

DEC 03 2018

PUBLIC SERVICE
COMMISSION**SUMMIT ENGINEERING INC.**

since 1977

November 2nd, 2018

Mountain Water District
P.O. Box 3157 / 6324 Zebulon Highway
Pikeville, KY 41502

**Re: Belfry – Pond Creek Sewer Project
Mountain Water District
Final Engineering Report**

Ladies and Gentlemen:

I. PROJECT DESCRIPTION

Several residents of the Pond Creek area filed a complaint with the Public Service Commission requesting the District be required to extend sewer service to the area. A Joint Stipulation and Recommended Settlement was submitted by the District and the Complainants to PSC. The Settlement was approved and the case was dismissed without prejudice. The Settlement provides that the District will pursue development of a sewage treatment plant in the Belfry – Pond Creek area. Specific provisions of the Settlement can be found in **Exhibit A** (PSC Case No. 2013-00092).

The Mountain Water District now seeks to fund and construct a wastewater treatment plant and collection system in the Belfry – Pond Creek area of Pike County. The proposed membrane bioreactor (MBR) plant will be located at Pegs Branch. The plant will have an initial capacity of 300,000 GPD and an ultimate capacity of 400,000 GPD. The collection system will extend along U.S. 119 north and south of the plant to serve the greater Pond Creek area, including the Complainants of PSC Case No. 2013-00092. Some existing lines feeding into the Williamson, West Virginia WWTP will ultimately be redirected to the proposed plant.

II. BIDDING

The project was divided into two contracts for bidding. This was done in an effort to make bidding more competitive. It was assumed that most plant contractors would not be interested in the collection system work and most pipeline contractors would not be interested in plant construction. Contract 1 consisted of the wastewater treatment plant. Contract 2 consisted of the collection system and WWTP water supply.

The District and Summit Engineering made efforts to attract as many bidders as possible. This was done by reaching out to contractors and by postponing the bid opening twice to allow more time to prepare bids. Bids were opened on September 17th, 2018 at 2:00 p.m. local time at the offices of Dan Stratton, Attorney for the above referenced project. Bid results and award recommendations are discussed below.

Exhibit B-1 shows the bid amounts submitted by all bidders for Contract 1 – Wastewater Treatment Plant. Bids were submitted by H2O Construction and Montgomery Brothers Contracting. The bid submitted by Montgomery Brothers Contracting was rejected due to lack of wastewater plant

265 Hambley Boulevard, Pikeville, Kentucky 41501 Phone 606-432-1447

construction experience. Therefore, the only responsive bidder for Contract 1 is H2O Construction. The bid submitted by H2O Construction is \$2,080,986.00, or 109%, over the project profile estimate.

Exhibit B-2 shows the bid amounts submitted by all bidders for Contract 2 – Wastewater Collection System. Bids were submitted by B.P. Pipeline, H2O Construction, and Norris Brothers Excavating. The low bidder for Contract 2 is B.P. Pipeline. The bid submitted by B.P. Pipeline is \$401,315.00, or 13%, under the project profile estimate.

Equipment being purchased separately by Mountain Water District includes: (1) the residential grinder pumps at an approximate cost of \$534,000.00 and (2) the OVTVO MBR system at a cost of \$1,066,830.00. The total construction cost of all contracts plus the cost of equipment is \$8,173,615.00.

III. ANALYSIS

The project profile budget can be found on **Exhibit E**. The total project funding is \$8,428,846.00. The project construction budget is \$6,493,944.00. The low bids exceed the construction budget by \$1,679,671.00.

The District secured advice of legal counsel with regard to bringing bids within budget (**Exhibit C**). **Exhibits D-1 and D-2** indicate items and quantities to be change ordered from the low bids for Contracts 1 and 2 respectively, as well as revised prices and base bid totals. The scope of the necessary deductive change orders was derived with input from Owner, Engineer, and Contractor. Contract 1 had only one responsive bidder who agreed with the reduced scope of work. Contract 2 quantities were reduced to bring it within budget. Revised quantities were checked for all bidders and bid results remained the same. **Exhibit E** summarizes the initial project budget, the as-bid budget, and the proposed award budget.

The proposed deductions do not negatively affect the function of the plant or collection system. The collection system will serve 182 new customers who have signed up, satisfying the requirement of 174 new customers found in the RD Letter of Intent to Meet Conditions dated March 2nd, 2016. The collection system will provide service to all of the Complainants listed in the PSC Order from Case No. 2013-00092.

The proposed deductions lower the base bid total for Contract 1 submitted by H2O Construction to \$3,220,154.60 and lower the base bid total submitted for Contract 2 by B.P. Pipeline to \$2,089,515.00. The approximate cost of residential grinder pump units was reduced to \$344,000.00 by removing residences and businesses that had not signed up. This brings the revised construction cost including equipment to be purchased by the District to \$6,720,499.60. Adjusting the contingency to 5% of the proposed construction award amounts results in an additional deduction of \$230,458.52 from non-construction costs. The total project cost after deductions is therefore \$8,424,943.08, or \$3,902.92 under total project funding. The remaining \$3,902.92 will be added to the contingency fund, bringing it to \$269,386.40.

IV. RECOMMENDATION AND CLOSURE

H2O Construction has an outstanding reputation and has completed several projects of similar or greater size and complexity for both Mountain Water District and Summit Engineering. These projects were completed in a satisfactory manner. B.P. Pipeline has completed numerous projects in Kentucky and Ohio. The previously completed project list supplied with their bid indicates they have significant experience in pipeline construction.

