00 through a 5% increase in its rates as set forth in the Final Engineering Report attached as Exhibit "B".

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

7. The District files herewith the following Exhibits in support of this Application:

- A. Copy of KIA Commitment letter (Exhibit "A").
- B. The Final Engineering Report and bid tabulations (Exhibit "B").
- C. Certification from the Chairman of the District (Exhibit "C"), based upon statements of the Engineer for the District, concerning the following:

- (1) The proposed plans and specifications for the Project have been designed to meet with 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 the District shall produce the total revenue requirements recommended in the engineering report; and
 - (4) Setting out the dates with it is anticipated that construction will begin and end.
- D. The notice setting forth the proposed rate change (the “Notice”) posted at the District’s office and submitted to the appropriate newspaper for publication (Exhibit “D”).
- E. A copy of the Plans and Specifications of the Project on electronic storage medium in portable document format.

8. The District has complied with the “public postings” requirement by posting a copy of the Notice at its place of business. The District does not maintain a website. The District has also arranged for the publication of the Notice at the same time this Application is filed in the newspaper of general circulation in the District’s service area. The District shall file with this Commission no later than fifteen (15) days from the date this Application was initially filed, an affidavit and tearsheet from the publisher of such newspaper.

WHEREFORE, the Northeast Woodford County Water District asks that the Public Service Commission of the Commonwealth of Kentucky grant the following:

- a. A Certificate of Public Convenience and Necessity permitting the District to construct the waterline and water system improvements set forth herein.

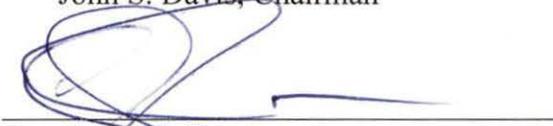
- b. An Order approving the financing arrangements made by the District, that is, the loan of \$400,000 to the District from the Kentucky Infrastructure Authority at an interest rate not to exceed 1.75% per annum to be repaid over twenty years.
- c. An Order approving the proposed water rates as set forth in the Final Engineering Report and the Notice.

Dated the 5th day of October, 2018.

Northeast Woodford County Water District

By: 

John S. Davis, Chairman



Joseph M. Hoffman
Hoffman & Barnes
100 Unite Drive, Suite 4B
Versailles, Kentucky 40383
(859) 873-5427
jhoffman@hbkylaw.com
Counsel for Northeast Woodford County
Water District

EXHIBIT "A"

John

office copy

mailed 8/1/17



KENTUCKY INFRASTRUCTURE AUTHORITY

Matthew G. Bevin
Governor

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

November 3, 2016

Amanda Young
Ky. gov

Honorable John Davis, Chairman
Northeast Woodford County Water District
225 South Main Street
Versailles, KY 40383

**KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND
CONDITIONAL COMMITMENT LETTER (B17-007)**

Dear Chairman Davis:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On October 27, 2016, the Authority approved your loan for the Northeast Woodford County Improvement Project, subject to the conditions stated below. The total cost of the project shall not exceed \$400,000 of which the Authority loan is the sole source of the funding. The final loan amount will be equal to the Authority's portion of estimated project cost applied to the actual project cost. Attachment A incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the Northeast Woodford County Water District upon satisfactory performance of the conditions set forth in this letter. You must meet the conditions set forth in this letter and enter into an Assistance Agreement by November 3, 2017 (twelve months from the date of this letter). A one-time extension of up to six months may be granted for applicants that experience extenuating circumstances. Funds will be available for disbursement only after execution of the Assistance Agreement.

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

1. The Authority project loan shall not exceed \$400,000.
2. The loan shall bear interest at the rate of 1.75 percent per annum commencing

with the first draw of funds.

3. The loan shall be repaid over a period not to exceed 20 years from the date of the last draw of funds.
4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1, or December 1, immediately succeeding the date of the initial draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1, or December 1, which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid.
5. Full principal payments will commence on June 1, or December 1, immediately succeeding the date of the last draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the last draw of funds, then the first principal payment date shall be the June 1, or December 1, which is at least six months from the date of the last draw of funds. Full payments will be due each six months thereafter until the loan is repaid.
6. A loan servicing fee of 0.20% of the outstanding loan balance shall be payable to the Authority as a part of each interest payment.
7. Loan funds will only be disbursed after execution of the Assistance Agreement as project costs are incurred.
8. The Authority requires that an annual financial audit be provided for the life of the loan.
9. The final Assistance Agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.

