

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUN 8 2016

PUBLIC SERVICE
COMMISSION

In the Matter of:

PETITION OF MOUNTAIN WATER DISTRICT)
FOR MODIFICATION OF ORDER OF)
CASE 2014-00324) CASE NO. **2016-00062**

RESPONSE TO PSC ORDER DATED APRIL 8, 2016

SUBMITTED BY:

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Attorneys for Mountain Water District

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Mountain Water District (MWD), by counsel, in response to the PSC Order dated April 8, 2016, regarding requests for proposals for contract management, submits the following:

Due to the shortened time frame established by the PSC's Order, the District did not have time for a separate Request for Proposal (RFP) to hire a consultant as it tried to do previously. In its initial effort to comply with the Commission's order of October 9, 2015, in Case No. 2014-00342, counsel for the District had recommended consulting with the Kentucky Rural Water Association for assistance with developing the process of transition to independent management. Gary Larimore, Executive Director of the Kentucky Rural Water Association, recommended two (2) consultants, one being Greg Heitzman of Louisville, Kentucky and the other, Bill Bunch of Winchester, Kentucky. Mr. Bunch subsequently withdrew his name and MWD retained Mr. Heitzman to consult with us on the transition process.

After the issuance of the order on April 8, 2016, Heitzman was asked to recommend a consultant, who would meet the qualifications of the PSC's Order. He recommended Ed Wetzel of Gallatin, Tennessee. Both Wetzel and Heitzman submitted a proposal for the Board's review to ensure that pricing was reasonable. Resumes and price proposals for both Heitzman and Wetzel are

attached as Exhibits 1 and 2, respectively.

After reviewing the proposals, MWD selected Wetzel as our consultant to conduct the RFP for contract management. Wetzel requested substantial information from the District that was provided by the District staff and counsel. The RFP was issued on or about April 30, 2016, a copy of which is attached as Exhibit 3. It was advertised the first two weeks of May in the following newspapers: Appalachian News Express, Lexington Herald Leader, Charleston Gazette, and the Knoxville Sentinel. A copy of the public notice and proof(s) of advertisement are attached hereto collectively as Exhibit 4.

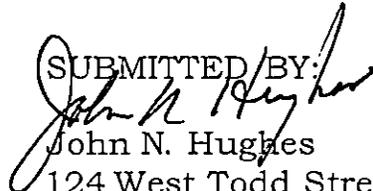
The District worked with Wetzel in setting up an online "drop box" to provide all the District's information to potential bidders. The District also conducted a pre-bid meeting and a tour of the system for bidders. The District also answered forty-two questions from various bidders. The questions and responses thereto are attached as Exhibit 5.

Two proposals were received on June 1, 2016. The first is from Utility Management Group (UMG), which is attached as Exhibit 6(a) and the price proposal being Exhibit 6(b). The second proposal from ESG Operations, Inc. (ESG) is attached as Exhibit 7(a) and the price proposal as Exhibit 7(b).

Prior to receiving the proposals, Wetzel expressed concerned about grading the proposals himself and asked if the District would form a committee to assist in the evaluation of the proposals. Upon their agreement, a committee of Ed Wetzel, Greg Heitzman and Gary Larimore evaluated the proposals. Larimore's resume is attached as Exhibit 8. The committee recommendation is attached as Exhibit 9.

A copy of the proposals and the committee's recommendation will be sent to the District's Board of Commissioners for its review. The next Board meeting for the District is scheduled for June 24, 2016 at 10:00 A.M., and the

committee's recommendation will be on the agenda for discussion. After review of the proposals and recommendation, the Board will consider the next step in the process. The final action of the Board will be submitted to the Commission.

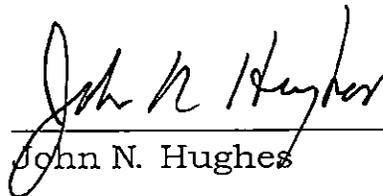
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Attorneys for Mountain Water District

CERTIFICATE:

I certify that a copy of this document was served on the Attorney General, 1024 Capital Center Dr., Frankfort, KY 40601 and filed with the Public Service Commission on the __8th__ day of June, 2016.



John N. Hughes



April 12, 2016

Mountain Water District
6332 Zebulon Highway
P.O. Box 3157
Pikeville, KY 41501

Attention: Roy Sawyers, District Administrator

Subject: Proposal for Procurement Support Services

Dear Mr. Sawyers:

Wetzel Consulting, LLC (WetCon) is pleased to submit the enclosed proposal for services related to the procurement of a company to provide managerial and operations services for the water and wastewater system owned by the Mountain Water District (MWD) in Pikeville, KY. We understand that the current operations contract with the Utility Management Group (UMG) terminates in December of 2016, and that MWD desires to investigate alternatives to the current arrangement with UMG. We further understand that the Kentucky Public Service Commission (PSC) issued an order, entered on October 9, 2015, requiring MWD to retain an independent consultant for the purpose of issuing a Request for Proposal (RFP) for managerial and operations services, analyze the responses, and document the results of the analysis. A petition filed by MWD to the PSC requesting relief from the RFP requirements of the order was subsequently denied, although the deadline for completion of the RFP-related requirements was extended an additional 60 days to June 8, 2016.

The services of an independent consultant as outlined in the PSC order can be divided into three distinct activities:

1. Prepare an RFP for managerial and operations services;
2. Review and analyze responses based on established criteria, such as experience, personnel and cost; and
3. Document the analysis from item #2 in a written report back to MWD.