It is our recommendation that the District award Contract 1 to H2O Construction and Contract 2 to B.P. Pipeline with the proposed deductions applied to each contract as described herein. The District approved a resolution awarding both contracts as recommended at the October 31st, 2018 Board of

Commissioners meeting. The award is contingent upon certain conditions being met. The award resolution is attached as **Exhibit F**. Pending approval of the award by Rural Development, legal counsel will proceed with the PSC submittal. Time is of the essence; the last day to award within the 90 day bid hold period is Monday, December 17th, 2018.

Summit Engineering appreciates the opportunity to be of assistance. If you have any questions or if I can be of further assistance please feel free to contact me at our Pikeville, KY office at (606) 432-1447.

Thank you,



Jonathan Newman, P.E.
Project Engineer

encl.

cc: Roy Sawyers, MWD
Julie Anderson, Rural Development
Douglas Hoff, Rural Development
Kevin Howard, Summit Engineering
File



EXHIBIT A

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CLARK MCCOY, DEBBIE MCCOY, DAVID)
VARGO, PATRICIA VARGO, MIKE)
COCHRAN, IRENE COCHRAN, AND)
DARRELL OWENS)

COMPLAINANTS)

V.)

CASE NO. 2013-00092

MOUNTAIN WATER DISTRICT)

DEFENDANT)

ORDER

Complainants and Defendant have jointly submitted to the Commission for our review and action a Joint Stipulation and Recommended Settlement. After careful review, we approve the Joint Stipulation and Recommended Settlement and dismiss this matter without prejudice.

Mountain Water District, a water district organized pursuant to KRS Chapter 74, owns and operates facilities that distribute water service to approximately 17,134 customers in Pike County, Kentucky,¹ and that provide sewer service to approximately 2,385 customers in Floyd and Pike counties, Kentucky.² It is a utility subject to

¹ *Annual Report of Mountain Water District (Water Division) to the Public Service Commission of Kentucky for the Calendar Year Ending December 31, 2012* at 5, 27.

² *Annual Report of Mountain Water District (Sewer Division) to the Public Service Commission of Kentucky for the Calendar Year Ending December 31, 2012* at 1, 8.

EXHIBIT A

Commission jurisdiction³ and with the statutory obligation to make reasonable extensions of service.⁴

On March 3, 2013, Complainants, who are residents of the Pond Creek area of Pike County, Kentucky, filed with the Commission a formal complaint against Mountain Water District in which they requested that the Commission require Mountain Water District to extend sewer service to the Pond Creek area.

On March 25, 2013, Mountain Water District submitted an Answer to the Complaint, in which it admitted that it did not currently provide sewer service to the Pond Creek area and affirmatively stated that it is unable to expand sewer service to that area without additional funding. It identified several courses of action that would enable it to provide service to the area in which Complainants reside, but stated that it lacked the funding to implement any of them at the present. Mountain Water District asserted that it had acted in a reasonable manner and requested that the Complaint be dismissed.

Upon receipt of Mountain District's Answer, the Commission established a procedural schedule in this matter that provided for discovery and for a hearing. Following completion of discovery but prior to the scheduled hearing, the parties submitted a Joint Stipulation and Recommended Settlement for the Commission's review and approval.

³ KRS 278.015.

⁴ KRS 278.280(3). *See also City of Bardstown v. Louisville Gas & Electric Co.*, 383 S.W.2d 918, 919 (Ky.1964) (a utility "can be compelled to make any reasonable extension of its service facilities within its certificated scope or area of service"); OAG 75-719 (a "water district is under an obligation to serve all inhabitants, including the subject applicant, within its geographical area of service as fixed under KRS 74.010 and as defined by the certificate of convenience and necessity")

EXHIBIT A

The Joint Stipulation and Recommended Settlement provides that Mountain Water District will pursue development of a sewage treatment facility for the Belfry/Pond Creek area. It specifically provides that:

- Mountain Water District will authorize Big Sandy Area Development District to become the project administrator for purposes of funding the Belfry / Pond Creek Waste Water Treatment Plant, but Mountain Water District will administer the actual construction of the project.
- An agreed funding model will serve as the framework for securing funds for the proposed project.
- A loan from Rural Development will be necessary to complete this project. The size of such loan will vary based on available grants that may be obtained for the project.
- Mountain Water District retains the right to approve any debt assumed for the project.
- If it is not economically feasible for Mountain Water District to assume the debt necessary to finance the project, the scope of the project may be reduced or modified.
- Mountain Water District will apply for the necessary Rural Development loans and grants to cover the remaining cost. Any Rural Development loan may be subject to terms and conditions outside the requirements of an ordinary loan transaction.
- If Mountain Water District's current application for a Community Development Block Grant for the Douglas Wastewater Plant at Shelby Valley is not approved, then Mountain Water District will make the Belfry/Pond Creek Wastewater Treatment Plant its first priority for a Community Development Block Grant in the next available funding cycle, assuming it qualifies for such grant and receives the prerequisite approval of the Pike County Fiscal Court.
- Mountain Water District's current construction options will not enable service to all of Complainants. The current wastewater treatment plant must be expanded to reach all Complainants. Mountain Water District's current plant must be expanded to provide service to all of the Complainants.

EXHIBIT A

- The time table and funding for such future expansion is unknown at this time.

