

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

October 30, 2018

NOV 05 2018

PUBLIC SERVICE
COMMISSION

Ms. Gwen R. Pinson
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Re: Green-Taylor Water District PSC Application

Dear Director Pinson:

Enclosed please find the original and ten (10) copies of the Application of the Green-Taylor Water District for (i) a Certificate of Public Convenience and Necessity to construct a project pursuant to KRS 278.020; and (ii) an Order authorizing the issuance of securities pursuant to KRS 278.300.

Also enclosed is a compact disc containing the Plans, Specifications, Contract Documents and Certified Bid Tabulations, all of which have been stamped, signed and dated by a Professional Engineer.

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: Green-Taylor Water District PSC Application - 2018 Waterline Extension Project

Mr. Josh Pedigo, Manager
Green-Taylor Water District
P.O. Box 168
250 Industrial Park Road
Greensburg, Kentucky 42743
josh.pedigo.greentaylorwaterk@hotmail.com

Telephone: (270) 932-4947
Fax: (270) 932-7036

Mr. Larry Cann
Mr. Adam J. Scott
Cann-Tech, LLC
1100 Glensboro Road
Park View Center, Suite 9
Lawrenceburg, Kentucky 40342
waterboy@kih.net

Telephone: (502) 859-0907

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

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

RECEIVED

NOV 05 2018

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF THE GREEN-TAYLOR)
WATER DISTRICT FOR THE ISSUANCE OF A)
CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY TO CONSTRUCT AND FINANCE A)
WATER SYSTEM IMPROVEMENTS PROJECT) Case No. 2018 - 00368
PURSUANT TO THE PROVISIONS OF)
KRS 278.020, KRS 278.300 AND 807 KAR 5:001)

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

APPLICATION

The Applicant, Green-Taylor Water District (the "District"), files this Application pursuant to KRS 278.020(1), KRS 278.300 and KAR 5:001, and all other applicable laws and regulations, and requests that the Kentucky Public Service Commission (the "Commission") grant the District a Certificate of Public Convenience and Necessity ("CPCN") to construct a water system improvements project and approve the issuance of securities to finance said project. In support of this Application, and in compliance with the rules and regulations of the Commission, the District states as follows:

1. The District was established in accordance with the provisions of Chapter 74 of the Kentucky Revised Statutes pursuant to an Order of the County Judge/Executive of Green County, which Order is on file in the County Court Order Books in the office of the Clerk of Green County, Kentucky. The District is now, and has been since its inception, regulated by the Commission, and

all records and proceedings of the Commission with reference to the District are incorporated in this Application by reference. The District does not have any Articles of Incorporation due to the fact that it is a statutory entity.

2. The governing body of the District is its Board of Commissioners which is a public body corporate, with power to make contracts in furtherance of its lawful and proper purpose as provided for in KRS 74.070 and all applicable law and regulations.

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

Green-Taylor Water District
c/o Mr. Josh Pedigo, General Manager
P.O. Box 168
250 Industrial Park Road
Greensburg, Kentucky 42743
Phone: (270) 932-4947
Fax: (270) 932-7036
email address: josh.pedigo.greentaylorwater@hotmail.com

4. A general description of the District's system property, together with a statement of the original cost, is contained in the District's Annual Report for 2017 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. Pursuant to 807 KAR 5:001, Section 15 - Applications for Certificates of Public Convenience and Necessity, the District hereby responds as follows:

- (i) Section 15(2)(a): Facts Relied Upon to Show Public Necessity: The proposed 2018 water system improvements project (the "Project") and the need for the Project is described in **Exhibit "A"** attached hereto.
- (ii) Section 15(2)(b): Copies of Permits: Required permits include a Kentucky Division of Water Approval Letter and Kentucky Transportation Cabinet

Encroachment Permit. Copies of the required Permits are attached hereto as **Exhibit "B"**.

- (iii) Section 15(2)(c): Description of Proposed Location or Route. Construction of the Project is being performed within the boundaries of the District and is detailed in the location map referred to in paragraph 5(iv) below. The proposed Project will not compete with any other public utilities and will not result in any wasteful duplication.
- (iv) Section 15(2)(d)(1): Maps to Suitable Scale: Three copies (two paper medium and one electronic storage medium) of maps to suitable scale showing the location of the proposed Project, as well as the location of like facilities owned by others located anywhere within the map area are being filed with this Application.
- (v) Section 15(2)(d)(2): Plans and Specifications: The signed, sealed and dated Plans and Specifications in .pdf format on electronic storage medium are being filed with this Application.
- (vi) Section 15(2)(e) Financing: The District is financing the Project with the proceeds of a loan from the Kentucky Infrastructure Authority ("KIA") Federally Assisted Drinking Water Revolving Loan Fund (F18-005) in the original principal amount of \$1,842,071 (the "Original KIA Loan") and an additional KIA loan in the amount of \$121,319 (the "Additional KIA Loan") (hereinafter, the Original KIA Loan and the Additional KIA Loan shall be collectively referred to as the "KIA Loan"). The KIA Loan will be evidenced

by an Assistance Agreement between the District and KIA and the District has received a conditional commitment letter on the Original KIA Loan, dated February 7, 2018 along with a conditional commitment letter on the Additional KIA Loan, dated September 28, 2018. Copies of both KIA conditional commitment letters are attached hereto as **Exhibit "C"**. The Updated Project Cost is attached hereto as **Exhibit "D"**.

- (vii) Section 15(2)(e) Statement of Estimated Annual Cost of Operation: a statement of the estimated annual cost of operation after the Project is placed in service is titled Proposed Operating Budget - 2019 and is attached hereto as **Exhibit "E"**.

6. The detailed income statement and balance sheet for the twelve month period ending on December 31, 2017 are attached hereto as **Exhibit "F"** respectively.

7. Pursuant to 807 KAR 5:001, Section 12 - Financial Exhibit; the District hereby responds as follows:

- (i) Section 12(1)(a): The District states that it had less than \$5,000,000 in gross annual revenue in the immediate past calendar year and that no material changes have occurred since December 31, 2017.
- (ii) Section 12(2)(a), (b) and (c) Stock: The District does not have any authorized, issued or outstanding stock as of the date hereof.
- (iii) Section 12(2)(d) Mortgages: The District does not have any outstanding mortgages as of the date hereof.

- (iv) Section 12(2)(e), (f) and (g) Indebtedness: The information concerning the outstanding indebtedness of the District is contained in financial statements and Note 5 to financial statements attached hereto as **Exhibit “F”** and the KIA conditional commitment letter attached hereto as **Exhibit “C”**.
 - (v) Section 12(2)(h) Dividends: The District has no outstanding stock and therefore pays no dividends.
 - (vi) Section 12(2)(i) Financial Statements: See **Exhibit "F"** attached hereto.
8. Pursuant to 807 KAR 5:001, Section 18, the District hereby responds as follows:
- (i) Section 18(1)(a): The District has complied with the requirements of 807 KAR 5:001, Section 14.
 - (ii) Section 18(1)(b): A general description of the District’s property, its field of operation and a statement of original cost of said property and the cost to the District is contained in the District’s 2017 Annual Report on file with this Commission.
 - (iii) Section 18(1)(c): The District is not issuing any stock as part of this financing. The information concerning the proposed KIA Loan is contained in this Application and the supporting exhibits. The KIA Loan will be secured by and payable from the gross revenues of the District’s water system.
 - (iv) Section 18(1)(d): The District is not refunding any outstanding obligations in connection with this Project. The proceeds of the KIA Loan are being used for the construction of the Project described in **Exhibit "A"**.

- (v) Section 18(1)(e): See paragraph 5(i) above and paragraph 8(x) below.
 - (vi) Section 18(1)(f): The District is not refunding any outstanding obligations in connection with this Project.
 - (vii) Section 18(1)(g): Written notification of the proposed issuance of the KIA Loan is being provided to the State Local Debt Officer (see **Exhibit “G”** attached hereto).
 - (viii) Section 18(2)(a): See paragraph #7 above.
 - (ix) Section 18(2)(b): The District does not have any outstanding trust deeds or mortgages.
 - (x) Section 18(2)(c): A detailed estimate of the acquired property, arranged according to the Uniform System of Accounts for Class A/B Water Districts and Associations is \$1,515,197 classified as USOA account #331 (transmission and distribution mains) - see the SRF Project Cost Summary attached hereto as **Exhibit “H”**.
9. Certified copies of the bid tabulations for the Project are attached hereto as **Exhibit “I”**.
10. No rate adjustment will be necessary.

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

- A. Grant the District a Certificate of Public Convenience and Necessity permitting the District to construct the Project;
- B. Authorize the execution by the District of the Assistance Agreement evidencing of the \$1,842,071 Original KIA Loan and the \$121,319 Additional KIA Loan; and
- C. Grant the District any other relief to which said District is entitled.

Green-Taylor Water District

By



William M. Netherland, Chairman

P.O. Box 168

250 Industrial Park Road

Greensburg, Kentucky 42743

Phone: (270) 932-4947

Fax: (270) 932-7036

email address:

josh.pedigo.greentaylorwater@hotmail.com

Rubin & Hays

By



W. Randall Jones

Kentucky Home Trust Building

450 South Third Street

Louisville, Kentucky 40202

Phone: (502) 569-7525

Fax: (502) 569-7555

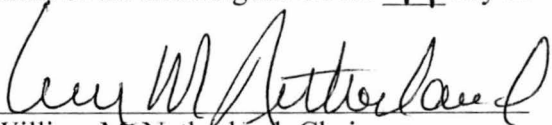
Counsel for Green-Taylor Water District

wrjones@rubinhays.com

STATE OF KENTUCKY)
) SS
COUNTY OF GREEN)

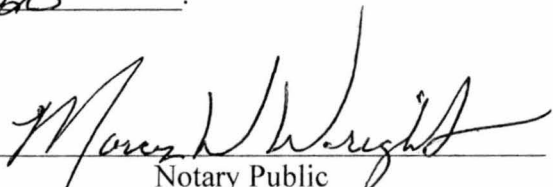
The affiant, William M. Netherland, being first duly sworn, states: That he is the Chairman of the Green-Taylor Water District, the Applicant in this case; that he has read the foregoing Application and has noted the contents thereof; that the same are true of his own knowledge and belief, except as to matters which are herein stated to be based on information or belief, and that these matters, believes to be true and correct.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on the 19 day of October, 2018.


William M. Netherland, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by William M. Netherland, Chairman of the Green-Taylor Water District on this the 19 day of October, 2018.

My Commission expires: April 18 2020.


Notary Public

Notary ID#: 555169

Green-Taylor Water District

Project Description:

The project will provide public water service to approximately 42 new customers and improve service to over 200 customers. This will be accomplished by replacing problematic mains and utilizing loops to allow for water turnover and eliminate Disinfectant Byproducts (DBPs). The District will create two loops—one bypassing around HWY 323, and one bypassing around Bloyds Poplar Grove Road--and update an existing loop on Old Greensburg Road. Along with adding the new customers and creating loops, several areas of their system will be improved with this project. A 4" water main will be replaced by 6" PVC line that serves the Summersville community. Also, the Shalawn subdivision will have the entire neighborhood replaced due to line breaks and substantial water loss in the area. The new customers will be served through 3-inch and 4-inch water lines. Specifically, a new line on Black Snake Creek Road will serve several customers that have requested water service for several years. Two portable generators will be purchased to be used in emergencies throughout the distribution system.

The Green Taylor Water District will also work to improve the management of the system my working to create a Capital Improvement Plan and ensure the the proper planning for future projects. Included in these efforts will be using GPS technology to locate over 5000 valves, as well as locating meters and hydrants.

Need for Project:

Provide potable drinking water to unserved area, reduce water loss, reduce DBPs, and ensure the sustainability of the overall system by implementing better management practices through Asset Management and a Capital Improvement Plan.



Kentucky Transportation Cabinet
Department of Highways
Permits Branch

TC 99-1 (A)
1/2015
Page 1 of 4

APPLICATION FOR ENCROACHMENT PERMIT

Permittee Information		KYTC No. 04-2018-00307	
Name	Green-Taylor Water District	Permit Information	
Address	P.O. Box 168	Address	
	250 Industrial Park Road	City	
City	Greensburg	State	KY Zip 42743
State	KY Zip 42743	County	Green & Taylor
Phone#	(270) 932-4947	Route No.	See Summary Mile-Point See Summary
Contact	Josh Pedigo	Longitude (X)	85.387647
Phone	(270) 932 4947 Cell	Latitude (Y)	37.328696
Email		<i>Information below to be filled out by KYTC</i>	
Contact	Matt Baker	<input type="checkbox"/> Air Right	<input type="checkbox"/> Entrance
Phone	(502) 859-0907 Cell	<input checked="" type="checkbox"/> Utilities	<input type="checkbox"/> Other: _____
Email	mbaker@kih.net	<input type="checkbox"/> Left	<input type="checkbox"/> Right <input type="checkbox"/> X-ing
		Access:	<input type="checkbox"/> Full <input type="checkbox"/> Partial <input checked="" type="checkbox"/> by Permit

General Description of Work:

Lay proposed water line parallel to the road and bore and jack under the road. Also make necessary connections to accomplish the intent of the design of the plans.