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

1. Upon completion of final design of the facilities in the attached project description, favorable approval shall be obtained of such design by all appropriate parties as required by Kentucky statute or administrative regulation.
2. Applicant must provide certification from their legal counsel stating that they have prepared construction specifications in accordance with all applicable state wage rate laws, and that the procurement procedures, including those for construction, land, equipment and professional services that are a part of the project, are in compliance with applicable state and local procurement laws. *-No*
3. Documentation of final funding commitments from all parties other than the

*After bidding openings
3 still Applies*

Authority as reflected in the Attachment A description shall be provided prior to preparation of the Assistance Agreement and disbursement of the loan monies. Rejections of any anticipated project funding, or any new funding sources not reflected in Attachment A shall be immediately reported and may cause this loan to be subject to further consideration.

4. Upon receipt of construction bids a tabulation of such bids and engineer's recommendations on compliance with bid specifications and recommendation for award, shall be forwarded to the Authority for final approval and sizing of this loan and the project.
5. The loan must undergo review by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the state's execution of the Assistance Agreement. The Committee meets monthly on the third Tuesday. Any special conditions listed in Attachment A must be satisfied before the project is presented before the Committee.
6. Any required adjustment in utility service rates shall be adopted by ordinance, municipal order or resolution by the appropriate governing body of the Borrower. Public hearings as required by law shall be held prior to the adoption of the service rate ordinance, order, or resolution. Any required approvals by the Kentucky Public Service Commission shall be obtained.
7. Based on the final "as bid" project budget, the borrower must provide satisfactory proof, based on then existing conditions, that the revenue projections in the attached descriptions are still obtainable and that the projections of operating expenses have not materially changed. The "as bid" project budget shall be reviewed and approved by your consultant engineer.
8. All easements or purchases of land shall be completed prior to commencement of construction. Certification of all land or easement acquisitions shall be provided to the Authority.
9. Documentation of Clearinghouse Endorsement and Clearinghouse Comments.
10. The Borrower must complete and return the attached "Authorization for Electronic Deposit of Vendor Payment" form to the Authority.
11. Implement the Kentucky Uniform System of Accounting (KUSoA), or an alternative approved by the Authority and assure that rates and charges for services are based upon the cost of providing such service.
12. Final Design Plans in an AutoCAD Drawing File Format (DWG), referenced to the appropriate (North, South or Single) Kentucky State Plane Coordinate System (NAD83-Survey Feet) on a Compact Disc (CD). The recipient shall provide the Authority a digital copy (pdf) of the record drawings from the project

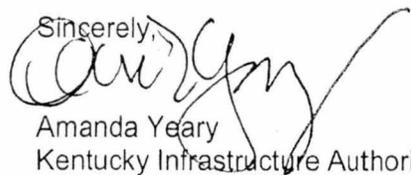
Chairman Davis
November 3, 2016
Page 4

within three months of construction completion.

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

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

Sincerely,



Amanda Yearly
Kentucky Infrastructure Authority

Attachments

cc: Warner Broughman, Warner Broughman & Associates

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



Accepted

November 3, 2016
Date

AUTHORIZATION FOR ELECTRONIC DEPOSIT
OF BORROWER PAYMENT
KENTUCKY INFRASTRUCTURE AUTHORITY
(FUND B17-007)

Borrower Information:

Name: _____

Address: _____

City: _____ State: KY Zip: _____

Federal I.D. # _____

Contact Name: _____ Telephone: _____

Email: _____

Financial Institution Information:

Bank Name: United Bank

Branch: 100 United Drive Phone No: 859-873-3136

City: Versailles State: KY Zip: 40383

Transit / ABA No.: ██████████

Account Name: Northeast Wdfd Co Water Dist - Construction Account

Account Number: ██████████

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

Signature: John S. Davis Date: November 7, 2016

Name Printed: JOHN S. DAVIS Job Title: CHAIRMAN

Please return completed form to:

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

ATTACHMENT A

**Northeast Woodford County Water District
B17-007**

EXECUTIVE SUMMARY KENTUCKY INFRASTRUCTURE AUTHORITY FUND B, INFRASTRUCTURE REVOLVING LOAN FUND		Reviewer Date KIA Loan Number WRIS Number	Brandi Norton October 27, 2016 B17-007 WX21239032	
BORROWER		NORTHEAST WOODFORD COUNTY WATER DISTRICT WOODFORD COUNTY		
BRIEF DESCRIPTION				
This project will replace a 35 year old aging booster pump station with a new booster pump station containing SCADA. This project also consists of a one mile waterline extension along Sugar Hill Road that will add an additional 2 customers as well as the replacement of 5,000 linear feet of water main along Old Frankfort Pike. This improvement will affect 50 underserved customers.				
PROJECT FINANCING		PROJECT BUDGET		
Fund B Loan	\$400,000	RD Fee %	Actual %	
		Administrative Expenses	\$2,500	
		Legal Expenses	5,000	
		Planning	5,000	
		Eng - Design / Const	11.1% 10.3% 33,750	
		Eng - Insp	8.6% 8.1% 26,400	
		Construction	300,000	
		Contingency	27,350	
TOTAL	\$400,000	TOTAL	\$400,000	
REPAYMENT	Rate	1.75%	Est. Annual Payment \$24,590	
	Term	20 Years	1st Payment 6 Mo. after first draw	
PROFESSIONAL SERVICES	Engineer	Warner Broughman & Associates		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Feb-17		
	Construction Start	Mar-17		
	Construction Stop	Sep-17		
DEBT PER CUSTOMER	Existing	\$371		
	Proposed	\$759		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	990	\$20.90 (for 4,000 gallons)	
	Additional	2		
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2013	37,175	34,115	3,060	1.1
Audited 2014	65,986	34,483	31,503	1.9
Audited 2015	64,965	33,793	31,172	1.9
Projected 2016	61,584	22,551	39,033	2.7
Projected 2017	58,135	34,700	23,435	1.7
Projected 2018	73,617	58,485	15,132	1.3
Projected 2019	70,029	58,651	11,378	1.2
Projected 2020	66,369	58,760	7,609	1.1

Reviewer: Brandi Norton
Date: October 27, 2016
Loan Number: B17-007

**KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND (FUND "B")
NORTHEAST WOODFORD COUNTY WATER DISTRICT, WOODFORD COUNTY
PROJECT REVIEW
WX21239032**

I. PROJECT DESCRIPTION

The Northeast Woodford County Water District is requesting a Fund "B" loan in the amount of \$400,000 for the Northeast Woodford County Improvement project. This project will replace a 35 year old aging booster pump station with a new booster pump station containing SCADA. This project also consists of a one mile waterline extension along Sugar Hill Road that will add an additional 2 customers as well as the replacement of 5,000 linear feet of water main along Old Frankfort Pike. This improvement will affect 50 underserved customers.

The Northeast Woodford County Water District serves approximately 983 homes within Woodford and Fayette counties. The District purchases approximately 124 million gallons of water annually from Versailles Municipal Water System and is subject to the Public Service Commission jurisdiction.

II. PROJECT BUDGET

	Total
Administrative Expenses	\$ 2,500
Legal Expenses	5,000
Planning	5,000
Engineering Fees - Design / Const	33,750
Engineering Fees - Inspection	26,400
Construction	300,000
Contingency	27,350
Total	\$ 400,000

III. PROJECT FUNDING

	Amount	%
Fund B Loan	\$ 400,000	100%
Total	\$ 400,000	100%

IV. KIA DEBT SERVICE

Construction Loan	\$	400,000
Interest Rate		1.75%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	23,790
Administrative Fee (0.20%)		800
Total Estimated Annual Debt Service	\$	24,590

V. PROJECT SCHEDULE

Bid Opening	February 2017
Construction Start	March 2017
Construction Stop	September 2017

VI. RATE STRUCTURE

A. Customers

Customers	Current	Proposed	Total
Residential	985	2	987
Commercial	5	0	5
Industrial	0	0	0
Total	990	2	992

B. Rates

	Current	Prior
Date of Last Rate Increase	07/01/13	05/30/08
Minimum (2,000 Gallons)	\$12.66	\$12.50
Next 2,000 Gallons	4.12	4.04
Next 6,000 Gallons	3.83	3.75
Cost for 4,000 gallons	\$20.90	\$20.58
Increase %	1.6%	
Affordability Index (Rate/MHI)	0.5%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2009-2013, the District's service area population was 2,277 with a Median Household Income (MHI) of \$53,315. The median household income for the Commonwealth is \$43,342. The project will qualify for a 1.75% interest rate as the district is a regional provider to customers within Fayette County.