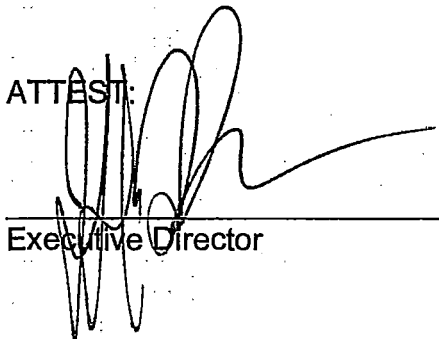
Having reviewed the Joint Stipulation and Recommended Settlement and being otherwise sufficiently advised, the Commission finds that is reasonable, does not violate statute or regulation, is consistent with Mountain Water District's legal obligations as a public utility, and should be approved.

IT IS THEREFORE ORDERED that:

1. The Joint Stipulation and Recommended Settlement is approved.
2. Mountain District shall take all actions required by Paragraph 6 of the Joint Stipulation and Recommended Settlement as if individually ordered by the Commission.
3. The Commission's approval of the Joint Stipulation and Recommended Settlement does not constitute a Certificate of Public Convenience and Necessity to construct any facility or Commission authorization for Mountain District to issue any evidence of indebtedness.
4. The matter is dismissed without prejudice.

By the Commission

ATTEST:



Executive Director

Christian R Harris
719 Forest Hills Road
Forest Hills, KENTUCKY 41527

EXHIBIT A

Honorable John N Hughes
Attorney at Law
124 West Todd Street
Frankfort, KENTUCKY 40601

Roy Sawyers
District Administrator
Mountain Water District
P. O. Box 3157
Pikeville, KY 41502

Honorable Daniel P Stratton
Attorney at Law
Stratton, Hogg & Maddox, P.S.C.
P. O. Box 1530
111 Pike Street
Pikeville, KENTUCKY 41502

Exhibit B-1

Bid Tabulation

Belfry - Pond Creek Sewer Project, Contract 1 - Wastewater Treatment Plant

Item No.	Item Description	Unit	H2O Construction	Montgomery Brothers Contracting
			Amount	Amount
1	Mobilization / Demobilization	LS	\$ 54,000.00	\$ 266,699.00
2	Mass Earthwork to Subgrade	LS	\$ 415,000.00	\$ 226,295.00
3	84-Inch Reinforced Concrete Entrance Pipe, No Headwalls	LS	\$ 200,000.00	\$ 85,849.00
4	Reinforced Concrete MBR Basins (Note 1)	LS	\$ 949,000.00	\$ 1,341,332.07
	Cast-in-Place OR Pre-Cast (Supplier: _____)			
5	Railing and Grating	LS	\$ 100,000.00	\$ 109,917.46
6	MBR Equipment Building (917 SF)	LS	\$ 95,000.00	\$ 239,345.34
7	Plant Piping, Sluice / Weir Gates, and Valves (Note 3)	LS	\$ 204,160.00	\$ 69,156.08
8	MBR Equipment, Blowers, and Influent Screen - Materials Only (Note 2)		\$ -	\$ -
9	MBR Equipment Installation, Complete, In-Place, In-Service	LS	\$ 150,300.00	\$ 427,941.98
10	Control Building (1573 SF)	LS	\$ 235,950.00	\$ 513,209.14
11	Site Electrical Including Motor Control Center	LS	\$ 648,000.00	\$ 652,522.75
12	600 KW Diesel Stationary Standby Generator	LS	\$ 120,000.00	\$ 308,094.34
13	Yard Piping, Valves, Manholes, and Appurtenances (Note 3)	LS	\$ 44,200.00	\$ 69,950.65
14	Flowmeters	LS	\$ 19,000.00	\$ 21,069.69
15	Sludge Pump Station	LS	\$ 80,000.00	\$ 75,741.43
16	Sludge Dewatering Box and Polymer Equipment	LS	\$ 155,000.00	\$ 149,009.29
17	UV Disinfection	LS	\$ 65,000.00	\$ 95,559.85
18	Post Aeration Basin	LS	\$ 134,000.00	\$ 151,316.61
19	On-Site Pump Station	LS	\$ 30,000.00	\$ 30,863.90
20	Asphalt Pavement	LS	\$ 96,000.00	\$ 130,504.55
21	Concrete Sidewalks	LS	\$ 4,500.00	\$ 32,279.00
22	Chain Link Fence and Gate	LS	\$ 65,000.00	\$ 58,727.05
23	Seeding and Clean-up	LS	\$ 15,000.00	\$ 32,626.14
24	All Other Work Shown, or Implied, Not Included in Afformentioned Items	LS	\$ 75,000.00	\$ 358,887.51
25	ECOMM Construction Information Management Software (Allowance)	LS	\$ 3,600.00	\$ 3,600.00
26	Power Line Relocation - Kentucky Power (Allowance)	LS	\$ 40,000.00	\$ 40,000.00
Base Bid Total			\$ 3,997,710.00	\$ 5,490,497.83

Unit Prices for ADD or DEDUCT			
Item Description	Unit		
Unclassified Earthwork	CY	\$ 50.00	Not Provided
Class A Concrete	CY	\$ 200.00	Not Provided
DGA	TON	\$ 35.00	Not Provided
Class 2 Asphalt Surface, 0.50D PG 64-22	TON	\$ 130.00	Not Provided
Class 2 Asphalt Base, 1.00D PG 64-22	TON	\$ 130.00	Not Provided

The above is a true and complete tabulation of bids received at 2:00 pm (local time), on Monday, September 17, 2018, at the offices of Dan Stratton, Attorney Pike County, Kentucky 41501


Jonathan Newman, P.E.