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

Signature

Date

8/20/18

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

2018 WATER SYSTEM IMPROVEMENTS
GREEN-TAYLOR WATER DISTRICT
RIGHT OF WAY ENCROACHMENT LIST

County	Highway	Mile Point	Type of Encroachment	Length of Encroachment, L.F.
Green	HWY 61	13.40	Bore & Jack	25'
Green	HWY 61	13.40-13.39	Parallel (right)	30'
County	Highway	Mile Point	Type of Encroachment	Length of Encroachment, L.F.
Green	HWY 323	9.27	Bore & Jack	25'
Green	HWY 323	9.18-10.24	Parallel (left)	5638'
Green	HWY 323	10.24	Bore & Jack	40'
Green	HWY 323	10.24-11.27	Parallel (right)	5440'
Green	HWY 323	10.76	Bore & Jack	40'
Green	HWY 323	11.42-11.56	Parallel (right)	790'
Green	HWY 323	11.73-11.83	Parallel (right)	529'
Green	HWY 323	11.83	Bore & Jack	30'
Green	HWY 323	11.83-11.87	Parallel (left)	234'
Green	HWY 323	12.02-12.43	Parallel (left)	2199'
Green	HWY 323	13.12-13.79	Parallel (left)	3578'
Taylor	HWY 323	14.10/0.00-0.18	Parallel (left)	954'
Taylor	HWY 323	0.37-0.61	Parallel (left)	1259'
Taylor	HWY 323	0..84-0.86	Parallel (right)	108'
Taylor	HWY 323	5.07-5.05	Parallel (right)	110'
Taylor	HWY 323	5.05	Bore & Jack	30'
Taylor	HWY 323	5.07-6.34	Parallel (left)	6707'
Taylor	HWY 323	6.34	Bore & Jack	30'
Taylor	HWY 323	6.34-6.98	Parallel (right)	3408'
Taylor	HWY 323	5.43	Bore & Jack	60'
County	Highway	Mile Point	Type of Encroachment	Length of Encroachment, L.F.
Taylor	HWY 569	1.63	Bore & Jack/Connection	35'
County	Highway	Mile Point	Type of Encroachment	Length of Encroachment, L.F.
Taylor	HWY 68	3.23	Bore & Jack/Connection	112'
Taylor	HWY 68	3.55	Bore & Jack/Connection	104'
Taylor	HWY 68	1.35	Connection	50'
Taylor	HWY 68	3.18	Connection	80'

County	Highway	Mile Point	Type of Encroachment	Length of Encroachment, L.F.
Taylor	HWY 883	0.05-0.53	Parallel (right)	2516'
Taylor	HWY 883	0.53	Bore & Jack	35'
Taylor	HWY 883	0.53-0.86	Parallel (left)	1737'
Taylor	HWY 883	0.86	Bore & Jack	35'
Taylor	HWY 883	0.86-1.80	Parallel (right)	4978'
Taylor	HWY 883	1.90-2.73	Parallel (left)	4365'
Taylor	HWY 883	2.73-2.75	Parallel (right)	145'
Taylor	HWY 883	2.75	Bore & Jack	30'
Taylor	HWY 883	2.48	Bore & Jack	30'
Taylor	HWY 883	2.55	Bore & Jack	30'

MATTHEW G. BEVIN
GOVERNOR



CHARLES G. SNAVELY
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

ANTHONY R. HATTON
COMMISSIONER

300 SOWER BOULEVARD
FRANKFORT, KENTUCKY 40601

August 13, 2018

Josh Pedigo
Green-Taylor Water District
P.O. Box 168
250 Industrial Park Road
Greensburg, KY 42743-0168

RE: 2018 Water System Improvements
F18-005
Green County, KY
Green Taylor Water District
AI #: 33895, FGL20180007

Dear Mr. Pedigo:

The Kentucky Division of Water (DOW) has reviewed for completeness and adequacy the construction plans and specifications submitted for the above referenced contract(s). The DOW now approves these plans and specifications with respect to sanitary features of design in accordance with the requirements contained in the attached construction permit. The plans consist of the construction of approximately 67,798 LF of 6-inch PVC, 650 LF of 6-inch DI, 11742 LF of 4-inch PVC, and 450 LF of 3-inch PVC waterline. The approval conditions and a list of eligible/ineligible items are enclosed. Please note that ineligible items cannot be funded using State Revolving Fund (SRF) monies, and must be paid by other funding sources.

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

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

You are cautioned not to advertise unless you have a proper wage decision. The Federal Davis-Bacon wage rates are applicable for this project. Please contact all other funding sources for their

requirements pertaining to federal wage rates.

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

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

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

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

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

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

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

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

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

2018 Water System Improvements
F18-005
Green Taylor Water District
AI #: 33895, FGL20180007
August 13, 2018
Page 3 of 3

You are cautioned that the advertisement and award of this contract will be subject to the laws and regulations that govern the State Revolving Fund (SRF) and to the conditions of your loan agreement. If we can be of further assistance, please call Mortaza Tabayeh, Project Engineer, at (502) 782-7086.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Humphries', with a stylized, cursive script.

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

TH:MT
Enclosures

Eligible List, Ineligible List, Approval Conditions
Project Review and Cost Summary Form
1 set plans and specification

C: Cann-Tech, LLC
Kentucky Infrastructure Authority
Cabinet for Economic Development
Taylor County Health Department
Division of Plumbing

F18-005
System Improvements in Taylor County

SRF ELIGIBLE ITEMS:

No Ineligible items identified.

SRF INELIGIBLE ITEMS:

No Ineligible items identified.

APPROVAL CONDITIONS:

1. Provide Clear Site Certificates
2. Complete and return the Project Review and Cost Summary Form.

PROJECT REVIEW AND COST SUMMARY

This questionnaire/checklist is furnished as an administrative aid and is required for use in supplying information and documents, reporting minor changes, and project status. The information and documents should be submitted to DOW as soon as possible after bid opening.

DRINKING WATER SRF ☐

CLEAN WATER SRF ☐

SECTION 1.

1. Project Name Project Number

2. Changes: Have there been any changes in the project since DOW's approval of the plans and specifications?

☐ Yes ☐ No Construction Drawings. If yes, submit revised drawings and addenda. **See Note***

☐ Yes ☐ No Specifications. If yes, submit addenda. **See Note***

☐ Yes ☐ No Site Changes. If so, new Clear Site Certificates are required prior to start of construction.

☐ Yes ☐ No Authorized Representative (Mayor, City Manager, etc.). If so, provide name and title.

***Note:** Prior approval is required for changes in design, scope, type of treatment, size, capacity, time to complete the project, etc. Changes, which result in increase in the amount of a contract, must be procured in accordance with state and federal requirements, as applicable.

SECTION 2.

Date Bids Opened: _____ Date Bids Expire: _____

1. The following items should be submitted to DOW after bid opening:
 - a) Executed Project Review & Cost Summary Form (this form).
 - b) Revised (As-bid) Budget (form attached).
 - c) Original bid advertisement or copy of advertisement with affidavit of publication.
 - d) Certified Bid Tabulations with engineer's seal.
 - e) Davis-Bacon ATA Certification form (with Project Wage Rate Sheet HUD-4720 form).
 - g) Clear Site Certificates.
 - h) DBE Documentation (See Attachment No. 11 of the Supplemental General Conditions (SGC)):
 - (1) Disadvantaged Business Enterprise Participation Policy form from the successful low bidder with DBE certifications and executed subcontracts with DBEs or letters of intent signed by both parties; and documentation on the level of effort

taken to obtain DBEs including copies of correspondence with DBE contractors, requesting quotes and copies of any advertisements soliciting DBE contractors, copies of returned envelopes and certified mail receipts, telephone log, etc.

(2) Bidder's List Form from recipient and successful bidder.

2. The following items must be submitted to DOW at the Pre-construction Meeting:

- a) Executed Contract Documents (once contract is signed).
- b) Notice of Award, Notice to Proceed, Bid Bond, Payment Bond, and Performance Bond (generally included in executed contract).
- c) Technical Specification (generally included in executed contract).
- d) Contractor's Certification Regarding Lobbying (See Attachment No. 11 in the SGC).
- e) Contractor's Debarred Firm Certification (See Attachment No. 10 in the SGC).

3. A copy of the items identified in Section 2.1 and Section 2.2, above, and the following must be retained by the owner. This documentation is subject for review, by DOW, at the time of the pre-construction conference.

- a) Name and qualifications of the proposed resident inspector(s).
- b) Proposal of the successful bidder(s).
- c) EEO documentation required by Executive Order 11246 as amended. Items 1 through 11 (See Attachment No. 7 in the SGC), is required for all contracts over \$10,000 except supplier contracts. Supplier contracts require:
 - (1) Name, address, and telephone number.
 - (2) Materials to be supplied and dollar value.For contracts below \$10,000, the same information required for supplier contracts must be submitted.
- d) Engineer's letter to the loan recipient recommending award of the contract. Letter must include a description of work, dollar amount, and name of the low bidder. If award is recommended to be made to other than the low bidder, a justification indicating why the low bidder is not responsive or responsible.
- e) Contractor project construction schedule and payment schedule.
- f) Applicable wage rate determination letter.
- g) Tentative Award Resolution.

4. **Comments:** _____

I hereby certify that all documentation outlined in Section 2.1, 2.2 and 2.3 will be retained in our project files and all documentation outlined in Section 2.1 has been submitted to DOW and all documentation outlined in Section 2.2 will be submitted to DOW during the Pre-construction meeting.

Signature of Authorized Representative

Date

Print Name and Title

SRF Project Cost Summary

Project Title: _____ WRIS#: _____

Project Budget: Estimated enter date As Bid enter date Revised enter date

Cost Classification	SRF KIA Loan	Funding Source 1	Funding Source 2	Funding Source 3	Funding Source 4	Funding Source 5	Local Funds	Unfunded Costs	Total
1 Administrative Expenses									
2 Legal Expenses									
3 Land, Appraisals, Easements									
4 Relocation Expenses & Payments									
5 Planning									
6 Engineering Fees – Design									
7 Engineering Fees – Construction									
8 Engineering Fees – Inspection									
9 Engineering Fees – Other									
10 Construction									
11 Equipment									
12 Miscellaneous									
13 Contingencies									
Total									

Funding Sources	Amount	Date Committed
1		
2		
3		
4		
5		
Total		

Local Funding Sources	Amount	Date Committed
1		
2		
3		
Total		

Total Funding \$ _____

Cost Categories	Funding Source	Total Cost
Treatment (DW)		
Transmission and Distribution (DW)		
Source (DW)		
Storage (DW)		
WWTP Secondary Portion (CW)		
WWTP Advanced Portion (CW)		
Inflow and Infiltration Correction (CW)		
Major Sewer Rehabilitation (CW)		
Collector Sewers (CW)		
Interceptor Sewers including Pump Station (CW)		
Combined Sewer Overflow Correction (CW)		
Purchase of Systems (DW and CW)		
Restructuring (DW and CW)		
Land Acquisition (DW and CW)		
Total Costs		

Distribution-Major Construction

Green Taylor Water District
Facility Requirements

Activity ID No.:APE20180001

Page 1 of 5

PORT0000000047 (2018 Water System Improvements) 67,798 LF of 6-inch PVC, 650 LF of 6-inch DI, 11742 LF of 4-inch PVC, and 450 LF of 3-inch PVC:

Narrative Requirements:

Condition No.	Condition
T-1	Construction of this project shall not result in the water system's inability to supply consistent water service in compliance with 401 KAR 8:010 through 8:600. [401 KAR 8:100 Section 5]
T-2	The public water system shall not implement a change to the approved plans without the prior written approval of the cabinet. [401 KAR 8:100 Section 4(3)]
T-3	A proposed change to the approved plans affecting sanitary features of design shall be submitted to the cabinet for approval in accordance with Section 2 of this administrative regulation. [401 KAR 8:100 Section 4(2)]
T-4	During construction, a set of approved plans and specifications shall be available at the job site. Construction shall be performed in accordance with the approved plans and specifications. [401 KAR 8:100 Section 3(1)]
T-5	Unless construction begins within two (2) years from the date of approval of the final plans and specifications, the approval shall expire. [401 KAR 8:100 Section 3(3)]
T-6	Upon completion of construction, a professional engineer shall certify in writing that the project has been completed in accordance with the approved plans and specifications. [401 KAR 8:100 Section 4(1)]
T-7	The system shall be designed to maintain a minimum pressure of 20 psi at ground level at all points in the distribution system under all conditions of flow. [Recommended Standards for Water Works 8.2.1, Drinking Water General Design Criteria IV.1.a]
T-8	Water lines should be hydraulically capable of a flow velocity of 2.5 ft/s while maintaining a pressure of at least 20 psi. [Drinking Water General Design Criteria IV.1.b]
T-9	The normal working pressure in the distribution system at the service connection shall not be less than 30 psi under peak demand flow conditions. Peak demand is defined as the maximum customer water usage rate, expressed in gallons per minute (gpm), in the pressure zone of interest during a 24 hour (diurnal) time period. [Drinking Water General Design Criteria IV.1.d]
T-10	When static pressure exceeds 150 psi, pressure reducing devices shall be provided on mains or as part of the meter setting on individual service lines in the distribution system. [Drinking Water General Design Criteria IV.1.c]
T-11	The minimum size of water main in the distribution system where fire protection is not to be provided should be a minimum of three (3) inch diameter. Any departure from minimum requirements shall be justified by hydraulic analysis and future water use, and can be considered only in special circumstances. [Recommended Standards for Water Works 8.2.2, Drinking Water General Design Criteria IV.2.b]

Distribution-Major Construction

Green Taylor Water District
Facility Requirements

Activity ID No.:APE20180001

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PORT0000000047 (2018 Water System Improvements) 67,798 LF of 6-inch PVC, 650 LF of 6-inch DI, 11742 LF of 4-inch PVC, and 450 LF of 3-inch PVC:

Narrative Requirements:

Condition No.	Condition
T-12	Water mains not designed to carry fire-flows shall not have fire hydrants connected to them. [Recommended Standards for Water Works 8.4.1.b]
T-13	Flushing devices should be sized to provide flows which will give a velocity of at least 2.5 feet per second in the water main being flushed. [Recommended Standards for Water Works 8.2.4.b, Recommended Standards for Water Works 8.4.1.b]
T-14	No flushing device shall be directly connected to any sewer. [Recommended Standards for Water Works 8.2.4.b, Recommended Standards for Water Works 8.4.1.b]
T-15	Pipe shall be constructed to a depth providing a minimum cover of 30 inches to top of pipe. [Drinking Water General Design Criteria IV.3.a]
T-16	Water mains shall be covered with sufficient earth or other insulation to prevent freezing. [Recommended Standards for Water Works 8.7]
T-17	A continuous and uniform bedding shall be provided in the trench for all buried pipe. Backfill material shall be tamped in layers around the pipe and to a sufficient height above the pipe to adequately support and protect the pipe. Stones found in the trench shall be removed for a depth of at least six inches below the bottom of the pipe. [Recommended Standards for Water Works 8.7]
T-18	Water line installation shall incorporate the provisions of the AWWA standards and/or manufacturer's recommended installation procedures. [Recommended Standards for Water Works 8.7]
T-19	All materials used for the rehabilitation of water mains shall meet ANSI/NSF standards. [Recommended Standards for Water Works 8.1]
T-20	Packing and jointing materials used in the joints of pipe shall meet the standards of AWWA and the reviewing authority. [Recommended Standards for Water Works 8.1]
T-21	All tees, bends, plugs and hydrants shall be provided with reaction blocking, tie rods or joints designed to prevent movement. [Recommended Standards for Water Works 8.7]
T-22	All materials including pipe, fittings, valves and fire hydrants shall conform to the latest standards issued by the ASTM, AWWA and ANSI/NSF, where such standards exist, and be acceptable to the Division of Water. [Recommended Standards for Water Works 8.1]
T-23	Water mains which have been used previously for conveying potable water may be reused provided they meet the above standards and have been restored practically to their original condition. [Recommended Standards for Water Works 8.1]

Distribution-Major Construction

Green Taylor Water District
Facility Requirements

Activity ID No.:APE20180001

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PORT0000000047 (2018 Water System Improvements) 67,798 LF of 6-inch PVC, 650 LF of 6-inch DI, 11742 LF of 4-inch PVC, and 450 LF of 3-inch PVC:

Narrative Requirements:

Condition No.	Condition
T-24	Manufacturer approved transition joints shall be used between dissimilar piping materials. [Recommended Standards for Water Works 8.1]
T-25	The minimum size of water main which provides for fire protection and serving fire hydrants shall be six-inch diameter. [Recommended Standards for Water Works 8.2, Drinking Water General Design Criteria IV.2.a]
T-26	Pipes and pipe fittings containing more than 8% lead shall not be used. All products shall comply with ANSI/NSF standards. [Recommended Standards for Water Works 8.1]
T-27	Gaskets containing lead shall not be used. Repairs to lead joint pipe shall be made using alternative methods. [Recommended Standards for Water Works 8.1]
T-28	Pipe materials shall be selected to protect against both internal and external pipe corrosion. [Recommended Standards for Water Works 8.1]
T-29	Dead end mains shall be equipped with a means to provide adequate flushing. [Recommended Standards for Water Works 8.2]
T-30	The hydrant lead shall be a minimum of six inches in diameter. Auxiliary valves shall be installed on all hydrant leads. [Recommended Standards for Water Works 8.4.3]
T-31	A sufficient number of valves shall be provided on water mains to minimize inconvenience and sanitary hazards during repairs. [Recommended Standards for Water Works 8.3]
T-32	Wherever possible, chambers, pits or manholes containing valves, blow-offs, meters, or other such appurtenances to a distribution system, shall not be located in areas subject to flooding or in areas of high groundwater. Such chambers or pits should drain to the ground surface, or to absorption pits underground. The chambers, pits and manholes shall not connect directly to any storm drain or sanitary sewer. Blow-offs shall not connect directly to any storm drain or sanitary sewer. [Recommended Standards for Water Works 8.6]
T-33	At high points in water mains where air can accumulate provisions shall be made to remove the air by means of air relief valves. [Recommended Standards for Water Works 8.5.1]
T-34	Automatic air relief valves shall not be used in situations where flooding of the manhole or chamber may occur. [Recommended Standards for Water Works 8.5.1]

Distribution-Major Construction

Green Taylor Water District

Facility Requirements

Activity ID No.:APE20180001

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PORT0000000047 (2018 Water System Improvements) 67,798 LF of 6-inch PVC, 650 LF of 6-inch DI, 11742 LF of 4-inch PVC, and 450 LF of 3-inch PVC:

Narrative Requirements:

Condition No.	Condition
T-35	The open end of an air relief pipe from automatic valves shall be extended to at least one foot above grade and provided with a screened, downward-facing elbow. [Recommended Standards for Water Works 8.5.2.c]
T-36	Discharge piping from air relief valves shall not connect directly to any storm drain, storm sewer, or sanitary sewer. [Recommended Standards for Water Works 8.5.2.d]
T-37	Water pipe shall be constructed with a lateral separation of 10 feet or more from any gravity sanitary or combined sewer measured edge to edge where practical. If not practical a variance may be requested to allow the water pipe to be installed closer to the gravity sanitary or combined sewer provided the water pipe is laid in a separate trench or undisturbed shelf located on one side of the sewer with the bottom of the pipe at least 18 inches above the top of the gravity sanitary or combined sewer pipe. [Drinking Water General Design Criteria IV.3.b]
T-38	Water lines crossing sanitary, combined or storm sewers shall be laid to provide a minimum vertical distance of 18 inches between the outside of the water main and the outside of the sanitary, combined or storm sewer with preference to the water main located above the sanitary, combined or storm sewer. [Drinking Water General Design Criteria IV.3.c]
T-39	At crossings, one full length of water pipe shall be located so both joints will be as far from the sewer as possible. [Recommended Standards for Water Works 8.8.3.b]
T-40	There shall be no connection between the distribution system and any pipes, pumps, hydrants, or tanks whereby unsafe water or other contaminating materials may be discharged or drawn into the system. [Recommended Standards for Water Works 8.10.1]
T-41	Water utilities shall have a cross connection program conforming to 401 KAR 8. [Recommended Standards for Water Works 8.10.1]
T-42	Installed pipe shall be pressure tested and leakage tested in accordance with the appropriate AWWA Standards. [Recommended Standards for Water Works 8.7.6]
T-43	New, cleaned and repaired water mains shall be disinfected in accordance with AWWA Standard C651. The specifications shall include detailed procedures for the adequate flushing, disinfection, and microbiological testing of all water mains. In an emergency or unusual situation, the disinfection procedure shall be discussed with the Division of Water. [Recommended Standards for Water Works 8.7.7]
T-44	A minimum cover of five feet shall be provided over pipe crossing underwater. [Recommended Standards for Water Works 8.9.2]

Distribution-Major Construction

Green Taylor Water District

Facility Requirements

Activity ID No.:APE20180001

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PORT0000000047 (2018 Water System Improvements) 67,798 LF of 6-inch PVC, 650 LF of 6-inch DI, 11742 LF of 4-inch PVC, and 450 LF of 3-inch PVC:

Narrative Requirements:

Condition No.	Condition
T-45	Valves shall be provided at both ends of water crossings so that the section can be isolated for testing or repair; the valves shall be easily accessible, and not subject to flooding for pipes crossing underwater. [Recommended Standards for Water Works 8.9.2.b]
T-46	Permanent taps or other provisions to allow insertion of a small meter to determine leakage and obtain water samples on each side of the valve closest to the supply source for pipes crossing. [Recommended Standards for Water Works 8.9.2.c]



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

Donna McNeil
Executive Director

February 7, 2018

The Honorable Ken Ferguson, Chairman
Green-Taylor Water District
P.O. Box 168
Greensburg, KY 42743

KENTUCKY INFRASTRUCTURE AUTHORITY FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND CONDITIONAL COMMITMENT LETTER (F18-005)

Dear Chairman Ferguson:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On February 1, 2018, the Authority approved your loan for the Taylor County System Improvements Project, subject to the conditions stated below. The total cost of the project shall not exceed \$1,842,071 of which the Authority loan shall be 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 Green-Taylor 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 February 7, 2019 (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 \$1,842,071.
2. This loan is not eligible for principal forgiveness.
3. The loan shall bear interest at the rate of 1.75 percent per annum commencing with the first draw of funds.
4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1, or December 1, immediately succeeding the date of the initial draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1, or December 1, which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid.
5. Full principal payments will commence on the appropriate June 1, or December 1, within twelve months from initiation of operation. Full payments will be due each six months thereafter until the loan is repaid.
6. The loan shall be repaid over a period not to exceed 20 years from the date of initiation of operation for the project.
7. A loan servicing fee of 0.25% of the outstanding loan balance shall be payable to the Authority as a part of each interest payment.
8. Loan funds will only be disbursed after execution of the Assistance Agreement as project costs are incurred.
9. The Authority loan funds must be expended within six months of the official date of initiation of operation.
10. Fund "F" loan funds may be considered to be federal funds. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations, requires that all recipients and subrecipients **expending \$750,000 or more in a year in federal awards must have a single or program-specific audit conducted for that year** in accordance with the Circular. If the federal amount expended plus all other federal funds expended exceeds the threshold, you are required to arrange for an A-133 audit to be performed by an independent, licensed CPA, or in special cases, the Auditor of Public Accounts of the Commonwealth of Kentucky. Please note that the guidance for single audit requirements has changed for fiscal or calendar year 2016 audits. Please consult with your independent auditor as soon as possible to understand how the changes will

affect you.

11. The Authority requires an annual financial audit be provided for the life of the loan.
12. The final Assistance Agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.
13. The borrower must maintain a 1.1 debt coverage ratio throughout the life of the KIA loan. All borrowers are subject to at least an annual financial review for compliance.

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

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

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

Chairman Ferguson
February 7, 2018
Page 5

reviewed and approved by the consulting engineer.

18. The project shall comply with American Iron and Steel requirements of The Consolidated Appropriations Act of 2014 (H.R. 3547), which became effective January 17, 2014, unless engineering plans and specifications were approved by the Division of Water prior to the effective date.

Any special conditions stated in Attachment A must be resolved.