Although the schedule for completion of these activities is very aggressive, WetCon and its' principal, Edward D. Wetzel, has the experience needed to complete this assignment as required by the PSC order. A complete resume for Dr. Wetzel is attached to this letter. Specific relevant experience dates back to the early 1980s when he represented the Easton (PA) Area Joint Sewer Authority on a number of issues, including the ultimate selection of a contract manager for their 10 mgd wastewater treatment facility and associated collection system. As the leader of the water business for R.W. Beck, a national management

850 Pickwick Court, Gallatin, TN 37066



consulting firm specializing in water/wastewater utility issues, Dr. Wetzel represented a number of municipal clients in preparation and evaluation of RFPs for contract operations, design-build-operate procurements, conversions from private to public ownership, concession agreements and system appraisal and asset sale. One such example was the transfer of the City of Indianapolis water and wastewater utility to Citizens Energy Group. In this case, Dr. Wetzel and his R.W. Beck team prepared a Request for Expressions of Interest, evaluated the submittals, interviewed eight short-listed firms, and ultimately prepared an appraisal for the system valued at \$2 billion for sale to Citizens. In the Commonwealth of Kentucky, R.W. Beck represented a number of municipal water systems, including the Frankfort Plant Board, Winchester, Georgetown, and the Louisville Water Company (LWC). In fact, Dr. Wetzel represented the LWC in testimony before the Kentucky PSC on a matter related to an alternative pipeline to the new treatment plant being proposed by the Kentucky American Water Company to serve north-central Kentucky. WetCon recently provided services to the Florida Governmental Utility Authority (FGUA), a multi-system authority serving 120,000 customers located in 15 counties throughout the State of Florida, to evaluate their existing operations contracts and suggest a path forward for future managerial and operations support.

The scope of services and schedule for task completion is presented below, assuming a Notice to Proceed with the assignment by Monday April 18, 2016.

Task 1- Develop RFP. Provide a draft RFP for review by MWD staff and counsel (4/22/16). Schedule assumes the RFP can be an update to the previous RFP issued in 2005. Review with MWD and incorporate comments and edits (4/28/16). Public issuance of the RFP on 4/29/16, allowing for a four-week response (5/27/16 due date) from potential respondents. RFP preparation includes time to review materials relevant to the procurement, including the PSC orders, State Audit of MWD policies, procedures, controls and financial activity (dated January 27, 2011), and most recent MWD Annual Report (2014).

Task 2- Review and Analyze Proposals. Review submittals and evaluate quality of proposals based on criteria established with MWD and outlined in the RFP (6/3/16). It is anticipated that the proposals will be page-limited (say 25 pages) to manage the level of effort required for review.

Task 3- Document Results. Prepare a short written report outlining the results of the analysis conducted as part of Task 2 above. Submit draft report to MWD (6/6/16), review with staff and counsel, and issue final report (6/8/16).

The estimated level of effort and cost for this engagement are outlined below. These costs assume all communication and review of documents can be accomplished by telephone. Therefore, this proposal assumes no travel expenses or labor hours for travel. The hours shown further assume that a limited number of proposals (three or fewer) will be received.

850 Pickwick Court, Gallatin, TN 37066



<u>Task</u>	<u>No. Hours (est.)</u>
1- Develop Draft and Final RFP	40
2- Review and Analyze Proposals	16
3- Draft and Final Report	<u>16</u>
	72

Labor cost estimate: 72 hours @ \$175/hour = \$12,600

Should additional services be required beyond the tasks outlined above, the work can be performed on a time and materials basis, with labor charged at \$ 175 per hour, and any travel or additional expenses charged at cost.

I look forward to working with MWD on this exciting assignment. Please do not hesitate to contact me with any questions or concerns regarding this letter proposal.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Edward D. Wetzel". The signature is fluid and somewhat stylized, with the first and last names being the most prominent.

Edward D. Wetzel, Ph.D., P.E.
Principal

850 Pickwick Court, Gallatin, TN 37066

Edward D. Wetzel
Wetzel Consulting, LLC
850 Pickwick Court
Gallatin, TN 37066



Utility and Management Consultants

SUMMARY

Dr. Wetzel has served in a variety of technical, project, marketing and management roles over his 35 years of service to water, wastewater and environmental clients. He has held management positions with engineering design firms ranging in size from 500 to 11,000 employees and annual revenues of \$50 million to \$11 billion. Dr. Wetzel has spent a significant portion of his career assisting clients with their capital improvement programs, with services extending from the initial master planning through full project implementation. An important element of this program support has been the validation of the utility's CIP, including project prioritization, cost estimating, creation of baseline cost-loaded P6 schedules and evaluation of optimum delivery methods for each project. Additional expertise includes utility valuation and transactions, rate and cost of service analyses, utility operations and management reviews, and strategic business planning for both utilities and engineering firms.

EDUCATION

PhD, Sanitary Engineering, Lehigh University, 1982
MS, Civil and Sanitary Engineering, Lehigh University, 1976
BS, Civil Engineering, Lafayette College, 1974

REGISTRATION

Professional Engineer in Tennessee, Florida, Pennsylvania, and South Carolina

EMPLOYMENT HISTORY

Wetzel Consulting, LLC

- | | |
|------------------|---------------------|
| Principal | 2012-Present |
|------------------|---------------------|
- Wetzel Consulting (WetCon) is a sole proprietorship providing management consulting services to the water utility and engineering consulting services marketplace. Assignments have included:
- Technology Strategic Plan for the Water Division of AECOM Technology Corporation (Ontario, CAN)
 - Strategic Business Plans for Loudoun Water (Loudoun County, VA), Greenhome & O'Mara (Laurel, MD) and the Management Consulting Business for MWH (Broomfield, CO)
 - Various program management marketing assignments for MWH (Broomfield, CO)
 - Quality Management lead for the Dothan, AL Wastewater Program as subcontractor to Barge Waggoner Sumner & Cannon (Nashville, TN)

- Contract Review and Benchmarking Analysis for the Florida Governmental Utility Authority (FGUA, Tallahassee, FL)
- Project Management workshop planning/facilitation for KTA Group, Inc. (Herndon, VA)
- Project Validation lead as part of the start-up phase for the \$1.4 billion San Jose/Santa Clara Regional Wastewater Treatment Plant CIP Program (Walnut Creek, CA) and the \$2.8 billion Pure Water Program (San Diego, CA) as subcontractor to MWH
- Start-up Phase lead for the \$500 million Palm Beach County Water Utilities Department CIP Program (West Palm Beach, FL) and the \$ 1.2 billion Willamette Water Supply Program (Beaverton, OR) as subcontractor to MWH

SAIC Energy, Environment & Infrastructure, LLC (formerly R.W. Beck) - Nashville, TN

Senior Consultant

2012

Providing senior consulting services to SAIC clients, primarily related to water utility management, operations, capital planning and program management. Independent engineering reports, due diligence investigations, CAPEX and OPEX review, system valuation, ownership alternatives, and utility governance are services provided for various utility transactions and consulting assignments.