Note: No math errors were found on bids.

Date: 11-2-18



Exhibit B-2

Bid Tabulation

Belfry - Pond Creek Sewer Project, Contract 2 - Wastewater Collection System

Item No.	Item Description	Unit	Quantity	B.P. Pipeline		H2O Construction		Norris Bros. Excavating	
				Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
1	GENERAL								
a	Mobilization / Demobilization (Note 2)	LS	1	\$ 50,000.00	\$ 50,000.00	\$ 20,000.00	\$ 20,000.00	\$ 98,000.00	\$ 98,000.00
b	Seeding and Cleanup	LS	1	\$ 50,000.00	\$ 50,000.00	\$ 25,000.00	\$ 25,000.00	\$ 88,000.00	\$ 88,000.00
c	Special Pipe Bedding (Note 3)	TON	200	\$ 30.00	\$ 6,000.00	\$ 35.00	\$ 7,000.00	\$ 30.00	\$ 6,000.00
d	Removal of Existing Septic Tanks	EA	5	\$ 1,500.00	\$ 7,500.00	\$ 1,200.00	\$ 6,000.00	\$ 2,500.00	\$ 12,500.00
e	Removal of Existing Package Plants	EA	2	\$ 10,000.00	\$ 20,000.00	\$ 10,000.00	\$ 20,000.00	\$ 25,000.00	\$ 50,000.00
f	Pavement Replacement	LS	1	\$ 20,000.00	\$ 20,000.00	\$ 70,000.00	\$ 70,000.00	\$ 18,000.00	\$ 18,000.00
g	Flowable Fill (Note 3)	CY	100	\$ 150.00	\$ 15,000.00	\$ 175.00	\$ 17,500.00	\$ 130.00	\$ 13,000.00
h	ECOMM Construction Information Management Software (Lynn Imaging)	LS	1	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00
2	FORCE MAINS / SEWER CONNECTIONS								
a	10" HDPE SDR 11	LF	8190	\$ 38.00	\$ 311,220.00	\$ 40.00	\$ 327,600.00	\$ 45.00	\$ 368,550.00
b	8" HDPE SDR 11	LF	8260	\$ 30.00	\$ 247,800.00	\$ 33.00	\$ 272,580.00	\$ 42.00	\$ 346,920.00
c	6" HDPE SDR 11	LF	8120	\$ 21.00	\$ 170,520.00	\$ 30.00	\$ 243,600.00	\$ 40.00	\$ 324,800.00
d	3" HDPE SDR 11	LF	3470	\$ 20.00	\$ 69,400.00	\$ 23.00	\$ 79,810.00	\$ 38.00	\$ 131,860.00
e	2" HDPE SDR 11	LF	12700	\$ 10.00	\$ 127,000.00	\$ 20.00	\$ 254,000.00	\$ 36.00	\$ 457,200.00
f	1.25" HDPE SDR 11 (Service)	LF	19110	\$ 9.00	\$ 171,990.00	\$ 10.00	\$ 191,100.00	\$ 13.00	\$ 248,430.00
g	4" ASTM D3034 SDR 35 PVC (House Connection, Note 4)	LF	5380	\$ 25.00	\$ 134,500.00	\$ 35.00	\$ 188,300.00	\$ 34.00	\$ 182,920.00
h	6" ASTM D3034 SDR 35 PVC (Quadplex Connection)	LF	200	\$ 25.00	\$ 5,000.00	\$ 55.00	\$ 11,000.00	\$ 34.00	\$ 6,800.00
i	Connect to Existing Forest Hills Lift Station	LS	1	\$ 10,000.00	\$ 10,000.00	\$ 4,500.00	\$ 4,500.00	\$ 2,500.00	\$ 2,500.00
3	FITTINGS AND VALVES								
a	10" Valve	EA	5	\$ 1,900.00	\$ 9,500.00	\$ 4,500.00	\$ 22,500.00	\$ 3,200.00	\$ 16,000.00
b	8" Valve	EA	6	\$ 1,600.00	\$ 9,600.00	\$ 3,700.00	\$ 22,200.00	\$ 1,950.00	\$ 11,700.00
c	6" Valve	EA	5	\$ 1,200.00	\$ 6,000.00	\$ 2,500.00	\$ 12,500.00	\$ 1,000.00	\$ 5,000.00
d	3" Valve	EA	6	\$ 900.00	\$ 5,400.00	\$ 2,000.00	\$ 12,000.00	\$ 1,000.00	\$ 6,000.00
e	2" Valve	EA	16	\$ 600.00	\$ 9,600.00	\$ 1,700.00	\$ 27,200.00	\$ 1,000.00	\$ 16,000.00
4	ENCASEMENT								
a	Bore and Encase 10" HDPE	LF	240	\$ 180.00	\$ 43,200.00	\$ 200.00	\$ 48,000.00	\$ 150.00	\$ 36,000.00
b	Bore and Encase 8" HDPE	LF	220	\$ 160.00	\$ 35,200.00	\$ 195.00	\$ 42,900.00	\$ 128.00	\$ 28,160.00
c	Bore and Encase 6" HDPE	LF	180	\$ 149.00	\$ 26,820.00	\$ 185.00	\$ 33,300.00	\$ 90.00	\$ 16,200.00
d	Bore and Encase 3" HDPE	LF	90	\$ 140.00	\$ 12,600.00	\$ 175.00	\$ 15,750.00	\$ 45.00	\$ 4,050.00
e	Open Cut and Encase 10" HDPE	LF	310	\$ 65.00	\$ 20,150.00	\$ 125.00	\$ 38,750.00	\$ 120.00	\$ 37,200.00
f	Open Cut and Encase 8" HDPE	LF	230	\$ 60.00	\$ 13,800.00	\$ 115.00	\$ 26,450.00	\$ 100.00	\$ 23,000.00
g	Open Cut and Encase 6" HDPE	LF	140	\$ 50.00	\$ 7,000.00	\$ 100.00	\$ 14,000.00	\$ 85.00	\$ 11,900.00
h	Open Cut and Encase 3" HDPE	LF	125	\$ 45.00	\$ 5,625.00	\$ 85.00	\$ 10,625.00	\$ 80.00	\$ 10,000.00
5	RESIDENTIAL GRINDER PUMP STATION / SERVICE CONNECTIONS								
a	Full Service - Install Residential Grinder Pump Station, Complete, In-Place	EA	261	\$ 1,500.00	\$ 391,500.00	\$ 1,500.00	\$ 391,500.00	\$ 4,800.00	\$ 1,252,800.00
b	Partial Service - Install Residential Grinder Pump Station, Complete, In-Place	EA	6	\$ 1,300.00	\$ 7,800.00	\$ 1,200.00	\$ 7,200.00	\$ 6,500.00	\$ 39,000.00
c	Complete Residential Grinder Pump Package - Materials	Purchased by Owner							
d	Pressure Sewer Lateral Assembly	EA	279	\$ 150.00	\$ 41,850.00	\$ 500.00	\$ 139,500.00	\$ 1,200.00	\$ 334,800.00
e	Grinder Pump Floodplain Installation	EA	141	\$ 1,600.00	\$ 225,600.00	\$ 250.00	\$ 35,250.00	\$ 1,800.00	\$ 253,800.00
f	Extra Vertical Height Residential Grinder Enclosure	VF	10	\$ 150.00	\$ 1,500.00	\$ 100.00	\$ 1,000.00	\$ 300.00	\$ 3,000.00
g	Extra Vertical Height Residential Grinder Enclosure - Materials	Purchased by Owner							
h	Duplex Pump Station, Complete, In-Place	EA	8	\$ 7,400.00	\$ 59,200.00	\$ 25,000.00	\$ 200,000.00	\$ 16,300.00	\$ 130,400.00
i	Quadplex Pump Station, Complete, In-Place	EA	2	\$ 13,000.00	\$ 26,000.00	\$ 35,000.00	\$ 70,000.00	\$ 23,600.00	\$ 47,200.00
6	LIFT STATIONS								
a	Toler Lift Station, Complete, In-Service	LS	1	\$ 140,000.00	\$ 140,000.00	\$ 200,000.00	\$ 200,000.00	\$ 220,000.00	\$ 220,000.00
7	WWTP WATER SUPPLY								
a	4" DI Water Line, CL 350, PJ	LF	1420	\$ 30.00	\$ 42,600.00	\$ 30.00	\$ 42,600.00	\$ 32.00	\$ 45,440.00
b	2" Copper Service Line, Type "K"	LF	100	\$ 23.00	\$ 2,300.00	\$ 50.00	\$ 5,000.00	\$ 22.00	\$ 2,200.00
c	4" Blow-off Hydrant	EA	1	\$ 3,000.00	\$ 3,000.00	\$ 4,500.00	\$ 4,500.00	\$ 2,300.00	\$ 2,300.00
d	2" Water Meter Set with Backflow Prevention Device	EA	1	\$ 5,200.00	\$ 5,200.00	\$ 7,500.00	\$ 7,500.00	\$ 5,000.00	\$ 5,000.00
e	Connect to Existing	EA	1	\$ 2,500.00	\$ 2,500.00	\$ 4,500.00	\$ 4,500.00	\$ 2,000.00	\$ 2,000.00
f	4" Gate Valve	EA	2	\$ 800.00	\$ 1,600.00	\$ 2,000.00	\$ 4,000.00	\$ 1,000.00	\$ 2,000.00
Base Bid Total					\$ 2,575,075.00		\$ 3,180,715.00		\$ 4,920,630.00