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

Sincerely,



Donna McNeil, Executive Director
Kentucky Infrastructure Authority

Attachments

cc: Adam Scott, Cann-Tech, LLC
Josh Pedigo, General Manager
Matthew Aaron Baker, Cann-Tech, LLC
State Local Debt Office, DLG

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

Accepted

Date

AUTHORIZATION FOR ELECTRONIC DEPOSIT
OF BORROWER PAYMENT
KENTUCKY INFRASTRUCTURE AUTHORITY
(FUND F18-005)

Borrower Information:

Name: _____

Address: _____

City: _____ State: KY Zip: _____

Federal I.D. # _____

Contact Name: _____ Telephone: _____

Email: _____

Financial Institution Information:

Bank Name: _____

Branch: _____ Phone No: _____

City: _____ State: ____ Zip: _____

Transit / ABA No.: _____

Account Name: _____

Account Number: _____

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

Signature: _____ Date: _____

Name Printed: _____ Job Title: _____

Please return completed form to:

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

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

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

Borrower Information:

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

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

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

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

Physical Location of Project (Primary Place of Performance)

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

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

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

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

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

ATTACHMENT A

**Green-Taylor Water District
F18-005**

EXECUTIVE SUMMARY		Reviewer		Ashley Adams
KENTUCKY INFRASTRUCTURE AUTHORITY		Date		February 1, 2018
FUND F, FEDERALLY ASSISTED DRINKING WATER		KIA Loan Number		F18-005
REVOLVING LOAN FUND		WRIS Number		WX21217027
BORROWER		GREEN-TAYLOR WATER DISTRICT TAYLOR COUNTY		
BRIEF DESCRIPTION				
This project will replace problematic mains and utilize loops in order to allow for better water turnover and the elimination of disinfection byproducts. Two new loops will be created, one around HWY 323 and another around Bloyds Poplar Grove Road, and an existing loop will be updated on Old Greensburg Road. There will also be improvements in the Summersville community and the Shalawn subdivision where there have been line breaks and considerable water loss. This project as a whole will improve service to over 200 customers as well as provide service to around 42 new customers who have requested water service for several years.				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$1,842,071	Administrative Expenses	RD Fee %	Actual %
		Planning		\$10,000
		Eng - Design / Const	8.2%	7.6%
		Eng - Insp	5.0%	4.7%
		Construction		1,422,500
		Contingency		142,250
TOTAL	\$1,842,071	TOTAL		\$1,842,071
REPAYMENT	Rate	1.75%	Est. Annual Payment	\$114,163
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Cann-Tech, LLC		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Apr-18		
	Construction Start	May-18		
	Construction Stop	Nov-18		
DEBT PER CUSTOMER	Existing	\$734		
	Proposed	\$1,011		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	4,945	\$42.96	(for 4,000 gallons)
	Additional	42	\$42.96	(for 4,000 gallons)
REGIONAL COORDINATION This project is consistent with regional planning recommendations.				
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2014	359,010	349,842	9,168	1.0
Audited 2015	370,054	348,498	21,556	1.1
Audited 2016	457,813	352,823	104,990	1.3
Projected 2017	419,246	368,453	50,793	1.1
Projected 2018	379,908	370,134	9,774	1.0
Projected 2019	674,876	485,514	189,362	1.4
Projected 2020	633,948	448,153	185,795	1.4
Projected 2021	592,202	450,203	141,999	1.3

Reviewer: Ashley Adams
Date: February 1, 2018
Loan Number: F18-005

**KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND F)
GREEN-TAYLOR WATER DISTRICT, TAYLOR COUNTY
PROJECT REVIEW
WX21217027**

I. PROJECT DESCRIPTION

The Green-Taylor Water District is requesting a Fund F loan in the amount of \$1,842,071 for the System Improvements in Taylor County project. This project will replace problematic mains and utilize loops in an effort to improve service to existing customers, eliminate disinfection byproducts, and provide service to around 42 new customers. Two new loops will be created around HWY 323 and another around Bloyds Poplar Grove Road and an existing loop will be updated on Old Greensburg Road. A four inch water main will be replaced by six inch PVC line that serves the Summersville Community and the lines in the Shalawn subdivision will be replaced in order to address line breaks and substantial water loss in the area. A new line will be ran on Black Snake Creek Road in order to provide water service to citizens who have requested water service for several years. The District will also purchase two portable generators to be used in emergency situations. In addition, the District will create a Capital Improvement Plan in order to plan for future projects. This planning will utilize GPS to locate over 5,000 valves as well as meters and hydrants.

Green-Taylor Water District is a PSC regulated regional provider currently serving nearly 5,000 residents and businesses mainly in Green and Taylor counties. The District purchases approximately 350 MG of water from three providers including Campbellsville Municipal Water & Sewer System, Green River Valley Water District, and the Greensburg Water Department.

II. PROJECT BUDGET

	Total
Administrative Expenses	\$ 10,000
Planning	75,000
Engineering Fees - Design	83,045
Engineering Fees - Construction	35,591
Engineering Fees - Inspection	73,685
Construction	1,422,500
Contingency	142,250
Total	\$ 1,842,071

III. PROJECT FUNDING

	Amount	%
Fund F Loan	\$ 1,842,071	100%
Total	\$ 1,842,071	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 1,842,071
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 1,842,071
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 109,558
Administrative Fee (0.25%)	4,605
Total Estimated Annual Debt Service	\$ 114,163

V. PROJECT SCHEDULE

Bid Opening	April 2018
Construction Start	May 2018
Construction Stop	November 2018

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current	Proposed	Total
Residential	4,878	42	4920
Commercial	67		67
Total	4,945	42	4,987

B) Rates

	Proposed**	Current	Prior
Date of Last Rate Increase	2/1/2018	12/01/10	08/01/08
Minimum (2,000 Gallons)	\$ 23.40	\$ 20.40	\$ 16.80
Next 3,000 Gallons	9.78	8.50	6.95
Next 5,000 Gallons	7.82	6.80	5.50
Over 10,000 Gallons	4.98	4.33	3.40
Cost for 4,000 gallons	\$ 42.96	\$ 37.40	\$ 30.70
Increase %	15%	22%	
Affordability Index (Rate/MHI)	1.5%	1.3%	

** The District plans to submit their rate increase request to PSC in January 2018 and anticipates being able to raise rates upon PSC approval.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Utility is located in Greensburg (Taylor County) which has a population of 2,298 with a Median Household Income (MHI) of \$35,496. The median household income for the Commonwealth is \$43,740. The project will qualify for a 1.75% interest rate based on their status as a regional provider and the project's intent to address an Agreed Order.

Year	Population		County Unemployment	
	County	% Change	Date	Rate
1980	21,178		June 2005	6.2%
1990	21,146	-0.2%	June 2010	12.0%
2000	22,927	8.4%	June 2015	7.2%
2010	24,512	6.9%	June 2017	5.8%
Current	25,315	2.0%		
Cumulative %		18.0%		

VIII. 2017 CAPITALIZATION GRANT EQUIVALENCIES

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

IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended December 31, 2014 through December 31, 2016. The non-cash impact of GASB 68, Accounting and Financial Reporting for Pensions, has been removed from fiscal 2015 and 2016 operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented

HISTORY

Revenues increased 2% from \$2.30 million in 2014 to \$2.34 million in 2016. Operating expenses decreased 2% from \$1.97 million to \$1.92 million during the same time period. The debt coverage ratio was 1.0 in 2014, 1.1 in 2015, and 1.3 in 2016. The District has prepared a rate increase request for the PSC that will be submitted at the beginning of January 2018.

The balance sheet reflects a current ratio of 5.3, a debt to equity ratio of 0.6, 42.1 days sales in accounts receivable, and 4.9 months operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase 15% in 2019 as a result of a proposed rate increase.
- 2) Operating expenses will increase 2% for inflation.
- 3) Debt service coverage is 1.4 in 2019 when principal and interest repayments begin.

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

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$92,000 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$4,600 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
1979 Revenue Bond	\$ 111,000	2019
1994 Revenue Bond	323,000	2034
1995 Revenue Bond	489,000	2035
2001 Revenue Bond	209,500	2041
2004 Series A Revenue Bond	579,000	2044
2004 Series B Revenue Bond	253,000	2044
2004 Refinance Bonds	1,600,000	2027
Bank Loan (Capital Purchases)	66,220	2021
Total	\$ 3,630,720	

XI. CONTACTS

Legal Applicant

Entity Name	Green-Taylor Water District
Authorized Official	Ken Ferguson (Chairman)
County	Taylor
Email	josh.pedigo.greentaylorwater@hotmail.com
Phone	270-932-1834
Address	PO Box 168 Greensburg, KY 42743

Applicant Contact

Name	Josh Pedigo
Organization	Green-Taylor Water District
Email	josh.pedigo.greentaylorwater@hotmail.com
Phone	270-932-4947
Address	250 Industrial Park Rd Greensburg, KY 42743

Project Administrator

Name	Adam Scott
Organization	Cann-Tech, LLC
Email	ascott@kih.net
Phone	502-859-0907
Address	1100 Glensboro Rd Lawrenceburg, KY 40342

Consulting Engineer

PE Name	Matthew Aaron Baker
Firm Name	Cann-Tech, LLC
Email	mbaker@kih.net
Phone	502-859-0907
Address	1100 Glensboro Rd Lawrenceburg, KY 40342

XII. RECOMMENDATIONS

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

GREEN-TAYLOR WATER DISTRICT
FINANCIAL SUMMARY (DECEMBER YEAR END)

	Audited <u>2014</u>	Audited <u>2015</u>	Audited <u>2016</u>	Projected <u>2017</u>	Projected <u>2018</u>	Projected <u>2019</u>	Projected <u>2020</u>	Projected <u>2021</u>
Balance Sheet								
Assets								
Current Assets	1,035,986	1,062,218	1,343,863	1,171,260	1,173,214	1,250,287	1,287,446	1,315,846
Other Assets	12,031,588	11,858,101	11,782,360	11,161,954	12,698,193	12,489,978	12,278,910	12,032,805
Total	<u>13,067,574</u>	<u>12,920,319</u>	<u>13,126,223</u>	<u>12,333,214</u>	<u>13,871,407</u>	<u>13,740,265</u>	<u>13,566,356</u>	<u>13,348,651</u>
Liabilities & Equity								
Current Liabilities	203,780	227,206	252,075	254,206	256,451	258,804	261,122	249,216
Long Term Liabilities	4,643,181	4,664,472	4,631,262	4,318,563	5,940,399	5,709,311	5,506,405	5,306,905
Total Liabilities	<u>4,846,961</u>	<u>4,891,678</u>	<u>4,883,337</u>	<u>4,572,769</u>	<u>6,196,850</u>	<u>5,968,115</u>	<u>5,767,527</u>	<u>5,556,121</u>
Net Assets	<u>8,220,613</u>	<u>8,028,641</u>	<u>8,242,886</u>	<u>7,760,445</u>	<u>7,674,557</u>	<u>7,772,150</u>	<u>7,798,829</u>	<u>7,792,530</u>
Cash Flow								
Revenues	2,307,187	2,313,573	2,349,976	2,349,976	2,349,976	2,689,669	2,689,669	2,689,669
Operating Expenses	1,973,269	1,973,527	1,928,351	1,966,918	2,006,256	2,050,981	2,091,909	2,133,655
Other Income	25,092	30,008	36,188	36,188	36,188	36,188	36,188	36,188
Cash Flow Before Debt Service	<u>359,010</u>	<u>370,054</u>	<u>457,813</u>	<u>419,246</u>	<u>379,908</u>	<u>674,876</u>	<u>633,948</u>	<u>592,202</u>
Debt Service								
Existing Debt Service	349,842	348,498	352,823	368,453	370,134	371,351	333,990	336,040
Proposed KIA Loan	0	0	0	0	0	114,163	114,163	114,163
Total Debt Service	<u>349,842</u>	<u>348,498</u>	<u>352,823</u>	<u>368,453</u>	<u>370,134</u>	<u>485,514</u>	<u>448,153</u>	<u>450,203</u>
Cash Flow After Debt Service	<u>9,168</u>	<u>21,556</u>	<u>104,990</u>	<u>50,793</u>	<u>9,774</u>	<u>189,362</u>	<u>185,795</u>	<u>141,999</u>
Ratios								
Current Ratio	5.1	4.7	5.3	4.6	4.6	4.8	4.9	5.3
Debt to Equity	0.6	0.6	0.6	0.6	0.8	0.8	0.7	0.7
Days Sales in Accounts Receivable	57.1	57.7	42.1	42.1	42.1	42.1	42.1	42.1
Months Operating Expenses in Unrestricted Cash	3.5	3.6	4.9	4.9	4.8	4.9	5.0	5.1
Debt Coverage Ratio	1.0	1.1	1.3	1.1	1.0	1.4	1.4	1.3



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

Donna McNeil
Executive Director

September 14, 2018

Ken Ferguson, Chairman
Green-Taylor Water District
P.O. Box 168
Greensburg, KY 42743

RE: Loan Increase Request, F18-005

Dear Chairman Ferguson:

Thank you for your recent request dated September 14, 2018, to increase your Kentucky Infrastructure Authority (KIA), Fund F loan from \$1,842,071 to \$1,963,390 to better serve the customers of Green-Taylor Water District. According to your correspondence, the increase of \$121,319 is needed due to the low bid exceeding the anticipated construction cost.