Year	Population		Unemployment	
	County	% Change	Date	
1980	17,778		June 2004	4.1%
1990	19,955	12.2%	June 2009	8.8%
2000	23,208	16.3%	June 2015	6.0%
2010	24,939	7.5%	June 2016	3.6%
Current	25,151	0.9%		

VIII. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended December 31, 2013 through 2015. Amounts for 2016 are estimated. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORICAL

Revenues increased 17% from \$523,118 in 2013 to \$614,253 in 2015 due to a previously approved rate increase. Operating expenses increased 4% from \$162,324 to \$169,048 while purchased water costs increased 17% from \$327,714 to \$383,396 during the same period. The debt coverage ratio was 1.1, 1.9, and 1.9, respectively from 2013 through 2015. Debt service averaged of \$34,000 for same time period.

The balance sheet reflects a current ratio of 11.6, a debt to equity ratio of 0.2, and unrestricted cash equals 6.2 months of operating expenses.

PROJECTED

Projections are based on the following assumptions:

- 1) Water revenues reflect a \$20,000 or 3% rate increase in 2018 and will remain flat thereafter.
- 2) Expenses will increase 2% for inflation.
- 3) Debt service coverage is 1.3 in 2018 when full year principal and interest repayments begin.

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

REPLACEMENT RESERVE

The annual replacement cost is \$1,000. This amount should be added to the replacement account each December 1 until the balance reaches \$20,000 and maintained for the life of the loan.

IX. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Water Revenue Bonds 1995	\$ 367,000	2034
Total	\$ 367,000	

X. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

None.

XI. CONTACTS

Legal Applicant	
Entity Name	Northeast Woodford County Water District
Authorized Official	John Davis (Chairman)
County	Woodford
Email	n/a
Phone	(859) 873-7334
Address	225 South Main Street Versailles, KY 40383

Project Contact – Applicant & Administrator	
Name	Warner Broughman
Organization	Warner Broughman & Associates
Email	wabiii@prodigy.net
Phone	(859) 271-1778
Address	3161 Coster Dr Lexington, KY 40517

Consulting Engineer	
PE Name	Warner Broughman
Firm Name	Warner Broughman & Associates
Email	wabiii@prodigy.net
Phone	(859) 271-1778
Address	3161 Coster Dr Lexington, KY 40517

XII. RECOMMENDATIONS

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

NORTHEAST WOODFORD COUNTY WATER DISTRICT (WATER)
 FINANCIAL SUMMARY (DECEMBER YEAR END)

	Audited 2013	Audited 2014	Audited 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
Balance Sheet								
Assets								
Current Assets	730,620	772,986	848,757	872,740	896,175	912,807	924,185	931,794
Other Assets	1,830,289	1,752,424	1,642,965	1,584,567	1,901,950	1,820,333	1,727,716	1,635,099
Total	2,560,909	2,525,410	2,491,722	2,457,307	2,798,125	2,733,140	2,651,901	2,566,893
Liabilities & Equity								
Current Liabilities	69,224	60,461	73,911	75,272	76,661	78,077	79,521	80,995
Long Term Liabilities	391,000	379,000	367,000	367,000	1,153,000	1,139,000	1,124,000	1,108,000
Total Liabilities	460,224	439,461	440,911	442,272	1,229,661	1,217,077	1,203,521	1,188,995
Net Assets	2,100,685	2,085,949	2,050,811	2,015,035	1,568,464	1,516,063	1,448,380	1,377,898
Cash Flow								
Revenues	523,118	602,756	614,253	614,253	614,253	634,253	634,253	634,253
Operating Expenses	490,038	541,173	552,444	555,825	559,274	563,792	567,380	571,040
Other Income	4,095	4,403	3,156	3,156	3,156	3,156	3,156	3,156
Cash Flow Before Debt Service	37,175	65,986	64,965	61,584	58,135	73,617	70,029	66,369
Debt Service								
Existing Debt Service	34,115	34,483	33,793	22,551	34,700	33,895	34,061	34,170
Proposed KIA Loan	0	0	0	0	0	24,590	24,590	24,590
Total Debt Service	34,115	34,483	33,793	22,551	34,700	58,485	58,651	58,760
Cash Flow After Debt Service	3,060	31,503	31,172	39,033	23,435	15,132	11,378	7,609
Ratios								
Current Ratio	10.6	12.8	11.5	11.6	11.7	11.7	11.6	11.5
Debt to Equity	0.2	0.2	0.2	0.2	0.8	0.8	0.8	0.9
Days Sales in Accounts Receivable	32.0	25.0	28.0	28.0	28.0	28.0	28.0	28.0
Months Operating Expenses in Unrestricted Cash	3.9	4.5	5.4	6.2	6.6	6.9	7.1	7.2
Debt Coverage Ratio	1.1	1.9	1.9	2.7	1.7	1.3	1.2	1.1