The above is a true and complete tabulation of bids received at 2:00 pm (local time), on Monday, September 17, 2018, at the offices of Dan Stratton, Attorney Pike County, Kentucky 41501

Jonathan Newman, P.E.

Date:

11-2-18

Note: Math errors were found on bids submitted by B.P. Pipeline and Norris Bros. Excavating. The origin of the error in the bid submitted by B.P. Pipeline was not found, but resulted in a \$100,000 increase in the Base Bid Total. The error in the bid submitted by Norris Bros. Excavating appears to be in line 6, resulting in a multiplication error and results in an increase of \$130 to the Base Bid Total.



EXHIBIT C

STRATTON LAW FIRM, P.S.C.

POST OFFICE BOX 1530
PIKEVILLE, KENTUCKY 41502
TELEPHONE: (606) 437-7800
FACSIMILE: (606) 437-7569

DAVID C. STRATTON
david@strattonlaw.net

DANIEL P. STRATTON
dan@strattonlaw.net

P. B. STRATTON
(1874-1953)

HENRY D. STRATTON
(1925-1989)

October 30, 2018

Mr. Douglas Hoff
USDA, Rural Development
220 West First Street
Morehead, Kentucky 40351
Via email: douglas.hoff@ky.usda.gov

Ms. Julie Anderson
RD State Engineer - Kentucky
771 Corporate Drive, Suite 200
Lexington, Kentucky 40503
Via email: julie.anderson@ky.usda.gov

Re: Mountain Water District/Belfry Pond Creek Sewer Project

Dear Doug and Julie:

Pursuit to RUS Bulletin 1780-34, this letter is to advise that with the low bids on the above referenced project, came in over budget. Due to the circumstances concerning this project and the various bids, please be advised that I have advised the District that they may award the contract, as advertised, to the low bidders with a change order issued immediately after the award to reduce the cost within the budgetary limitations.