This loan increase does not require KIA board approval, however, a financial analysis will be required and will be conducted by KIA loan analyst Ashley Adams (you may be contacted for additional information). Upon approval of the credit analysis, you will receive a Conditional Commitment Letter for the loan increase and an Assistance Agreement will be initiated pending PSC approval of the debt.

If you have any questions, please don't hesitate to contact Ashley Adams at (502) 892-3429 or ashleym.adams@ky.gov.

Respectfully,

A handwritten signature in cursive script that reads "Donna McNeil".

Donna McNeil, Executive Director
Kentucky Infrastructure Authority



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

Donna McNeil
Executive Director

September 28, 2018

The Honorable Ken Ferguson, Chairman
Green-Taylor Water District
PO Box 168
Greensburg, KY 42743

KENTUCKY INFRASTRUCTURE AUTHORITY FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND CONDITIONAL COMMITMENT LETTER F18-005 (Increase)

Dear Chairman Ferguson:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. Your request for a \$121,319 increase to your existing \$1,842,071 loan was approved on September 28, 2018, subject to the conditions stated below. The total cost of the project shall not exceed \$1,963,390 of which the Authority is the sole source of 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 Green-Taylor 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 March 28, 2019 (six 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 \$1,963,390.
2. This loan does not qualify for principal forgiveness.
3. The loan shall bear interest at the rate of 1.75 percent per annum commencing with the first draw of funds.
4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1, or December 1, immediately succeeding the date of the initial draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1, or December 1, which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid.
5. Full principal payments will commence on the appropriate June 1, or December 1, within twelve months from initiation of operation. Full payments will be due each six months thereafter until the loan is repaid.
6. The loan shall be repaid over a period not to exceed 20 years from the date of initiation of operation for the project.
7. A loan servicing fee of 0.25% of the outstanding loan balance shall be payable to the Authority as a part of each interest payment.
8. Loan funds will only be disbursed after execution of the Assistance Agreement as project costs are incurred.
9. The Authority loan funds must be expended within six months of the official date of initiation of operation.
10. Fund "F" loan funds may be considered to be federal funds. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations, requires that all recipients and sub-recipients **expending \$750,000 or more in a year in federal awards must have a single or program-specific audit conducted for that year** in accordance with the Circular. If the federal amount expended plus all other federal funds expended exceeds the threshold, you are required to arrange for an A-133 audit to be performed by

an independent, licensed CPA, or in special cases, the Auditor of Public Accounts of the Commonwealth of Kentucky. Please note that the guidance for single audit requirements has changed for fiscal or calendar year 2016 audits. Please consult with your independent auditor as soon as possible to understand how the changes will affect you.

11. The Authority requires an annual financial audit be provided for the life of the loan.
12. The final Assistance Agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.
13. The borrower must maintain a 1.1 debt coverage ratio throughout the life of the KIA loan. All borrowers are subject to at least an annual financial review for compliance.

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

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

adoption of the service rate ordinance, order, or resolution. Any required approvals by the Kentucky Public Service Commission shall be obtained.

6. The Borrower must complete and return the attached "Authorization for Electronic Deposit of Vendor Payment" form to the Authority.
7. Documentation of Clearinghouse Endorsement and Clearinghouse Comments.
8. Prior to project bid, an environmental review shall be conducted by the Division of Water for all construction projects receiving DWSRF funds.
9. Technical plans and specifications and a complete DWSRF specifications checklist shall be approved by the Division of Water prior to project bid.
10. All easements or purchases of land shall be completed prior to commencement of construction. Clear Site Certification of all land or easement acquisitions shall be provided to the Division of Water. DOW representatives shall be notified for attendance of the pre-construction conference.
11. Project changes or additions deviating from the original scope of work described in the Project Profile may require a new or amended environmental review and change order review before they can be included in the DWSRF loan project.
12. Applicant must provide certification from their legal counsel stating that they have prepared construction specifications in accordance with all applicable state or federal wage rate laws, and that the procurement procedures, including those for construction, land, equipment and professional services that are a part of the project, are in compliance with applicable federal, state and local procurement laws.
13. Implement the Kentucky Uniform System of Accounting (KUSoA), or an alternative approved by the Authority and assure that rates and charges for services are based upon the cost of providing such service.
14. The Borrower shall comply with all Davis Bacon related monitoring and reporting and require all contractors to pay wages pursuant to applicable prevailing wage rates (federal or state) for all work relating to the subject Project.

15. The project shall comply with the reporting requirements of the Transparency Act, and shall complete the attached Transparency Act Reporting Information Form and provide to the Authority no later than 30 days after the KIA Board approval date of your loan.
16. If the project has a "Green Reserve" component, the Borrower must submit a Business Case, if required.
17. 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 the consulting engineer.
18. The project shall comply with American Iron and Steel requirements of The Consolidated Appropriations Act of 2014 (H.R. 3547), which became effective January 17, 2014, unless engineering plans and specifications were approved by the Division of Water prior to the effective date.

Any special conditions stated in Attachment A must be resolved.

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

Sincerely,



Donna McNeil
Kentucky Infrastructure Authority

Attachments

cc: Adam Scott, Cann-Tech, LLC
Josh Pedigo, General Manager
Matthew Aaron Baker, Cann-Tech, LLC

Chairman Ferguson
September 28, 2018
Page 6

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms.

Accepted

Date

ATTACHMENT A

**Green-Taylor Water District
F18-005 (Increase)**

EXECUTIVE SUMMARY		Reviewer	Ashley Adams	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	September 27, 2018	
FUND F, FEDERALLY ASSISTED DRINKING WATER		KIA Loan Number	F18-005 (Increase)	
REVOLVING LOAN FUND		WRIS Number	WX21217027	
BORROWER		GREEN-TAYLOR WATER DISTRICT TAYLOR COUNTY		
BRIEF DESCRIPTION The Green-Taylor Water District is requesting a Fund F loan increase in the amount of \$121,319 because bids were higher than expected in the original budget estimate. The total amount is \$1,963,390 for the System Improvements in the Taylor County project. Because the increase request is below 10% of the original loan amount, the increase has been approved by the Executive Director of KIA. Original Project Description: This project will replace problematic mains and utilize loops in order to allow for better water turnover and the elimination of disinfection byproducts. Two new loops will be created, one around HWY 323 and another around Bloyds Poplar Grove Road, and an existing loop will be updated on Old Greensburg Road. There will also be improvements in the Summersville community and the Shalawn subdivision where there have been line breaks and considerable water loss. This project as a whole will improve service to over 200 customers as well as provide service to around 42 new customers who have requested water service for several years.				
PROJECT FINANCING		PROJECT BUDGET		RD Fee % Actual %
Fund F Loan	\$1,963,390	Administrative Expenses		\$10,000
		Planning		75,000
		Eng - Design / Const	8.0%	7.5%
		Eng - Insp	4.9%	4.6%
		Construction		1,515,197
		Contingency		151,520
TOTAL	\$1,963,390	TOTAL		\$1,963,390
REPAYMENT	Rate	1.75%	Est. Annual Payment	
	Term	20 Years	1st Payment	6 Mo. after first draw
				\$121,682
PROFESSIONAL SERVICES	Engineer	Cann-Tech, LLC		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Sep-18		
	Construction Start	Nov-18		
	Construction Stop	May-19		
DEBT PER CUSTOMER	Existing	\$692		
	Proposed	\$989		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		
RESIDENTIAL RATES				
		<u>Users</u>	<u>Avg. Bill</u>	
	Current	4,945	\$40.73 (for 4,000 gallons)	
	Additional	42	\$40.73 (for 4,000 gallons)	
REGIONAL COORDINATION This project is consistent with regional planning recommendations.				
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2015	370,054	348,498	21,556	1.1
Audited 2016	457,813	352,823	104,990	1.3
Audited 2017	529,596	365,685	163,911	1.4
Projected 2018	491,753	371,351	120,402	1.3
Projected 2019	657,964	333,990	323,974	2.0
Projected 2020	613,692	457,722	155,970	1.3
Projected 2021	573,533	446,121	127,412	1.3
Projected 2022	532,571	446,121	86,450	1.2

Reviewer: Ashley Adams
Date: September 27, 2018
Loan Number: F18-005 (Increase)

**KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND F)
GREEN-TAYLOR WATER DISTRICT, TAYLOR COUNTY
PROJECT REVIEW
WX21217027**

I. PROJECT DESCRIPTION

The Green-Taylor Water District is requesting a Fund F loan increase in the amount of \$121,319 because bids were higher than expected in the original budget estimate. The total amount is \$1,963,390 for the System Improvements in the Taylor County project. Because the increase request is below 10% of the original loan amount, the increase has been approved by the Executive Director of KIA.

Original Project Description:

This project will replace problematic mains and utilize loops in an effort to improve service to existing customers, eliminate disinfection byproducts, and provide service to around 42 new customers. Two new loops will be created around HWY 323 and another around Bloyds Poplar Grove Road and an existing loop will be updated on Old Greensburg Road. A four inch water main will be replaced by six inch PVC line that serves the Summersville Community and the lines in the Shalawn subdivision will be replaced in order to address line breaks and substantial water loss in the area. A new line will be ran on Black Snake Creek Road in order to provide water service to citizens who have requested water service for several years. The District will also purchase two portable generators to be used in emergency situations. In addition, the District will create a Capital Improvement Plan in order to plan for future projects. This planning will utilize GPS to locate over 5,000 valves as well as meters and hydrants.

Green-Taylor Water District is a PSC regulated regional provider currently serving nearly 5,000 residents and businesses mainly in Green and Taylor counties. The District purchases approximately 350 MG of water from three providers including Campbellsville Municipal Water & Sewer System, Green River Valley Water District, and the Greensburg Water Department.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 10,000
Planning	75,000
Engineering Fees - Design	87,291
Engineering Fees - Construction	37,410
Engineering Fees - Inspection	76,972
Construction	1,515,197
Contingency	151,520
Total	\$ 1,963,390

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 1,963,390	100%
Total	\$ 1,963,390	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 1,963,390
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 1,963,390
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 116,774
Administrative Fee (0.25%)	4,908
Total Estimated Annual Debt Service	\$ 121,682

V. PROJECT SCHEDULE

Bid Opening	September 2018
Construction Start	November 2018
Construction Stop	May 2019

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	<u>Current</u>	<u>Proposed</u>	<u>Total</u>
Residential	4,878	42	4920
Commercial	67		67
Total	4,945	42	4,987

B) Rates

	Current	Prior
Date of Last Rate Increase	08/17/18	12/01/10
Minimum (2,000 Gallons)	\$22.21	\$20.40
Next 3,000 Gallons	9.26	8.50
Next 5,000 Gallons	7.40	6.80
Over 10,000 Gallons	4.71	4.33
Cost for 4,000 gallons	\$40.73	\$37.40
Increase %	9%	22%
Affordability Index (Rate/MHI)	1.3%	1.2%

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Utility is located in Greensburg (Taylor County) which has a population of 2,298 with a Median Household Income (MHI) of \$35,496. The median household income for the Commonwealth is \$44,811. The project will qualify for a 1.75% interest rate based on their status as a regional provider and the project's intent to address an Agreed Order.

Year	Population		County Unemployment	
	County	% Change	Date	Rate
1980	21,178		June 2005	6.2%
1990	21,146	-0.2%	June 2010	12.0%
2000	22,927	8.4%	June 2015	7.2%
2010	24,512	6.9%	June 2018	4.9%
Current	25,315	2.0%		
Cumulative %		18.0%		

VIII. 2017 CAPITALIZATION GRANT EQUIVALENCIES

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

IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended December 31, 2015 through December 31, 2017. The non-cash impact of GASB 68, Accounting and Financial Reporting for Pensions, has been removed from fiscal 2015, 2016, and 2017 operating expenses. Percentage references in the History

section below are based on whole dollar amounts and not the rounded amounts presented

HISTORY

Revenues increased 3.3% from \$2.3 million in 2015 to \$2.4 million in 2017. Operating expenses decreased 4.1% from \$1.9 million to \$1.8 million during the same time period. The debt coverage ratio was 1.1 in 2015, 1.3 in 2016, and 1.4 in 2017.