Senior Vice President- Water and Waste Resources

2005- 2011

Responsible for leadership of the national Water and Waste Resources Division of the SEE&I subsidiary for the 41,000 person science and technology company. Markets served by this sector are water and wastewater utilities, solid waste and water resources clients. Services provided include a wide range of engineering-based management consulting activities, including system evaluation, organizational improvement, financial analyses, business planning, facility planning and design, independent engineering, procurement and program management. Specific responsibilities include sector profit and loss, marketing and sales, strategic planning, employee hiring and retention and project delivery.

MWH (formerly Montgomery Watson) – Broomfield, CO

1999- 2005

Manager- Global Wastewater Knowledge Center

Oversight of the company's wastewater practice worldwide. Coordinated knowledge-sharing, technical standards development, and sales support activities for the 1500-person, \$ 235 million wastewater business. Utilized the KNet intranet site to house and maintain the WWKC web site, containing marketing materials, technical standards, papers and presentations, staff contacts and project information. Conducted quarterly meetings of the practice leaders and engaged 50 selected associates to support the center's efforts.

Director of Development, Program Management Global Product Unit

Responsible for strategic planning and new program development for municipal, industrial and federal clients for \$250M global unit. Work with systems team to develop new products and tools to serve needs of existing programs and create competitive advantage. Recruitment and mentoring of Developmental Program Managers. Oversight of three Compass Teams for NYCDEP, AFCEE and the City of Houston. Startup of new programs in Atlanta, Baton Rouge, Everglades and Indianapolis, plus industrial outsourcing alliance with GE Water Technologies.

Chief Operating Officer, Municipal East Operations

Management of twenty local business units in eastern and central time zones. Profit and loss responsibility for \$140 M operation, reporting to Americas' President. Surpassed goals for revenue, pretax profit, ROI and backlog during tenure.

Director of Planning and Marketing, Municipal East Operations

Responsible for strategic planning and marketing for operation comprising 20 separate business units. Provided sales support and training, campaign management, resources and planning assistance. Grew annual new bookings from \$90 M to \$195 M over three year period.

Deputy Director of Future and Services, MW Americas

Conducted major campaigns for strategic pursuits across the Americas. Pursuits focused on strategic services in design-build and program management. Efforts resulted in winning the Augusta, GA WTP Design-Build project (\$60 M), Atlanta Sewer Overflow Abatement program (\$2 B), and the Everglades Comprehensive Environmental Restoration Program (\$7.8 B).

ARCADIS G&M (formerly Piedmont Olsen Hensley) – Greenville, SC

1993- 1999

Director of Infrastructure Services (AG&M)

Oversight of \$75 M infrastructure services business for U.S. operation of a 7,000-person global company. Responsible for strategic planning, marketing, sales support and staffing for water, wastewater, solid waste, transportation, telecommunications and plants and buildings markets. Served on numerous internal committees to enhance communication and cooperation across global operations.

Environmental Division Director (POH)

Responsible for strategic planning, marketing, sales and project delivery for water, wastewater and solid waste practice for a 500-person regional engineering firm in the southeastern US. Profitably grew environmental practice from \$6.5 M to \$25 M in revenue over a five-year period.

Montgomery Watson – Lake Worth, FL and Pasadena, CA

1985- 1993

Southeast Group Marketing Director

Responsible for all business development activity associated with the southeastern operations for MW, at that time covering 8 offices and \$ 50 M in revenue. Led strategic planning efforts and provided major campaign management/support for the business units. Large program/project victories included the Greater Houston Wastewater Program Management (\$ 1.2 B), Tulsa Water Treatment Plant design (\$ 100 M), Miami Dade Wastewater Program Management (\$ 1.0 B), and the Fulton County SSES (\$ 300 M), which resulted in the opening of the MW Atlanta regional office.

Palm Beach County Business Unit Manager

Business unit leadership for a startup regional office in south Florida. Grew from 7 people and \$750 K in revenue to 40 people and \$5 M in revenue in four years. Served as Principal-in-Charge for \$200 M Palm Beach County water system expansion program, including the acquisition and integration of three private systems on behalf of the County.

TECHNICAL EXPERIENCE

Municipal

Dr. Wetzel has managed a variety of projects for municipal clients. Projects include water treatment process studies, water quality investigations, privatization studies, utility acquisitions, rate and connection fee studies, bond reports, resource recovery facility feasibility study, manhole rehabilitation, sewer system modeling, wastewater reuse and wastewater treatment plant design and performance evaluation. He is contributing author to the Water Environment Federation's Manual of Practice No. 8, *Design of Municipal Wastewater Treatment Plants*.

Dr. Wetzel has represented various governments in due diligence investigations, negotiations, expert testimony and bond reports for the purchase of private and sale of government-owned utilities. Acquisitions have been both by negotiated agreement and condemnation, with settlements ranging from \$3 million to over \$2 billion.

Dr. Wetzel has served as Project Manager, client sponsor or led Quality Assurance teams for numerous water and wastewater planning and design projects, including:

- Brunswick County Water and Sewer Authority—\$35 million sewage collection and treatment program
- Elizabeth City, NC—\$25 million water and sewer improvements
- Gwinnett County, GA—\$200 million F. Wayne Hill advanced water reclamation facility design
- City of Chattanooga, TN—\$30 million Moccasin Bend wastewater treatment plant wet weather expansion to 260 MGD
- Palm Beach County, FL—improvements at six water treatment facilities, including a new 28 MGD membrane softening plant and the addition of ozone disinfection at a 16 MGD lime softening plant
- Fulton County, GA—Comprehensive sewer system evaluation survey and rehabilitation program.
- Louisville Water Company- Evaluation of a pipeline alternative to a proposed \$160 million treatment plant and transmission main project to serve central Kentucky.