If you have any questions concerning the same, please advise.

Sincerely,
STRATTON LAW FIRM, P.S.C.



Daniel P. Stratton, Esq.
email: dan@strattonlaw.net

DPS/rgl

cc: Roy Sawyers
Kevin Howard
Jonathan Newman

Exhibit D-1

Bid Tabulation

**Belfry - Pond Creek Sewer Project, Contract 1 - Wastewater Treatment Plant
Reduced**

Items and quantities that have changed are indicated in green.

Item No.	Item Description	Unit	H2O Construction (low bidder)	Deduct	Revised Price
			Amount	Amount	Amount
1	Mobilization / Demobilization	LS	\$ 54,000.00	\$ -	\$ 54,000.00
2	Mass Earthwork to Subgrade	LS	\$ 415,000.00	\$ (137,000.00)	\$ 278,000.00
3	84-Inch Reinforced Concrete Entrance Pipe, No Headwalls	LS	\$ 200,000.00	\$ (155,555.40)	\$ 44,444.60
4	Reinforced Concrete MBR Basins (Note 1)	LS	\$ 949,000.00	\$ -	\$ 949,000.00
	Cast-in-Place OR Pre-Cast (Supplier: _____)				\$ -
5	Railing and Grating	LS	\$ 100,000.00	\$ (20,500.00)	\$ 79,500.00
6	MBR Equipment Building (917 SF)	LS	\$ 95,000.00	\$ (95,000.00)	\$ -
7	Plant Piping, Sluice / Weir Gates, and Valves (Note 3)	LS	\$ 204,160.00	\$ -	\$ 204,160.00
8	MBR Equipment, Blowers, and Influent Screen - Materials Only (Note 2)		\$ -	\$ -	\$ -
9	MBR Equipment Installation, Complete, In-Place, In-Service	LS	\$ 150,300.00	\$ -	\$ 150,300.00
10	Control Building (1573 SF) w/ Equipment Building	LS	\$ 235,950.00	\$ 20,000.00	\$ 255,950.00
11	Site Electrical Including Motor Control Center	LS	\$ 648,000.00	\$ -	\$ 648,000.00
12	600 KW Diesel Stationary Standby Generator	LS	\$ 120,000.00	\$ (120,000.00)	\$ -
13	Yard Piping, Valves, Manholes, and Appurtenances (Note 3)	LS	\$ 44,200.00	\$ -	\$ 44,200.00
14	Flowmeters	LS	\$ 19,000.00	\$ -	\$ 19,000.00
15	Sludge Pump Station	LS	\$ 80,000.00	\$ -	\$ 80,000.00
16	Sludge Dewatering Box and Polymer Equipment	LS	\$ 155,000.00	\$ -	\$ 155,000.00
17	UV Disinfection	LS	\$ 65,000.00	\$ -	\$ 65,000.00
18	Post Aeration Basin	LS	\$ 134,000.00	\$ (134,000.00)	\$ -
19	On-Site Pump Station	LS	\$ 30,000.00	\$ -	\$ 30,000.00
20	Asphalt Pavement	LS	\$ 96,000.00	\$ (66,000.00)	\$ 30,000.00
21	Concrete Sidewalks	LS	\$ 4,500.00	\$ (4,500.00)	\$ -
22	Chain Link Fence and Gate	LS	\$ 65,000.00	\$ (65,000.00)	\$ -
23	Seeding and Clean-up	LS	\$ 15,000.00	\$ -	\$ 15,000.00
24	All Other Work Shown, or Implied, Not Included in Afformentioned Items	LS	\$ 75,000.00	\$ -	\$ 75,000.00
25	ECOMM Construction Information Management Software (Allowance)	LS	\$ 3,600.00	\$ -	\$ 3,600.00
26	Power Line Relocation - Kentucky Power (Allowance)	LS	\$ 40,000.00	\$ -	\$ 40,000.00
Base Bid Total			\$ 3,997,710.00	\$ (777,555.40)	\$ 3,220,154.60

Unit Prices for ADD or DEDUCT			
Item Description	Unit		
Unclassified Earthwork	CY	\$ 50.00	\$ -
Class A Concrete	CY	\$ 200.00	\$ -
DGA	TON	\$ 35.00	\$ -
Class 2 Asphalt Surface, 0.50D PG 64-22	TON	\$ 130.00	\$ -
Class 2 Asphalt Base, 1.00D PG 64-22	TON	\$ 130.00	\$ -

Exhibit D-2

Bid Tabulation

Belfry - Pond Creek Sewer Project, Contract 2 - Wastewater Collection System

Reduced

Items and quantities that have changed are indicated in green.