EXHIBIT “B”

NORTHEAST WOODFORD WATER DISTRICT

System upgrades

Final Engineering Report

March 9, 2018

Revised October 4, 2018

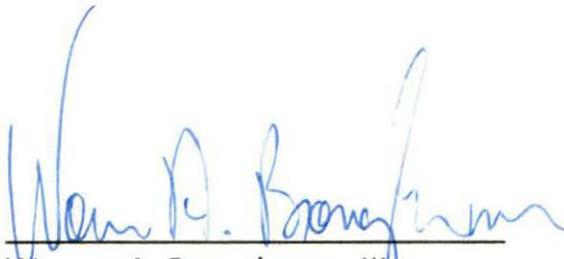
The project proposed by the Northeast Woodford Water District is the construction of a new 4" waterline along Sugar Hill Road to serve two unserved residents and several underserved customers. The water line is approximately 4,800 linear feet of 4-inch PVC pipe. In addition the District will rebuild nearly 6,000 linear feet of degraded 4 & 6" pipelines along Old Frankfort Pike and Paynes Mill Road. A new 600 GPM Booster Pumping Station will replace the existing pump station on Big Sink Pike. The new station will be constructed beside the existing station which will be removed upon completion of the new station. Two new customers are resulting from this construction. Twin States Utilities and Excavation Inc. was the low bidder on the pipelines at \$251,155. JRS Construction, Inc. was the low bidder on the BPS building and installation at \$56,500. Bluegrass Hydronics and Pump, LLC is the low bidder on the prefabricated pump package at \$37,196.

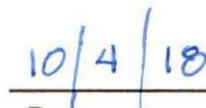
The project will be financed by a loan from KIA in the amount of \$400,000 and \$40,600 from Water District funds. The as bid estimate for the project is as follows:

Construction	\$344,851
Administration	2,500
Local Counsel	5,000
Planning	5,000
Engineering Design	31,910
Construction Admin	5,631
Construction Inspection	28,682
Contingency (5%)	<u>17,026</u>
Total Project Cost	\$440,600

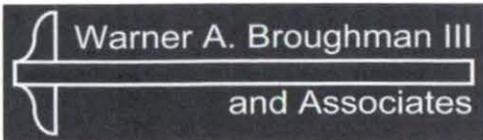
The District will need to borrow \$400,000 from the KY Infrastructure Authority (KIA). The District will also need to provide funds in the amount of \$40,600 from local sources. The debt service will be \$24,590 per year. Depreciation will amount to \$6400/year. The District will need to increase rates by 5% to finance this project.

	Existing Rates	Proposed Rates
1st 2000 gallons	\$13.14	\$13.80
Next 2000 gallons	\$4.36	\$4.58
Next 6000 gallons	\$4.07	\$4.28
Over 10,000 gallons	\$3.85	\$4.05
<u>2-inch meter</u>		
First 20,000 gallons	\$84.78	\$89.02
Over 20,000 gallons	\$3.85	\$4.05


 Warner A. Broughman, III


 Date





3161 CUSTER DRIVE, SUITE 6
 LEXINGTON, KY 40517
 859-271-1778 ° wabiii@prodigy.net
 Fax: 859-272-1020

BID TABULATION
NORTHEAST WOODFORD WATER DISTRICT
2/20/2018

CONTRACT 1 PIPELINE UPGRADES

Item No.	ITEM	AMOUNT	TWIN STATES UTILITIES, INC.	JRS CONST	GUARDIAN RETENTION SYSTEMS	SIDVILLE CONTRACTING, LLC
1	4-inch Pipe		15			
2	4-inch Gate Valve		800			
3	4-inch Blowoff		1750			
4	6-inch Pipe		20			
5	6-inch Gate Valve		1000			
6	12-inch HWY Bore		240			
7	Stream Crossing		300			
8	Class C Concrete		200			
9	Crushed Stone		25			
10	Site Video		500			
TOTAL BID			251,155	NO BID	NO BID	NO BID