The balance sheet reflects a current ratio of 5.1, a debt to equity ratio of 0.6, 69.1 days sales in accounts receivable, and 4.1 months operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase 9% in 2019 as a result of a rate increase approved by PSC on August 17, 2018.
- 2) Operating expenses will increase 2% for inflation.
- 3) Debt service coverage is 1.3 in 2020 when principal and interest repayments begin.

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

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$98,000 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$4,900 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
1979 Revenue Bond	\$ 75,000	2019
1994 Revenue Bond	312,000	2034
1995 Revenue Bond	473,000	2035
2001 Revenue Bond	205,000	2041
2004 Series A Revenue Bond	568,000	2044
2004 Series B Revenue Bond	248,000	2044
2004 Refinance Bonds	1,487,000	2027
Bank Loan (Capital Purchases)	53,619	2021
Total	\$ 3,421,619	

XI. CONTACTS

Legal Applicant

Entity Name	Green-Taylor Water District
Authorized Official	Ken Ferguson (Chairman)
County	Taylor
Email	josh.pedigo.greentaylorwater@hotmail.com
Phone	270-932-1834
Address	PO Box 168 Greensburg, KY 42743

Applicant Contact

Name	Josh Pedigo
Organization	Green-Taylor Water District
Email	josh.pedigo.greentaylorwater@hotmail.com
Phone	270-932-4947
Address	250 Industrial Park Rd Greensburg, KY 42743

Project Administrator

Name	Adam Scott
Organization	Cann-Tech, LLC
Email	ascott@kih.net
Phone	502-859-0907
Address	1100 Glensboro Rd Lawrenceburg, KY 40342

Consulting Engineer

PE Name	Matthew Aaron Baker
Firm Name	Cann-Tech, LLC
Email	mbaker@kih.net
Phone	502-859-0907
Address	1100 Glensboro Rd Lawrenceburg, KY 40342

XII. RECOMMENDATIONS

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

**UPDATED PROJECT COST
GREEN-TAYLOR WATER DISTRICT
WATER SYSTEM IMPROVEMENTS PROJECT
WX21217027, F18-005**

Construction Cost	\$1,515,197
Contingencies	\$151,520
Engineering	\$124,701
Inspection	\$76,972
Legal	\$10,000
Administrative	\$10,000
Planning	\$75,000

TOTAL PROJECT COST	\$1,963,390
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PROPOSED O&M EXPENSES

Existing Expense Description(3)	Proposed System(1)	Project (2)	Total
Operational	\$902,755	\$9,500	\$912,255
Contractual Services	\$40,276	\$250	\$40,526
Supplies and Materials	\$132,671	\$2,500	\$135,171
Personal Service	\$770,758	\$250	\$771,008
Depreciation	\$325,916	\$3,000	\$328,916
TOTAL O&M EXPENSES	\$2,172,376	\$15,500	\$2,187,876

(1) The values listed are based on the 2017 fiscal year audit.

(2) Assumes 40 customers using 3300 gallons per month.

PROPOSED OPERATING BUDGET – (WATER SYSTEM)
EXISTING SYSTEM AND NEW USERS
(First full year of operation)
Year Ending: **2019**

A. Operating Income	
Water Sales	\$2,280,675
Service Charges and Other	\$100,000
Total Operating Income	\$2,380,675
B. Operation and Maintenance Expenses	
(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)	
Source of Supply Expense	\$740,000
Pumping Expense	\$8,000
Water Treatment Expense	\$0
Transmission and Distribution Expense	\$200,000
Customer Accounts Expense	\$0
Administrative and General Expense	\$1,130,000
Total Operating Expense	\$2,078,000
Net Operating Income	\$302,675
C. Non-Operating Income	
Interest on Deposits	\$6,000
Total Non-Operating Income	\$6,000
D. Net Income	\$308,675
E. Debt Repayment	\$200,000
F. Balance Available for Coverage	\$108,675

GREEN-TAYLOR WATER DISTRICT
STATEMENT OF NET POSITION
December 31, 2017 and 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents	\$ 647,253	\$ 785,519
Customer & Other Accounts Receivable, net	452,572	453,962
Inventory	99,693	91,495
Prepaid Expenses	24,976	12,887
Restricted Cash & Investments	1,274,322	1,247,051
Total Current Assets	<u>2,498,816</u>	<u>2,590,914</u>
NON-CURRENT ASSETS		
Capital Assets:		
Land & Construction in Progress	373,870	63,594
Other Capital Assets (net of accumulated depreciation)	10,018,186	10,124,327
Total Non-Current Assets	<u>10,392,056</u>	<u>10,187,921</u>
TOTAL ASSETS	<u>12,890,872</u>	<u>12,778,835</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Contributions	507,914	294,503
Discount on Debt Refunding	49,389	52,885
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>557,303</u>	<u>347,388</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable - Trade	100,200	94,458
Accrued & Withheld Taxes	20,750	19,158
Accrued Payroll & Employee Benefits	8,841	15,812
Customer Deposits	88,242	99,982
Deferred Revenue	11,272	10,064
Current Portion - Notes Payable	12,997	12,601
Liabilities Payable from Restricted Assets:		
Interest Payable	75,051	79,436
Current Portion - Revenue Bonds	207,000	196,500
Total Current Liabilities	<u>524,353</u>	<u>528,011</u>
NON-CURRENT LIABILITIES		
Long-Term Liabilities (Excluding Current Portion):		
Net Pension Liability	967,493	908,107
Non-Current Portion - Notes Payable	40,622	53,619
Non-Current Portion - Revenue Bonds	3,161,000	3,368,000
Total Non-Current Liabilities	<u>4,169,115</u>	<u>4,329,726</u>
TOTAL LIABILITIES	<u>4,693,468</u>	<u>4,857,737</u>
DEFERRED INFLOWS OF RESOURCES		
Pension Contributions	133,947	25,600
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>133,947</u>	<u>25,600</u>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	7,024,056	6,623,420
Restricted	1,274,322	1,247,051
Unrestricted	322,382	372,415
TOTAL NET POSITION	<u>\$ 8,620,760</u>	<u>\$ 8,242,886</u>

See accompanying notes to the financial statements.

GREEN-TAYLOR WATER DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
Years Ended December 31, 2017 and 2016

	2017	2016
OPERATING REVENUES		
Charges for Services	\$ 2,275,674	\$ 2,264,622
Service Charges and Other	114,044	85,354
Total Operating Revenues	<u>2,389,718</u>	<u>2,349,976</u>
OPERATING EXPENSES		
Contractual Services	40,276	63,716
Supplies & Materials	132,671	95,777
Depreciation & Amortization	325,916	313,652
Personal Service	770,758	776,371
Operational	902,755	977,927
Total Operating Expenses	<u>2,172,376</u>	<u>2,227,443</u>
OPERATING INCOME (LOSS)	<u>217,342</u>	<u>122,533</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	5,942	5,117
Interest Expenses and Fiscal Charges	(152,197)	(159,139)
Bond Issuance Costs	(3,496)	(3,496)
Insurance Proceeds	7,500	182,800
Gain on Disposal of Asset	2,955	-
Other income	26,074	31,071
Total Non-operating Revenues (Expenses)	<u>(113,222)</u>	<u>56,353</u>
INCOME (LOSS) BEFORE GRANTS & CAPITAL CONTRIBUTIONS	104,120	178,886
Grants	230,446	13,359
Capital Contributions	43,308	22,000
CHANGE IN NET POSITION	377,874	214,245
NET POSITION		
Beginning of Year	8,242,886	8,028,641
End of Year	<u>\$ 8,620,760</u>	<u>\$ 8,242,886</u>

See accompanying notes to the financial statements.

GREEN-TAYLOR WATER DISTRICT
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	\$ 2,392,316	\$ 2,334,948
Cash Payments to Employees for Services	(821,815)	(789,417)
Cash Payments to Suppliers for Goods & Services	(1,090,247)	(1,122,553)
Customer Deposits Received	19,840	20,255
Customer Deposits Returned	(31,580)	(21,294)
Net Cash Provided (Used) By Operating Activities	468,514	421,939
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES		
Principal Paid on Debt	(209,101)	(189,500)
Interest Paid on Debt	(156,584)	(163,323)
Acquisition of Capital Assets and Construction in Progress	(530,051)	(96,015)
Proceeds from Capital Debt	-	66,220
Gain/(Loss) on Disposal of Assets	2,955	-
Contributed Capital	43,308	22,000
Capital Grants	230,446	13,359
Proceeds from Insurance on Capital Assets	7,500	109,680
Net Cash Provided (Used) By Financing Activities	(611,527)	(237,579)
CASH FLOWS FROM INVESTING ACTIVITIES		
Other Income	26,074	31,071
Interest	5,944	5,117
Net Cash Provided (Used) From Investing Activities	32,018	36,188
Net Increase (Decrease) In Cash and Cash Equivalents	(110,995)	220,548
Cash and Cash Equivalents - Beginning of Year	2,032,570	1,812,022
Cash and Cash Equivalents - End of Year	<u>\$ 1,921,575</u>	<u>\$ 2,032,570</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and Cash Equivalents	\$ 647,253	\$ 785,519
Restricted Cash and Cash Equivalents	1,274,322	1,247,051
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 1,921,575</u>	<u>\$ 2,032,570</u>

See accompanying notes to the financial statements.

GREEN-TAYLOR WATER DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED FOR OPERATING ACTIVITIES		
Operating Income/(Loss)	\$ 217,342	\$ 122,533
ADJUSTMENT TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES		
Depreciation and Amortization	325,916	313,652
Change in Assets & Liabilities		
(Increase) Decrease in Accounts Receivable	1,390	(15,031)
(Increase) Decrease in Inventory	(8,198)	3,647
(Increase) Decrease in Prepaid Expenses	(12,089)	(573)
(Increase) Decrease in Deferred Outflows - Pension	(213,411)	(121,411)
Increase (Decrease) in Accounts Payable	5,742	11,793
Increase (Decrease) in Accrued and Withheld Taxes	1,592	2,130
Increase (Decrease) in Accrued Payroll	(6,971)	(616)
Increase (Decrease) in Customer Deposits	(11,740)	(1,039)
Increase (Decrease) in Deferred Revenue	1,208	-
Increase (Decrease) in Net Pension Liability	59,386	119,654
Increase (Decrease) in Deferred Inflows - Pensions	108,347	(12,800)
Total Reconciling Adjustments	<u>251,172</u>	<u>299,406</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 468,514</u>	<u>\$ 421,939</u>

See accompanying notes to the financial statements.

GREEN-TAYLOR WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2017 and 2016

NOTE 5: LONG-TERM OBLIGATIONS

Revenue Bonds with principal payments are detailed as follows:

	2017	2016
1979 Waterworks Revenue Bond, original amount \$663,000 maturing January 1, 2019 with a rate of 5%	\$ 75,000	\$ 111,000
1994 Waterworks Revenue Bond, original amount \$466,000 maturing January 1, 2034, with a rate of 4.50%, principal payments commencing January 1, 1997	312,000	323,000
1995 Waterworks Revenue Bond, original amount \$675,000 maturing January 1, 2035, with a rate of 4.875%, principal payments commencing January 1, 1998	473,000	489,000
2001 Waterworks Revenue Bond, original amount \$252,000 maturing January 1, 2041, with a rate of 4.75%, principal payments commencing January 1, 2004	205,000	209,500
2004 Series A Waterworks Revenue Bond, original amount \$673,000 maturing January 1, 2044, with a rate of 4.75%, principal payments commencing January 1, 2007	568,000	579,000
2004 Series B Waterworks Revenue Bond, original amount \$297,000 maturing January 1, 2044, with a rate of 4.375%, principal payments commencing January 1, 2007	248,000	253,000
2004 Refinancing of 1987, 1989, 1990, and 1993 Waterworks Revenue Bonds, original amount \$2,610,000 maturing January 1, 2027, with a variable rate of 2.28%-4.405%, principal payments commencing January 1, 2005	1,487,000	1,600,000
Total Debt	3,368,000	3,564,500
Payments Due in Less Than One Year	207,000	196,500
Total Long-Term Obligations	<u>\$ 3,161,000</u>	<u>\$ 3,368,000</u>

The annual requirements to amortize all bonded debt outstanding as of December 31, 2017 are as follows:

	Principal	Interest	Total
2018	\$ 207,000	\$ 148,980	\$ 355,980
2019	217,500	139,697	357,197
2020	189,000	130,836	319,836
2021	199,500	122,433	321,933
2022	211,000	113,439	324,439
2023-2027	1,167,500	418,651	1,586,151
2028-2032	426,500	233,937	660,437
2033-2037	391,500	126,734	518,234
2038-2042	273,500	58,279	331,779
2043-2047	85,000	6,958	91,958
	<u>\$ 3,368,000</u>	<u>\$ 1,499,944</u>	<u>\$4,867,944</u>

GREEN-TAYLOR WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2017 and 2016

NOTE 5: LONG-TERM OBLIGATIONS - (CONTINUED)

The District entered into a loan from a local bank in December 2016 for the purpose of making capital purchases of a new truck and trailer for the District's use. The terms of the loan are \$66,220 maturing December 21, 2021, with a rate of 2.60%, with principle and interest payments due monthly, beginning January 21, 2017. Debt service on the loan is as follows:

	Principal	Interest	Total
2018	\$ 12,890	\$ 1,264	\$ 14,154
2019	13,235	919	14,154
2020	13,588	566	14,154
2021	13,906	201	14,107
	<u>\$ 53,619</u>	<u>\$ 2,950</u>	<u>\$ 56,569</u>

Long-Term liability activity for the year ended December 31, 2017, was as follows:

	12/31/2016 Balance	Additions	Reductions	12/31/2017 Balance
Revenue Bonds	\$3,564,500	\$ -	\$ 196,500	\$3,368,000
Notes Payable	66,220	-	12,601	53,619
	<u>\$3,630,720</u>	<u>\$ -</u>	<u>\$ 209,101</u>	<u>\$3,421,619</u>

NOTE 6: RISK MANAGEMENT

The Green-Taylor Water District is exposed to various risks and losses related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters. The District purchases commercial insurance to cover these instances.