Water and wastewater master plans have been prepared for Elizabeth City, NC; Palm Beach County, FL; Royal Palm Beach, FL; Town of Palm Beach, FL; Port St. Lucie, FL: Seacoast Utility Authority; Charlotte County, FL; South Brunswick Water and Sewer Authority; Spartanburg County, SC; Chattanooga, TN; and Lafayette Utilities Services, LA.

Program Management experience includes the startup and oversight of several large environmental programs. Activities included project scoping, budgeting, staffing, training, scheduling and quarterly review meetings with senior project staff. Representative programs include:

- South Florida Water Management District, \$7.8 B Comprehensive Everglades Restoration Program
- City of Atlanta, \$ 3.9 B Clean Water Atlanta Program
- New York City Dept. of Environmental Protection, \$1.4 B Advanced Wastewater Treatment Program
- City of Houston, \$1.2 B Greater Houston Wastewater Program
- City of Baton Rouge, \$ 600 M Combined Sewer Overflow Abatement Program
- King County (WA), \$1.5 B Brightwater Wastewater Expansion Program
- City of Wichita (KS), \$300 M Integrated Local Water Supply Program

- Tarrant Regional Water District (TX), \$2 B Water Supply Pipeline Program
- San Jose/Santa Clara (CA), Regional Wastewater Facility \$1.4 B CIP Program
- Palm Beach County Water Utilities Department (FL), \$500 M CIP Program
- City of San Diego (CA), \$2.8 B Pure Water Program
- Tualitan Valley Water District (OR), \$ 1.2 B Willamette Water Supply Program

AFFILIATIONS

American Society of Civil Engineers

American Water Works Association

KY/TN Water Environment Association

- Chair, Management Committee

Water Environment Federation

- Member, Task Committee on Aerated, Fixed-Film, Biological Treatment (Design Manual in Progress)
- Author, *Wastewater Treatment Plant Design*, MOP8

Water Design Build Council

- Outside member, WDBC Board of Directors

PUBLICATIONS, REPORTS AND PRESENTATIONS

Wetzel, E.D., and R.L. Johnson, 1983, "Net Energy Production in Wastewater Treatment," *Proceedings of the 1983 ASCE Environmental Engineering Division Specialty Conference*, ASCE, 577.

Contributing author to *Fluid Mechanics: Exam File*, S. Klemetson, ed., Engineering Press, 1985.

Wetzel, E.D., A.T. Wallace, L.D. Benefield, and W.G. Characklis, 1986, "Inert Media Biomass Support Structures in Aerated Suspended Growth Systems: An Innovative/Alternative Technology Assessment," *U.S. Environmental Protection Agency, Water Engineering Research Laboratory, Vol. I and II*.

Wetzel, E.D., W.L. Fisher, and J.P. Creedon, 1986, "Pilot-Scale Evaluation of A/O vs. Conventional Activated Sludge for High-Strength Industrial Wastewater," *Proceedings for the Industrial Wastes Symposium*. 59th Annual WPCF Convention, Los Angeles, California.

Wetzel, E.D. and S.B. Murphy, 1987, "Guidance Manual for Preventing Interference at POTWs," *U.S. Environmental Protection Agency, Permits Division, Office of Water Enforcement and Permits*.

Nicol, J., Benefield, L.D., Wetzel, E.D., and Heidman, J.A., 1987, "Activated Sludge Systems with Biomass Particle Support Structures," *Biotechnology and Bioengineering*.

Wetzel, E.D., P.J. Gleason, and E. Weisman, 1989, "Feasibility of a Western Palm Beach County Solid Waste Facility," *Proceedings: 1989 South Florida Section ASCE Annual Meeting*.

Contributing author to *Design of Municipal Wastewater Treatment Plants*. Vols. I and II, Water Environment Federation (MOP8), 1992, 1998.

- Wetzel, E.D., Osterman, H.C. and Elia, A.L., 1994, "The Value of Regional Authorities in Managing Environmental Facilities," *Proceedings: Management of Environmental Problems for Public Officials*.
- Wetzel, E.D., 1996, "Introduction to Contract Operations and Privatization," *Proceedings: 1996 Advanced Topics in Wastewater Treatment*, Greensboro, North Carolina.
- Wetzel, E.D., 1996, "Privatization - The Value of Water and Wastewater Utility Systems," Presentation to the 1996 South Carolina Environmental Conference, Myrtle Beach, South Carolina.
- Wetzel, E.D. and Chapin, R., 2005, "The Utility Workforce: Changes, Challenges and Opportunities", Presentation to the Texas Association of Clean Water Agencies, Irving, Texas
- Wetzel, E.D., 2006, "Alternative Methods of Capital Project Delivery for Water and Wastewater Utilities: Are Owners Happy with the Results?", Presentation to the 2006 KY/TN Water Professionals Conference, Chattanooga, Tennessee
- Wetzel, E.D., 2009, "Financial Comparison of Public and Private Alternatives for Central Kentucky Future Water Supply Needs", Presentation to the 2009 KY/TN Water Professionals Conference, Lexington, Kentucky
- Wetzel, E.D. and Sherman, D.S., 2010, "Monetizing Utility Assets to Fund Infrastructure Needs- the Indianapolis Story", Presentation to the National Association of Clean Water Agencies (NACWA) 2010 Winter Conference, Austin, Texas
- Wetzel, E.D. and Kljajic, R.R., 2010, "Viability of Long-Term Concessions for Water and Wastewater Utilities", *Proceedings: The Utility Management Conference*, San Francisco, California
- Wetzel, E.D., 2010, "Selling Your Utility Assets- A Good Idea or an Act of Desperation", Presentation to the 2010 KY/TN Water Professionals Conference, Nashville, TN
- Wetzel, E.D. and Sherman, D.S., 2011, "Indianapolis Completes a \$2 Billion Municipal Water/Wastewater Utility Sale", *Proceedings: The Utility Management Conference*, Denver, CO
- Wetzel, E.D., 2012, "Joint Utility Management Improves Efficiency and Saves Money", Presentation to the 2012 KY/TN Water Professionals Conference, Memphis, TN
- Wetzel, E.D., 2013, "Water/Sewer Governance Models", part of panel discussion entitled "Challenges and Solutions for Managing a Combined Utility", AWWA Annual Conference and Exposition, June, 2013, Denver, CO
- Wetzel, E.D., 2014, "Benchmarking- A Valuable Tool for Evaluating Utility Performance", Presentation to the 2014 KY/TN Water Professionals Conference, Chattanooga, TN
- Wetzel, E.D. and Larsen, M.G., 2016, "Large Capital Programs Benefit from Program Management Start-up Phase", *Proceedings: The Utility Management Conference*, San Diego, CA