Item No.	Item Description	Unit	Quantity	Revised Quantity	B.P. Pipeline (low bidder)		Revised	
					Unit Price	Amount	Unit Price	Amount
1	GENERAL							
a	Mobilization / Demobilization (Note 2)	LS	1	1	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
b	Seeding and Cleanup	LS	1	1	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
c	Special Pipe Bedding (Note 3)	TON	200	200	\$ 30.00	\$ 6,000.00	\$ 30.00	\$ 6,000.00
d	Removal of Existing Septic Tanks	EA	5	0	\$ 1,500.00	\$ 7,500.00	\$ 1,500.00	\$ -
e	Removal of Existing Package Plants	EA	2	0	\$ 10,000.00	\$ 20,000.00	\$ 10,000.00	\$ -
f	Pavement Replacement	LS	1	1	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
g	Flowable Fill (Note 3)	CY	100	100	\$ 150.00	\$ 15,000.00	\$ 150.00	\$ 15,000.00
h	ECOMM Construction Information Management Software (Lynn Imaging)	LS	1	1	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00
2	FORCE MAINS / SEWER CONNECTIONS							
a	10" HDPE SDR 11	LF	8190	8160	\$ 38.00	\$ 311,220.00	\$ 38.00	\$ 310,080.00
b	8" HDPE SDR 11	LF	8260	7250	\$ 30.00	\$ 247,800.00	\$ 30.00	\$ 217,500.00
c	6" HDPE SDR 11	LF	8120	8360	\$ 21.00	\$ 170,520.00	\$ 21.00	\$ 175,560.00
d	3" HDPE SDR 11	LF	3470	3430	\$ 20.00	\$ 69,400.00	\$ 20.00	\$ 68,600.00
e	2" HDPE SDR 11	LF	12700	9690	\$ 10.00	\$ 127,000.00	\$ 10.00	\$ 96,900.00
f	1.25" HDPE SDR 11 (Service)	LF	19110	13770	\$ 9.00	\$ 171,990.00	\$ 9.00	\$ 123,930.00
g	4" ASTM D3034 SDR 35 PVC (House Connection, Note 4)	LF	5380	3440	\$ 25.00	\$ 134,500.00	\$ 25.00	\$ 86,000.00
h	6" ASTM D3034 SDR 35 PVC (Quadplex Connection)	LF	200	200	\$ 25.00	\$ 5,000.00	\$ 25.00	\$ 5,000.00
i	Connect to Existing Forest Hills Lift Station	LS	1	1	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
3	FITTINGS AND VALVES							
a	10" Valve	EA	5	5	\$ 1,900.00	\$ 9,500.00	\$ 1,900.00	\$ 9,500.00
b	8" Valve	EA	6	5	\$ 1,600.00	\$ 9,600.00	\$ 1,600.00	\$ 8,000.00
c	6" Valve	EA	5	5	\$ 1,200.00	\$ 6,000.00	\$ 1,200.00	\$ 6,000.00
d	3" Valve	EA	6	5	\$ 900.00	\$ 5,400.00	\$ 900.00	\$ 4,500.00
e	2" Valve	EA	16	13	\$ 600.00	\$ 9,600.00	\$ 600.00	\$ 7,800.00
4	ENCASEMENT							
a	Bore and Encase 10" HDPE	LF	240	240	\$ 180.00	\$ 43,200.00	\$ 180.00	\$ 43,200.00
b	Bore and Encase 8" HDPE	LF	220	220	\$ 160.00	\$ 35,200.00	\$ 160.00	\$ 35,200.00
c	Bore and Encase 6" HDPE	LF	180	180	\$ 149.00	\$ 26,820.00	\$ 149.00	\$ 26,820.00
d	Bore and Encase 3" HDPE	LF	90	90	\$ 140.00	\$ 12,600.00	\$ 140.00	\$ 12,600.00
e	Open Cut and Encase 10" HDPE	LF	310	310	\$ 65.00	\$ 20,150.00	\$ 65.00	\$ 20,150.00
f	Open Cut and Encase 8" HDPE	LF	230	210	\$ 60.00	\$ 13,800.00	\$ 60.00	\$ 12,600.00
g	Open Cut and Encase 6" HDPE	LF	140	140	\$ 50.00	\$ 7,000.00	\$ 50.00	\$ 7,000.00
h	Open Cut and Encase 3" HDPE	LF	125	115	\$ 45.00	\$ 5,625.00	\$ 45.00	\$ 5,175.00
5	RESIDENTIAL GRINDER PUMP STATION / SERVICE CONNECTIONS							
a	Full Service - Install Residential Grinder Pump Station, Complete, In-Place	EA	261	167	\$ 1,500.00	\$ 391,500.00	\$ 1,500.00	\$ 250,500.00
b	Partial Service - Install Residential Grinder Pump Station, Complete, In-Place	EA	6	5	\$ 1,300.00	\$ 7,800.00	\$ 1,300.00	\$ 6,500.00
c	Complete Residential Grinder Pump Package - Materials	Purchased by Owner						
d	Pressure Sewer Lateral Assembly	EA	279	186	\$ 150.00	\$ 41,850.00	\$ 150.00	\$ 27,900.00
e	Grinder Pump Floodplain Installation	EA	141	81	\$ 1,600.00	\$ 225,600.00	\$ 1,600.00	\$ 129,600.00
f	Extra Vertical Height Residential Grinder Enclosure	VF	10	10	\$ 150.00	\$ 1,500.00	\$ 150.00	\$ 1,500.00
g	Extra Vertical Height Residential Grinder Enclosure - Materials	Purchased by Owner				\$ -		\$ -
h	Duplex Pump Station, Complete, In-Place	EA	8	6	\$ 7,400.00	\$ 59,200.00	\$ 7,400.00	\$ 44,400.00
i	Quadplex Pump Station, Complete, In-Place	EA	2	4	\$ 13,000.00	\$ 26,000.00	\$ 13,000.00	\$ 52,000.00
6	LIFT STATIONS							
a	Toler Lift Station, Complete, In-Service	LS	1	1	\$ 140,000.00	\$ 140,000.00	\$ 140,000.00	\$ 140,000.00
7	WWTP WATER SUPPLY							
a	4" DI Water Line, CL 350, PJ	LF	1420	0	\$ 30.00	\$ 42,600.00	\$ 30.00	\$ -
b	2" Copper Service Line, Type "K"	LF	100	0	\$ 23.00	\$ 2,300.00	\$ 23.00	\$ -
c	4" Blow-off Hydrant	EA	1	0	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ -
d	2" Water Meter Set with Backflow Prevention Device	EA	1	0	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ -
e	Connect to Existing	EA	1	0	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ -
f	4" Gate Valve	EA	2	0	\$ 800.00	\$ 1,600.00	\$ 800.00	\$ -
Base Bid Total						\$ 2,575,075.00		\$ 2,089,515.00