The District did not have settled claims that exceeded the District's commercial insurance coverage in any of the past three years.

NOTE 7: PENSION PLAN

General information about the County Employees retirement system Hazardous & Non-Hazardous ("CERS")

Plan description – Employees of the Green-Taylor Water District are covered by the CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute ("KRS") Section 61.645, the Board of Trustees of the Kentucky Retirement administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov/>.

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

October 30, 2018

Honorable Sandra K. Dunahoo
Commissioner and State Local Debt Officer
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Re: Green-Taylor Water District
Notice of Intent to Issue Securities

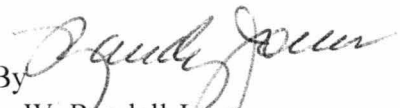
Dear Commissioner Dunahoo:

Pursuant to the regulations of the Kentucky Public Service Commission, specifically 807 KAR 5:001: Section 18(1)(g), please be advised that the Green-Taylor Water District (the "District") hereby notifies the State Local Debt Officer that the District intends on issuing securities in the form of a loan through the Kentucky Infrastructure Authority pursuant to an Assistance Agreement for the purpose of financing various improvements to its water distribution system.

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

Very truly yours,

Rubin & Hays

By 
W. Randall Jones

WRJ:jl
Enclosures
cc: Distribution List

SRF Project Cost Summary

Project Title: Green-Taylor Water District System Improvements in Taylor County

WRIS#: WX21217027

Project Budget: Estimated 08/22/17

As Bid 10/15/18

Revised

Cost Classification		SRF KIA Loan	Funding Source 1	Funding Source 2	Funding Source 3	Funding Source 4	Funding Source 5	Local Funds	Unfunded Costs	Total
1	Administrative Expenses	\$10,000								\$10,000
2	Legal Expenses	\$10,000								\$10,000
3	Land, Appraisals, Easements									
4	Relocation Expenses & Payments									
5	Planning	\$75,000								\$75,000
6	Engineering Fees – Design	\$87,291								\$87,291
7	Engineering Fees – Construction	\$37,410								\$37,410
8	Engineering Fees – Inspection	\$76,972								\$76,972
9	Engineering Fees – Other									
10	Construction	\$1,515,197								\$1,515,197
11	Equipment									
12	Miscellaneous									
13	Contingencies	\$151,520								\$151,520
Total		\$1,963,390	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,963,390

Funding Sources		Amount	Date Committed
1			
2			
3			
4			
5			
Total		\$0	

Local Funding Sources		Amount	Date Committed
1			
2			
3			
Total		\$0	

**Total
Funding** \$1,963,390

Cost Categories	Funding Source	Total Cost
Treatment (DW)		
Transmission and Distribution (DW)	KIA SRF Loan	\$1,515,197
Source (DW)		
Storage (DW)		
WWTP Secondary Portion (CW)		
WWTP Advanced Portion (CW)		
Inflow and Infiltration Correction (CW)		
Major Sewer Rehabilitation (CW)		
Collector Sewers (CW)		
Combined Sewer Overflow Correction (CW)		
Interceptor Sewers Including Pump Station (CW)		
Purchase of Systems (DW and CW)		
Restructuring (DW and CW)		
Land Acquisition (DW and CW)		
Total Costs		\$1,515,197

Cann-Tech, L.L.C.



Engineers

Planners

Managers

September 13, 2018

Josh Pedigo
Green-Taylor Water District
PO Box 168
Greensburg, Kentucky 42743

RE: 2018 Water System Improvements
Waterline Extensions

Dear Mr. Pedigo:


As you are aware, the above referenced project was bid September 11, 2018. The low bidder was Horsley Construction, Inc. from Hudson, KY with a Total Base Bid of \$1,515,197.20. Horsley Construction has an excellent reputation. Please find attached the bid tabulation for this project.

The low bid is higher than the construction budget with the current Kentucky Infrastructure Authority (KIA) loan. Additional funds in the amount of \$121,319 need to be secured in order to construct the project as bid. KIA can grant additional funds of this amount at their discretion without having to go through the KIA board. We recommend the contract be approved and allowed to go forward contingent upon KIA granting an additional \$121,319 of funding for the project. Please find the proposed budget attached.

Additionally, the Kentucky Public Service Commission (PSC) will have to issue a Certificate of Public Convenience and Necessity for the project at the higher amount before the contract can be awarded. This process will begin once additional funding is secured.

If you have any questions or need additional information please contact our office.

Sincerely,
CANN-TECH, LLC



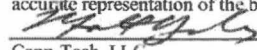
Matthew Baker, P.E.

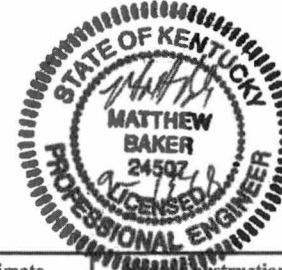
Attachments

CC: Penny Horsley, Horsley Construction, Inc.
All Bidding Contractors – Bid Tab Only

1100 Glensboro Rd., Suite 9
Park View Center
Lawrenceburg, KY 40342
Phone: (502) 859-0907 • Fax: (502) 859-0668
Email: waterboy@kih.net

Bid Tabulation
2018 Water System Improvements Waterline Extension
Green-Taylor Water District
September 11, 2018

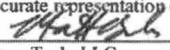
We certify that, to the best of our knowledge, the bid tabulation is an accurate representation of the bids received on September 11, 2018

Cann-Tech, LLC



NO.	ITEM	QTY.	UNIT	Horsley Construction Inc		Engineer's Estimate		Horsley Construction Co Inc.		Cleary Construction	
				Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
1	6-Inch Water Line, PVC, SDR-17, Class 200-psi	58,600	LF	\$9.81	\$574,866.00	\$10.00	\$586,000.00	\$11.00	\$644,600.00	\$10.39	\$608,854.00
2	6-Inch Water Line, PVC, SDR-17, Class 250-psi	18,000	LF	\$10.42	\$187,560.00	\$12.00	\$216,000.00	\$12.50	\$225,000.00	\$12.09	\$217,620.00
3	6-Inch Water Line, Ductile Iron, Class 350-psi	650	LF	\$21.10	\$13,715.00	\$15.00	\$9,750.00	\$21.00	\$13,650.00	\$36.07	\$23,445.50
4	6-Inch Water Line, HDPE, DR-9, Class 250-psi	845	LF	\$20.20	\$17,069.00	\$18.00	\$15,210.00	\$12.70	\$10,731.50	\$35.10	\$29,659.50
5	4-Inch Water Line, PVC SDR-21, Class 200-psi	3600	LF	\$8.05	\$28,980.00	\$7.50	\$27,000.00	\$9.50	\$34,200.00	\$8.52	\$30,672.00
6	4-Inch Water Line, PVC SDR-17, Class 250-psi	7100	LF	\$8.40	\$59,640.00	\$8.50	\$60,350.00	\$9.00	\$63,900.00	\$10.98	\$77,958.00
7	4-Inch Water Line, HDPE DR-9, Class 250-psi	120	LF	\$24.20	\$2,904.00	\$12.00	\$1,440.00	\$10.00	\$1,200.00	\$35.10	\$4,212.00
8	3-Inch Water Line, PVC SDR-21, Class 200-psi	670	LF	\$9.40	\$6,298.00	\$5.00	\$3,350.00	\$10.00	\$6,700.00	\$10.00	\$6,700.00
9	2-Inch Water Line, PVC, SDR-21, Class 200-psi	70	LF	\$10.96	\$767.20	\$4.50	\$315.00	\$11.00	\$770.00	\$10.60	\$742.00
10	10-inch Steep Rod Bore Casing Pipe	1260	LF	\$80.00	\$100,800.00	\$65.00	\$81,900.00	\$110.00	\$138,600.00	\$138.00	\$173,880.00
11	10-Inch Directional Bore Includes 10-Inch HDPE DR-11 Casing Pipe	780	LF	\$155.00	\$120,900.00	\$110.00	\$85,800.00	\$220.00	\$171,600.00	\$170.00	\$132,600.00
12	8-inch Road Bore Casing Pipe	175	LF	\$70.00	\$12,250.00	\$55.00	\$9,625.00	\$100.00	\$17,500.00	\$122.00	\$21,350.00
13	8-Inch Directional Bore Includes 8-Inch HDPE DR-11 Casing Pipe	100	LF	\$130.00	\$13,000.00	\$100.00	\$10,000.00	\$130.00	\$13,000.00	\$159.00	\$15,900.00
14	10-Inch Creek Crossing Type B. See Detail	530	LF	\$80.00	\$42,400.00	\$80.00	\$42,400.00	\$50.00	\$26,500.00	\$118.00	\$62,540.00
15	Creek Crossing Meter Complete. See Detail	5	EA	\$2,373.00	\$11,865.00	\$850.00	\$4,250.00	\$2,500.00	\$12,500.00	\$2,540.00	\$12,700.00
16	6-Inch Gate Valve & Box	74	EA	\$970.00	\$71,780.00	\$900.00	\$66,600.00	\$1,000.00	\$74,000.00	\$953.00	\$70,522.00
17	4-Inch Gate Valve & Box	7	EA	\$845.00	\$5,915.00	\$800.00	\$5,600.00	\$900.00	\$6,300.00	\$847.00	\$5,929.00
18	3-Inch Gate Valve & Box	5	EA	\$790.00	\$3,950.00	\$700.00	\$3,500.00	\$800.00	\$4,000.00	\$826.00	\$4,130.00
19	2-Inch Gate Valve & Box	2	EA	\$750.00	\$1,500.00	\$600.00	\$1,200.00	\$700.00	\$1,400.00	\$741.00	\$1,482.00
20	3-Nozzle Fire Hydrant	6	EA	\$4,555.00	\$27,330.00	\$5,200.00	\$31,200.00	\$4,000.00	\$24,000.00	\$4,022.00	\$24,132.00
21	6-Inch Blowoff Assembly	4	EA	\$1,602.00	\$6,408.00	\$2,000.00	\$8,000.00	\$1,500.00	\$6,000.00	\$2,202.00	\$8,808.00
22	4-Inch Blowoff Assembly	1	EA	\$1,350.00	\$1,350.00	\$1,500.00	\$1,500.00	\$1,000.00	\$1,000.00	\$1,990.00	\$1,990.00
23	Manual Air Release Valve	9	EA	\$400.00	\$3,600.00	\$1,200.00	\$10,800.00	\$3,000.00	\$27,000.00	\$551.00	\$4,959.00
24	Meter Setting Same Side Hersey Model 420 Meter and 18 x 24 Meter Box	62	EA	\$710.00	\$44,020.00	\$850.00	\$52,700.00	\$950.00	\$58,900.00	\$885.00	\$54,870.00
25	Meter Setting Opposite Side Hersey Model 420 Meter and 18 x 24 Meter Box	53	EA	\$810.00	\$42,930.00	\$1,200.00	\$63,600.00	\$1,085.00	\$57,505.00	\$1,140.00	\$60,420.00
26	Reconnection to Existing Main Water Lines	246	EA	\$100.00	\$24,600.00	\$600.00	\$147,600.00	\$300.00	\$73,800.00	\$212.00	\$52,152.00
27	Gravel Replacement	2000	LF	\$15.00	\$30,000.00	\$15.00	\$30,000.00	\$10.00	\$20,000.00	\$11.65	\$23,300.00
28	Additional Service Tubing	300	LF	\$1.00	\$300.00	\$5.00	\$1,500.00	\$6.00	\$1,800.00	\$6.40	\$1,920.00
29	Pump Station Reconnection	2	EA	\$1,000.00	\$2,000.00	\$4,000.00	\$8,000.00	\$800.00	\$1,600.00	\$1,270.00	\$2,540.00
30	Cut and Cap Existing Water Line	7	EA	\$1,000.00	\$7,000.00	\$1,500.00	\$10,500.00	\$500.00	\$3,500.00	\$635.00	\$4,445.00
31	Connection to Existing Main Water Lines	29	EA	\$1,500.00	\$43,500.00	\$2,800.00	\$81,200.00	\$900.00	\$26,100.00	\$1,778.00	\$51,562.00
32	Bituminous Replacement	300	LF	\$20.00	\$6,000.00	* \$25.00	\$7,500.00	\$20.00	\$6,000.00	\$26.50	\$7,950.00
				Total:	\$1,515,197.20	Total:	\$1,684,390.00	Total:	\$1,773,356.50	Total:	\$1,799,944.00