Biography

Greg C. Heitzman, PE, MBA
President
BlueWater Kentucky
Louisville, KY

2016

Greg Heitzman is President of BlueWater Kentucky, a management consulting firm serving the water and wastewater industry. From 2011 to 2015, he served as Executive Director/CEO of the Louisville Metropolitan Sewer District (MSD). Prior to MSD, he worked 31 years with the Louisville Water Company serving as Chief Engineer from 1991 to 2007 and President/CEO from 2007 to 2013.

In his executive roles for Louisville MSD and Louisville Water, Greg provided leadership for Mayor Fischer's One Water Partnership to consolidate water services and administrative functions of Louisville MSD and Louisville Water. Greg also led strategic initiatives to expand water and wastewater services in the region, develop high performance teams, establish model programs for corporate controls (policy, procedures and work instructions), and develop new lines of business and technology to enhance revenue and reduce costs.

Greg obtained his Bachelor and Master's degrees in Civil Engineering from the University of Kentucky and an MBA from the University of Louisville. He is a licensed Professional Engineer in Kentucky and recipient of AWWA George Warren Fuller Award. He is an active member in both AWWA and the Water Environment Federation/Association. He currently serves on the following industry and community boards: Water Research Foundation; Water Information Sharing and Analysis Center (Water ISAC); Louisville Water Foundation; Better Business Bureau; and Tree Louisville Commission.

He and his wife, Linda, reside in Louisville. Their daughter, Claire, is married and teaches high school in Lexington, KY.



BlueWater
Kentucky

625 Myrtle Street
Louisville, Kentucky
502-533-5073



BlueWater Kentucky provides a management consulting services directly to clients and also serves in a sub consulting role to major engineering and management consulting firms. BlueWater can also serve in a peer review or audit role to evaluate the plans and performance of utility and government operations.

Leadership

- **Leadership Development and Executive Coaching** – Development of utility specific leadership programs to achieve the utility mission and deployment of strategies. Tools and services include Succession Planning (SP), Talent Resource Planning (TRP), Individual Development Plans (IDP), managing generational differences, executive coaching, mentoring, community engagement strategies, speakers bureaus, utility ambassadors, community education programs, and continuing education.
- **Governance, Policy Development and Audit Controls** – Utility governance, policy development and audit controls are critical for organizational success and sustainable performance. Developing best practices in utility governance, audit controls, policy and procedures, ethics, transparency and records management to assure the highest level of performance and accountability.
- **Community Engagement Strategies** – Successful utilities are engaged with their customers and constituent groups and stakeholders. Identification of key constituents is critical. Open, transparent communication is critical. Tools include: relationship mapping, audience response technology, surveys, facilitated sessions, focus groups and social and earned media deployment.

Strategy

- **Strategic Planning and Strategy Development** – Development of strategic plans for small, medium and large utilities and not-for-profit organizations, including: vision, mission, values, stakeholder identification, SWOT analysis, strategic objectives and measures. Strategic plans are linked to operating plans and to employee performance plans. Employee performance programs including competency development, goal setting and development plans. Stakeholder engagement models connect internal and external constituencies to the mission and vision of the organization.
- **Strategic Communications and Brand Development** – Internal and external communications are critical for organizational success. Relationship charts and effective communication methods enhance service and performance levels. Development of organizational effectiveness and customer satisfaction surveys (internal and external) including performance metrics to identify key priority areas for improvement. Stakeholder engagement, including facilitation services and techniques to gain consensus with competing interests and agendas. Planning strategies and tools for social and earned media, newsletters, press releases, health advisories, advertising, branding, and media management.

Management

- **Performance Metrics and Benchmarking** – High performing utilities continually observe, evaluate, measure, compare, communicate, reward and improve. Services include development and deployment of quality tools to improve corporate performance, operational performance and employee performance, including: QualServe, Effective Utility Management (EUM), Statistical Process Control, benchmarking, team building, action plans, employee engagement and empowerment, communications and employee recognition, rewards and gain share programs.
- **Infrastructure Management** – Aging infrastructure and regulatory compliance with the Safe Drinking Water Act and Clean Water Act are major challenges for water and wastewater utilities. Many of our large cities have infrastructure well over 150 years of age. Replacement and rehabilitation strategies include inventory assessment, condition assessment, performance assessment, service level assessment, life cycle analysis, financial planning, design, and construction management.
- **Revenue Enhancement** – Utilities are facing increased pressure to control rate increases. Aging infrastructure and regulations have driven rate increases of 2-5X the rate of inflation. Progressive utilities have evaluated their current revenue sources and billing practices to make sure revenue is maximized. Billing systems become outdated, meters age and under measure, customer classifications change, policies change, and billing system coding contains errors. A comprehensive review of metering and billing practices can generate an additional 2 to 10 percent increase in annual revenue.
- **New Lines of Business** – Traditionally, water and wastewater utilities are conservative and their core business provides 98% of revenue. Utilities are examining their core competencies and expanding into water related businesses to increase revenue and reduce costs. Opportunities include new revenue from contract operations (public and private); leasing property and assets; providing service line warranty programs for customers; providing billing and other water related services (laboratory, cross connection, fire service). These services generate new revenue that reduces the need to increase rates.
- **Water Technology Development** – Water technology is rapidly developing to meet industry demand. The traditional model involves large investments by manufacturers to develop, test, deploy and market new technology, processes and products. New models are emerging where utilities provide input to technology development and in some cases develop their own technology. Emerging models include the ISLE Technology Approval Group and WERF's LIFT program. Both aim to reduce the cycle time for deployment of new technology by the private sector. Utilities provide test beds for development and testing of new technology before full scale deployment. Opportunities in the water sector include green infrastructure for storm water management, water and sewer rehabilitation, water testing and analysis.