CONTRACT 2 PUMP STATION BUILDING

	New Building			44,000		
	Remove Existing			8000		
	Fill Site			3000		
	Site Video			1500	NO BID	NO BID
TOTAL BID			NO BID	56500		

CONTRACT 3 BOOSTER PUMP & CONTROLS

	Skid Mounted Booster Pump Station			NO BID	NO BID	Bluegrass Hydronics & Pumps 37,196
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EXHIBIT "C"

CERTIFICATION

The undersigned hereby certifies as follows:

1. That I am the Chairman of the Northeast Woodford County Water District (the Water District).

2. That in regard to the Water District's proposed construction of a waterline extension within its boundaries, replacement of certain waterlines and replacement of an existing pump station, and proposed increase to its rates (the Project), which is the subject of the Water District's Application for a Certificate of Public Convenience and Necessity, and based upon statements of the Engineer for the Water District:

- A. The proposed plans and specifications for the Project have been designed to meet with 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.
- B. All state approvals or permits have been obtained;
- C. The rates proposed by the Water District shall produce the total revenue requirements recommended in the engineering reports; and
- D. It is anticipated that construction of the Project will begin November 15, 2018 and that construction of the Project will end June 1, 2019.

Certified this the 5th day of October, 2018.



John S. Davis,
Chairman, Northeast Woodford County
Water District

EXHIBIT “D”

**NORTHEAST WOODFORD COUNTY
WATER DISTRICT
PUBLIC NOTICE**

The Northeast Woodford County Water District (the Water District) has filed an application with the Commonwealth of Kentucky Public Service Commission (the Application) for a Certificate of Public Convenience and Necessity to construct a new waterline of approximately 4,800 linear feet along Sugar Hill Road; to replace approximately 6,000 linear feet of existing waterline along Old Frankfort Pike and Paynes Mill Road; to replace an existing pump station on Big Sink Pike (collectively, the Project); and to increase its rates as set forth below. The Project is to be funded by a loan from the Kentucky Infrastructure Authority in the amount of \$400,000.00 and funds from the Water District in the amount of approximately \$40,600.00. The proposed rate increase is set forth below, is proposed to be effective January 1, 2019, and is necessary to provide funds for the Project. The rates contained in this notice are the rates proposed by the Water District, however, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice.

Monthly Water Rates

	<u>Current</u> <u>Rate</u>	<u>Proposed</u> <u>Rate</u>	<u>Increase</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>5/8 x 3/4 Inch Meter</u>				
First 2,000 gallons (minimum bill)	\$13.14	\$13.80	\$0.66	5 %
Next 2,000 gallons (per 1000 gallons)	\$ 4.36	\$ 4.58	\$0.22	5 %
Next 6,000 gallons (per 1000 gallons)	\$ 4.07	\$ 4.28	\$0.21	5 %
Next 10,000 gallons (per 1000 gallons)	\$ 3.85	\$ 4.05	\$0.20	5 %

2 Inch Meter

First 20,000 gallons (minimum bill)	\$84.78	\$89.02	\$4.24	5 %
Over 20,000 gallons (per 1000 gallons)	\$ 3.85	\$ 4.05	\$0.20	5 %

The amount of average usage of Water District customers is 5,000 gallons per month and the effect of the proposed change is to increase the monthly charges for the average usage from \$25.93 to \$27.24, a change of 5 %. The foregoing amounts do not include any applicable taxes or sewer charges.

A person may examine the Application at the office of the Water District at 225A South Main Street, Versailles, Kentucky, 40383, or at the offices of the Public Service Commission located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the commission's Website at <http://psc.ky.gov>. Any comments regarding the Application may be submitted to the Public Service Commission through the foregoing Website or by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

Filing
CONTAINS
LARGE OR OVERSIZED
DRAWINGS

Case No. 2018-00342

RECEIVED ON:
10/05/2018