Exhibit E

**Belfry - Pond Creek Sewer Project
Project Budget with Adjustments**

Cost Classification	Profile Budget	As-Bid Budget	Reduced Budget	Deductions	Difference from Budget
Construction					
Contract 1 - WWTP	\$ 1,916,724.00	\$ 3,997,710.00	\$ 3,220,154.60	\$ 777,555.40	\$ (1,303,430.60)
Equipment - OVIVO	\$ 1,066,830.00	\$ 1,066,830.00	\$ 1,066,830.00	\$ -	\$ -
Contract 2 - Collection System	\$ 2,976,390.00	\$ 2,575,075.00	\$ 2,089,515.00	\$ 485,560.00	\$ 886,875.00
Equipment - E-One Residential Grinders	\$ 534,000.00	\$ 534,000.00	\$ 344,000.00	\$ 190,000.00	\$ 190,000.00
Subtotal	\$ 6,493,944.00	\$ 8,173,615.00	\$ 6,720,499.60	\$ 1,453,115.40	\$ (226,555.60)
Non-Construction					
Contingency @ 5%	\$ 495,942.00	\$ 495,942.00	\$ 269,386.40	\$ 226,555.60	\$ 226,555.60
Administration	\$ 63,000.00	\$ 63,000.00	\$ 63,000.00	\$ -	\$ -
Interim Interest	\$ 154,000.00	\$ 154,000.00	\$ 154,000.00		
Legal	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -
Land / ROW	\$ 322,000.00	\$ 322,000.00	\$ 322,000.00	\$ -	\$ -
Planning	\$ 152,930.00	\$ 152,930.00	\$ 152,930.00	\$ -	\$ -
Engineering	\$ 385,776.00	\$ 385,776.00	\$ 385,776.00	\$ -	\$ -
Inspection	\$ 230,573.00	\$ 230,573.00	\$ 230,573.00	\$ -	\$ -
Other	\$ 80,681.00	\$ 80,681.00	\$ 80,681.00	\$ -	\$ -
Subtotal	\$ 1,934,902.00	\$ 1,934,902.00	\$ 1,708,346.40	\$ 226,555.60	\$ 226,555.60
Totals	\$ 8,428,846.00	\$ 10,108,517.00	\$ 8,428,846.00	\$ 1,679,671.00	\$ 0.00

Funding Source	Amount
Coal Severance	\$ 3,158,846.00
ARC Grant	\$ 500,000.00
RD Grant	\$ 1,117,000.00
RD Loan	\$ 3,653,000.00
Total	\$ 8,428,846.00

EXHIBIT F

MOUNTAIN WATER DISTRICT
RESOLUTION NO. 18-10-006

A RESOLUTION REGARDING CONTRACT AWARD FOR:

BELFRY POND SEWER PROJECT
CONTRACTS 1 & 2
SX21195692
PIKE COUNTY, KENTUCKY

WHEREAS, Mountain Water District (MWD) opened sealed bids for the aforementioned project on September 17, 2018 and

WHEREAS, the Contract documents grant Mountain Water District the authority to reject any and all Bids, to let a contract in whole or in part, and to waive formalities

MOUNTAIN WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

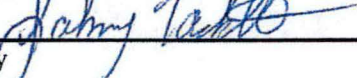
1. To award the construction Contract #1 to the low bidder H2O Construction Company Inc. in the amount of \$3,997,710 and to award Contract #2 to BP Pipeline LLC in the amount of \$2,575,075 contingent upon the following:
 - a. That the scope of Contracts #1 and #2 will be reduced by Change Order executed simultaneously with the Construction Contract. The scope changes will reduce the amounts of Contracts #1 and #2 to bring the contracts within budget which as of this date will be \$3,220,154.80 for Contract #1 and \$2,089,515 for Contract #2,
 - b. That the funding agencies concur in the award, and
 - c. That the Public Service Commission concur in the award (as evidenced by the issuance of a Certificate of Convenience & Necessity).

In the event the contingency conditions are not met, this award shall be void.

READ AND ADOPTED BY Mountain Water District assembled on the 31st day of October, 2018.


Mike Blackburn, Chair

ATTEST:


Secretary

Motion made by: Kevin Varney, Commissioner Seconded by: Eddie Hurley, Commissioner

Yea: Chairman Michael Blackburn Nay: _____
Commissioner Eddie Hurley _____
Commissioner Johnny Tackett _____
Commissioner Kelsey Friend, III _____
Commissioner Kevin Varney _____