Greg C. Heitzman, P.E., MBA
BlueWater Kentucky
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Daniel P. Stratton

From: Gregory Heitzman <Gheizman@bluewaterky.com>
Sent: Monday, April 11, 2016 7:10 PM
To: Daniel P. Stratton
Cc: rsawyers@mtwater.org; dsmullins@strattonlaw.net
Subject: Re: PSC ORDER

Dan, I have read the October PSC Order. I recommend you send this Order and the April 8, 2016 Order to Ed Wetzel.

The RFP scope will be identified on page 33-34 of the October 2015 Order, and summarized in Section 8 and 9 on page 36 of the October Order.

Here is my estimate of time for the RFP development and the analysis (I have not discussed the time or students with Ed, so he can give you an independent estimate. HE did tell me his standard consulting rate is \$175):

1. Review PSC orders, existing UMC Contract, related docs - 10 hours
2. Develop and Issue RFP (using previous RFP as template) - 15 hours
3. Develop Evaluation Criteria with MWD - 3 hours
4. Evaluate RFP submittals - 4 hrs each (assume 3 proposals) - 12 hours
5. Prepare Summary Report of the Proposals for PSC - 20 hours

Note:

6. Developing cost estimate for MWD internal management/operation alternative is not included (this could be time consuming, since no data exists, and would require extensive evaluation)
7. PSC Testimony (if needed) not included.

Estimate 60 hours @ \$175 = \$10,500 (note I would charge \$175, the same as Ed for these services)

Travel 2 trips - \$750 (mileage, hotel, meals)

Total Estimate = \$11,250

My recommendation to you and the MWD Board, is to use me for the Transition Services and retain Ed for the RFP development and the report. This would provide the Board an independent view of the options. The schedule is so tight, and trying to keep both the Transition Plan and the RFP on a 60 day schedule will be very difficult. Working in parallel, will allow Ed to meet the RFP schedule set out by the PSC, while I work on the transition plan and actions. If needed, my contract can be amended to assist Ed in expediting the RFP process (I can help him review the RFP, evaluation criteria, etc). This might be additional 5-10 hours for me, and I would price this review at the \$150 per hour rate of my Phase I proposal. This is optional for MWD to consider.

Greg C. Heitzman, PE, MBA
BlueWater Kentucky
502-533-5073 mobile

On Apr 11, 2016, at 4:00 PM, Donna S. Mullins <dsmullins@strattonlaw.net> wrote:

Pursuant to your request, please find attached PSC Order in 2014-00342. If you have any problems opening and/or viewing the same, please advise.

**Mountain Water District
Request for Proposals
Operation, Maintenance & Management**

**REQUEST FOR
STATEMENTS OF QUALIFICATIONS AND PRICE PROPOSALS
FOR THE
OPERATION, MAINTENANCE, AND MANAGEMENT
OF ALL FACILITIES**

**OWNED BY THE
MOUNTAIN WATER DISTRICT
PIKE COUNTY, KENTUCKY**

APRIL, 2016

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MOUNTAIN WATER DISTRICT
REQUEST FOR PROPOSALS
APRIL 2016**

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1. BACKGROUND AND GENERAL INFORMATION

The Mountain Water District (District), located in the mountainous region of eastern Kentucky, was established in 1986 through the merger of four separate water districts serving different section of Pike County, KY, including:

- Marrowbone Water District
- Shelby Valley Water District
- Pond Creek Water District
- Johns Creek Water District

The District serves all of the unincorporated areas of Pike County, consisting of 789 square miles with a water service population of approximately 63,000 people (7,000 for sewer). A copy of the water service area map is attached (Attachment A).

1.1 Description of the Water System

The District owns and operates a 3.0 million gallon per day (MGD) water treatment plant located at Harless Creek in Regina, KY with a raw water supply from the nearby Russell Fork of the Big Sandy River. The Harless Creek WTP on average produces between 2.5 and 2.7 MGD. In addition, 1.9 to 2.2 MGD are purchased from the City of Pikeville, KY and the City of Williamson, WV. The District distribution system is a large, complex rural water system including the following infrastructure elements:

- 1,000 miles of water main;
- 190 miles of service lines;
- 17,000 metered connections;
- 26 master meters;
- 42 main-line pressure regulating stations;
- 108 water storage tanks, ranging in size from 5,000 to 1 million gallons, with a total capacity of over 8.6 million gallons; and
- 138 booster pumping stations, ranging in size from 10 to 700 gallons per minute (GPM), with a total pumping capacity of over 13,000 GPM

1.2 Description of the Wastewater System

The District owns and operates ten (10) wastewater treatment plants. The largest is a 250,000 gallon per day (GPD) Sequencing Batch Reactor (SBR) facility located in Freeburn, KY. The second is a 200,000 GPD extended aeration plant located at Douglas Industrial Park in Douglas, KY. There are eight (8) other extended aeration treatment plants ranging in size from 2,800 to 15,000 GPD. Other elements of the wastewater system include:

- 2,400 service connections;
- 51 miles of force main;
- 8 miles of gravity sewer lines;
- 18 miles of service lines;

- 76 manholes;
- 20 lift stations;
- 55 septic systems; and
- 9 aerator systems in the Big Creek community.

1.3 District Management

The District is a quasi-governmental agency that is administered by a five-member Board of Commissioners. Commissioners are appointed by the Pike County Judge Executive with approval of the Pike County Fiscal Court. Commissioners serve a four-year term of office. The Commissioners are responsible for developing and insuring implementation of District goals, objectives, policies and procedures in order to provide excellent customer service at a reasonable cost. A list of current commissioners as well as time and location of regularly scheduled meetings is available at the District's offices and on the website at mountainwaterdistrictky.com.