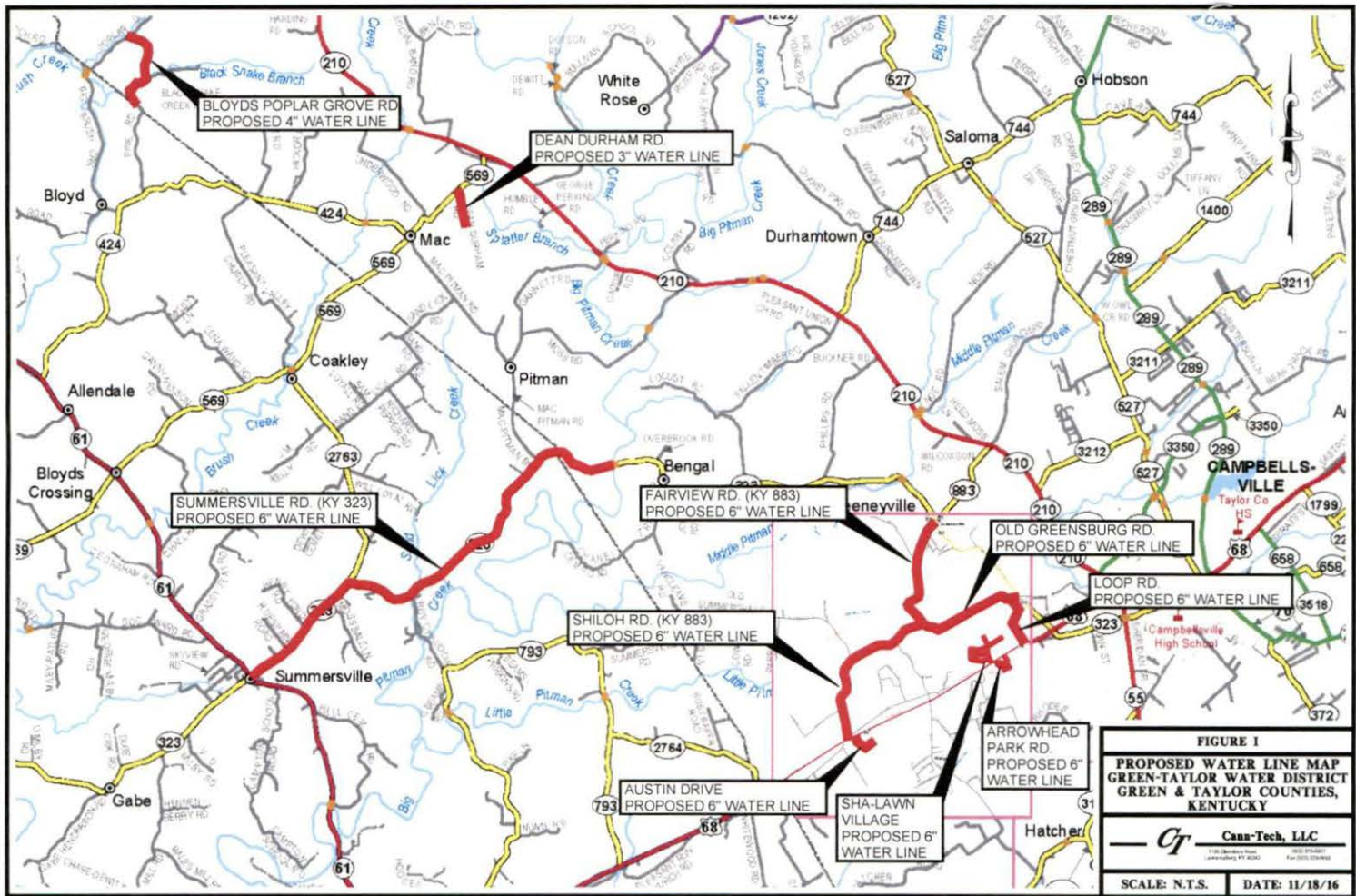
* denotes mathematical error on bid form

Bid Tabulation
2018 Water System Improvements Waterline Extension
Green-Taylor Water District
September 11, 2018

We certify that, to the best of our knowledge, the bid tabulation is an accurate representation of the bids received on September 11, 2018

 Cann-Tech, LLC



NO.	ITEM	QTY.	UNIT	Cumberland Pipeline LLC		United Pipeline Inc.		Fredrick & May Construction		Clay Pipeline	
				Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
1	6-Inch Water Line, PVC, SDR-17, Class 200-psi	58,600	LF	\$11.00	\$644,600.00	\$10.00	\$586,000.00	\$11.80	\$691,480.00	\$12.70	\$744,220.00
2	6-Inch Water Line, PVC, SDR-17, Class 250-psi	18,000	LF	\$15.00	\$270,000.00	\$11.00	\$198,000.00	\$14.25	\$256,500.00	\$14.05	\$252,900.00
3	6-Inch Water Line, Ductile Iron, Class 350-psi	650	LF	\$25.00	\$16,250.00	\$25.00	\$16,250.00	\$30.00	\$19,500.00	\$24.50	\$15,925.00
4	6-Inch Water Line, HDPE, DR-9, Class 250-psi	845	LF	\$24.00	\$20,280.00	\$27.00	\$22,815.00	\$28.00	\$23,660.00	\$33.00	\$27,885.00
5	4-Inch Water Line, PVC SDR-21, Class 200-psi	3600	LF	\$13.00	\$46,800.00	\$8.00	\$28,800.00	\$9.00	\$32,400.00	\$10.30	\$37,080.00
6	4-Inch Water Line, PVC SDR-17, Class 250-psi	7100	LF	\$13.50	\$95,850.00	\$8.50	\$60,350.00	\$9.25	\$65,675.00	\$10.00	\$71,000.00
7	4-Inch Water Line, HDPE DR-9, Class 250-psi	120	LF	\$28.00	\$3,360.00	\$31.00	\$3,720.00	\$25.00	\$3,000.00	\$28.00	\$3,360.00
8	3-Inch Water Line, PVC SDR-21, Class 200-psi	670	LF	\$15.00	\$10,050.00	\$8.00	\$5,360.00	\$11.00	\$7,370.00	\$11.50	\$7,705.00
9	2-Inch Water Line, PVC, SDR-21, Class 200-psi	70	LF	\$15.00	\$1,050.00	\$8.00	\$560.00	\$30.00	\$2,100.00	\$12.50	\$875.00
10	10-inch Steep Rod Bore Casing Pipe	1260	LF	\$201.00	\$253,260.00	\$160.00	\$201,600.00	\$120.00	\$151,200.00	\$104.00	\$131,040.00
11	10-Inch Directional Bore Includes 10-Inch HDPE DR-11 Casing Pipe	780	LF	\$135.00	\$105,300.00	\$152.00	\$118,560.00	\$120.00	\$93,600.00	\$170.00	\$132,600.00
12	8-inch Road Bore Casing Pipe	175	LF	\$245.00	\$42,875.00	\$155.00	\$27,125.00	\$90.00	\$15,750.00	\$90.00	\$15,750.00
13	8-Inch Directional Bore Includes 8-Inch HDPE DR-11 Casing Pipe	100	LF	\$125.00	\$12,500.00	\$130.00	\$13,000.00	\$100.00	\$10,000.00	\$133.00	\$13,300.00
14	10-Inch Creek Crossing Type B. See Detail	530	LF	\$50.00	\$26,500.00	\$180.00	\$95,400.00	\$120.00	\$63,600.00	\$111.10	\$58,883.00
15	Creek Crossing Meter Complete. See Detail	5	EA	\$2,121.00	\$10,605.00	\$2,450.00	\$12,250.00	\$2,700.00	\$13,500.00	\$2,479.60	\$12,398.00
16	6-Inch Gate Valve & Box	74	EA	\$1,019.00	\$75,406.00	\$1,200.00	\$88,800.00	\$1,150.00	\$85,100.00	\$1,368.00	\$101,232.00
17	4-Inch Gate Valve & Box	7	EA	\$856.00	\$5,992.00	\$1,100.00	\$7,700.00	\$938.00	\$6,566.00	\$1,144.00	\$8,008.00
18	3-Inch Gate Valve & Box	5	EA	\$838.00	\$4,190.00	\$1,000.00	\$5,000.00	\$800.00	\$4,000.00	\$1,089.00	\$5,445.00
19	2-Inch Gate Valve & Box	2	EA	\$799.00	\$1,598.00	\$900.00	\$1,800.00	\$750.00	\$1,500.00	\$884.00	\$1,768.00
20	3-Nozzle Fire Hydrant	6	EA	\$4,650.00	\$27,900.00	\$4,500.00	\$27,000.00	\$4,200.00	\$25,200.00	\$4,629.00	\$27,774.00
21	6-Inch Blowoff Assembly	4	EA	\$1,900.00	\$7,600.00	\$2,000.00	\$8,000.00	\$2,300.00	\$9,200.00	\$2,060.00	\$8,240.00
22	4-Inch Blowoff Assembly	1	EA	\$1,350.00	\$1,350.00	\$1,700.00	\$1,700.00	\$1,750.00	\$1,750.00	\$1,883.00	\$1,883.00
23	Manual Air Release Valve	9	EA	\$472.00	\$4,248.00	\$700.00	\$6,300.00	\$1,500.00	\$13,500.00	\$754.00	\$6,786.00
24	Meter Setting Same Side Hersey Model 420 Meter and 18 x 24 Meter Box	62	EA	\$835.00	\$51,770.00	\$1,200.00	\$74,400.00	\$1,000.00	\$62,000.00	\$942.50	\$58,435.00
25	Meter Setting Opposite Side Hersey Model 420 Meter and 18 x 24 Meter Box	53	EA	\$1,125.00	\$59,625.00	\$1,300.00	\$68,900.00	\$1,300.00	\$68,900.00	\$1,182.00	\$62,646.00
26	Reconnection to Existing Main Water Lines	246	EA	\$275.00	\$67,650.00	\$600.00	\$147,600.00	\$600.00	\$147,600.00	\$503.50	\$123,861.00
27	Gravel Replacement	2000	LF	\$10.00	\$20,000.00	\$25.00	\$50,000.00	\$20.00	\$40,000.00	\$12.00	\$24,000.00
28	Additional Service Tubing	300	LF	\$10.25	\$3,075.00	\$10.00	\$3,000.00	\$8.00	\$2,400.00	\$10.50	\$3,150.00
29	Pump Station Reconnection	2	EA	\$1,250.00	\$2,500.00	\$2,000.00	\$4,000.00	\$4,500.00	\$9,000.00	\$2,603.00	\$5,206.00
30	Cut and Cap Existing Water Line	7	EA	\$850.00	\$5,950.00	\$1,800.00	\$12,600.00	\$1,250.00	\$8,750.00	\$2,097.00	\$14,679.00
31	Connection to Existing Main Water Lines	29	EA	\$1,156.00	\$33,524.00	\$2,000.00	\$58,000.00	\$1,750.00	\$50,750.00	\$2,672.00	\$77,488.00
32	Bituminous Replacement	300	LF	\$30.00	\$9,000.00	\$65.00	\$19,500.00	\$35.00	\$10,500.00	\$200.00	\$60,000.00
Total:				\$1,940,658.00		Total:	\$1,974,090.00	Total:	\$1,996,051.00	Total:	\$2,115,522.00



Filing
CONTAINS
LARGE OR OVERSIZED
DRAWINGS

Case No. 2018-00368

RECEIVED ON:
11/05/2018