The District employs two full-time staff members. The District Administrator is responsible for managing the activities of the District, including scheduling Board of Commissioner meetings, the current operations contract, the capital improvement program, engineering contracts, construction bids and contracts, and all other matters that might come before the District. The Financial Administrator reports to the District Administrator, and is responsible for managing the system of accounts and financial matters, including interfacing with the District auditors and the Kentucky Public Service Commission (PSC) on customer rates and charges.

1.4 System Operations and Maintenance

The District currently contracts with the Utility Management Group, LLC (UMG), headquartered in Pikeville, KY, to operate and maintain the water and wastewater systems. UMG employs the staff necessary to perform all aspects of the daily operations (office and field) and repair and maintenance of the District assets as prescribed by their contract agreement. UMG was recently issued a notice of termination, effective July 18, 2016, after holding the service contract with the District since 2005.

1.5 Regulatory Oversight and Compliance

Water and wastewater utilities in Kentucky are regulated by the Kentucky Department for Environmental Protection, Division of Water. Specific regulations generally mimic United States federal requirements, are established by the state legislature, and detailed in the Kentucky Administrative Regulations (KAR). Drinking water systems must adhere to the requirements in 401 KAR Chapter 8, and wastewater discharges are regulated through the Kentucky Pollution Discharge Elimination System (KPDES) as detailed in 401 KAR Chapter 5. Specifics concerning these regulations can be obtained through the Division of Water website at water@ky.gov.

The District's operations are primarily funded by the customers of the system from user fees. The rates for these fees and charges are set by the District, but must be approved by the

Kentucky Public Service Commission (PSC). The current schedule of rates and charges contained within the most recent rate tariff can be found on the District website.

The District complies with all local, state and federal laws; does not discriminate with regard to race, color, sex, or nationality in its employment practices or in the provision of services; and maintains compliance requirements of the Division of Water and other regulatory agencies.

1.6 Financial Reporting

The District contracts for an annual audit by a certified public accountant. The annual audit is on record at the District's office and at the Pike County Courthouse for public inspection. A copy of the most recent (2014) audit, dated September 23, 2015, is available to prospective proposers in the electronic data room established for this RFP. The District complies with submittal of the audit and other reports to all required governmental agencies. All fidelity bonds are current.

2. PURPOSE OF REQUEST

The Board of Commissioners of the Mountain Water District requests statements of qualifications and price proposals (RFP) from capable governmental entities, non-profit corporations, or private companies, (hereinafter Contractor) interested in providing operations, maintenance, and management services to the District by means of a contractual agreement.

The District defines operations, maintenance and management services to mean, at a minimum, providing all labor and management for raw water facilities, water treatment facilities, storage and distribution facilities and related field services as well as customer billing and accounting, paying all O & M expenses, guaranteeing a maximum cost for routine operations, and guaranteeing regulatory agency compliance.

The Board of Commissioners of the District has a statutory responsibility to assure the delivery of safe drinking water at the lowest reasonable cost to the system's customers. Additionally, they are committed to making eastern Kentucky a cleaner place to live by providing public sewer collection and wastewater treatment to rugged mountainous areas that cannot accommodate on site treatment. After careful review of the District's financial obligations and current operating climate, the Board has determined that it may be in the best interest of its customers to consider an alternate management approach than that presently in place. In addition, pursuant to PSC Order No. 2014-00342, the District is required to retain the services of an independent consultant to develop an RFP, evaluate submittals and make a recommendation to the District Board. The District has subsequently retained Wetzel Consulting, LLC to provide the services as required by the Order.

The Board is seeking a qualified, capable entity to provide full, on-site contract management services to include operation and maintenance of all its facilities (treatment, distribution systems and collection systems) as well as all associated fiscal and customer services. The Board reserves to itself financial control of the system, bearing responsibility for system debt obligations and at once having sole authority to disburse any and all revenues generated by the system, pursuant to its rules, regulations, procedures and tariffs, as approved by the Kentucky PSC.

The Board takes this action in order to save the District money, operate in compliance with public health, environmental and business management regulations, improve service to its customers, comply with PSC Order No. 2014-00342, and to assure good stewardship in protecting the public investment in the District's facilities.

The District's Board of Commissioners welcomes the interest of qualified contractors. You are encouraged to read carefully each section of this Request, and follow the directives regarding preparing your response.

2.1 Required Minimum Standards for Contractors

The District has established certain minimum standards of experience and financial capability in order for a Contractor to be considered qualified for purposes of this RFP. Only those statements of qualification and accompanying price proposal from firms determined to be qualified will be fully reviewed and scored, as set out in Section 3 below.

- a. Contractor must have experience in providing contract operations, maintenance and management of water and wastewater facilities of similar size and complexity as the District's system.
- b. Contractor's key personnel must have experience in operating at least one (1) water treatment and distribution system and/or wastewater collection and treatment system similar in size and complexity to the District's system.
- c. Contractor must be a viable business or governmental entity in the practice of providing the services required for a minimum of five years, as evidenced by suitable financial records to be submitted as part of their proposal.
- d. Contractor must be capable of furnishing liability and property damage insurance of not less than \$2,000,000 combined single limits for bodily and/or property damage.
- e. Contractor must demonstrate the ability to provide a performance bond equal to the one year's estimated price of service to be provided.

2.2 Service Contract

The District intends to execute a management, operations and maintenance contract for a period of five (5) years, with an option-out clause to be executed by either party after the initial three (3) years of operation. A draft service contract is provided as Attachment B for review by prospective proposers. A form is included as Attachment C for prospective proposers to either accept all provisions in the draft service contract, or indicate which sections are not acceptable to the Contractor and how those sections should be modified.

3. SELECTION PROCESS AND SCHEDULE

Selection of a Contractor to perform these professional services will be based upon an evaluation of the verified qualifications and proven technical capabilities, historical performance record verified by assessment of existing or former rural client communities of the Contractor, and demonstrated financial strength. Consideration will also be given for the Contractor's degree of understanding of the District's needs, made evident by suggestions for transition, improvements and cost saving innovations. The District will appoint a Review Panel consisting of one or members who will conduct the review process in accordance with the following schedule:

<u>Item</u>	<u>Completion Date</u>
1. Advertise and issue RFP	April 29, 2016
2. Pre-proposal conference and inspection tour	May 11, 2016
3. Deadline for submission of questions	May 18, 2016
4. Responses to questions	May 25, 2016
5. Receive Statements of Qualifications and Price Proposals	June 1, 2016
6. Complete review of submittals/recommendation to Board	June 8, 2016
7. Board approves selection/ contractor notification	June 15, 2016
8. Negotiate and execute contract	July 15, 2016
9. Initiate contract operations	January 1, 2017

The responsibility for the final selection and notification of a Contractor and for initiation of any contract negotiations rests solely with the District's Board of Commissioners. Upon successfully completing negotiations with the selected Contractor, all respondents will be notified by mail of same.

3.1 Pre-Proposal Conference and Inspection Tour

A pre-proposal conference and inspection tour will be held on May 11, 2016 at the District's office at 6332 Zebulon Highway, Pikeville, KY 41501 starting at 9 am EDT. The purpose of the

conference is to answer questions regarding the system as well as the Board's Request for Qualifications and Price Proposals (RFP). All contractors interested in submitting a response should contact Wetzel Consulting at ewetzel@wet-con.com not later than May 9, 2016 to indicate your interest in attending the conference and how many people will attend representing your organization.

At the time of the tour, each firm will have an opportunity to schedule a maximum of two consecutive eight hour days for an independent evaluation of the facilities in order to familiarize themselves with the current operation and maintenance practices.

3.2 Electronic Data Room

A site has been established to provide prospective proposers with information concerning the performance of the facilities and assets owned by the District. Information located in the data room includes:

- Facility permits
- System maps
- List of assets, including vehicles, owned by the District
- Spare parts inventory
- Water, power and chemical bills for last year
- Software owned by the District
- Monthly Operating Reports (MORs)
- Water Quality Compliance Reports
- 2014 District Audit (dated September 23, 2015)
- Current staffing plan
- Most recent PSC Rate Case Order (Case No. 2014-00342, entered October 9, 2015)
- Kentucky Audit of District Management (dated January 27, 2011)

Access to the data room site (user name and password) will be provided at the pre-proposal conference.

3.3 Questions

All questions related to this RFP must be submitted via email to ewetzel@wet-con.com by 4 pm EDT on May 18, 2016. Questions will be compiled and responses issued to all potential proposers via email on or before May 25, 2016. **Contacting District personnel or Board members by telephone (including text messaging), email, social media or in-person will result in disqualification of the respondent from the proposal process.**

3.4 Evaluation of Proposals

The District's Review Panel will review and evaluate all responses to this RFP based on the weighted criteria set out below, and according to which each response will be scored.

Firm and Key Personnel Experience

25 points

Demonstrated qualifications and experience of the respondent in providing similar water and wastewater management, operations and maintenance services will be evaluated under this criterion.

Professional References

10 points

Each respondent will be asked to provide three references for contract water and wastewater services from similar agencies or governments. These references will be contacted by the Review Panel and the results scored accordingly.

Financial Capability

5 points

Each respondent is asked to submit financial records, including income statement and balance sheets, to demonstrate their financial strength and ability to maintain their business through the life of the contract period. The financial records provided will be reviewed and scored.

Operations Plan

35 points

The respondents' approach to system management, operations and maintenance will be evaluated and scored. Innovative ideas and cost saving measures are encouraged while ensuring compliance with all regulatory requirements throughout the life of the contract.

Price Competitiveness

25 points

The cost to provide the requested services, as detailed in the Draft Service Contract, will be provided by each respondent for the three years of the initial contract period. The lowest priced proposal will receive the maximum points, with the higher bids scored proportionately lower.

3.5 Ranking of Submittals

The score sheets from the Review Panel will be consolidated and summarized. The proposals will be ranked and the highest ranked respondent recommended for selection. The ranked list and recommendation will be presented to the District Board for approval and authorization to negotiate a contract for services.

3.6 Contract Negotiation and Authorization to Proceed

Contract negotiations will proceed with the recommended respondent leading to a five year

agreement for management, operations and maintenance services for the District. The negotiated contract will be approved by the Board at a regularly scheduled Board meeting, with authorization to initiate the services on or about January 1, 2017. Current employees of UMG will be retained by the District, who will operate the system on an interim basis after termination of the UMG agreement on July 18, 2016. The contractor is expected to retain the existing employees, subject to customary background checks and drug testing per policy, at their current salary for a period of at least six months (except for dismissals for cause).

Should the District and the recommended contractor not be able to successfully negotiate an agreement, the District will terminate negotiations with that respondent, and begin negotiations with the number two ranked firm. If those negotiations are also unsuccessful, the District will continue to proceed down the ranked list until a successful contract can be negotiated with a qualified respondent.

4. STATEMENT OF QUALIFICATIONS

Each respondent will submit two documents in response to this RFP. The first is a Statement of Qualifications (SOQ), which describes the firm's business entity, experience with similar assignments, lists client references, and outlines your proposed approach to managing the District system. The second document is a price proposal, which details your proposed costs for the initial three years of the contract.

The two documents will be submitted both in electronic format (pdf), as well as one (1) bound printed copy. The electronic versions must be transmitted via email to ewetzel@wet-con.com before 2 pm EDT on June 1, 2016. Hard copy must be enclosed in a sealed envelope labeled "Mountain Water District Statement of Qualifications and Price Proposals", including the proposer's name and address on the envelope, and delivered to the following location on or before the same date and time:

Stratton Law Firm, P.S.C.
111 Pike Street
Post Office Box 1530
Pikeville, Kentucky 41502
Telephone: (606)437-7800
Attention: Donna S. Mullins

4.1 Format and Content of SOQ

The SOQ must follow the format and adhere to page limitations as outlined below. Failure to follow these instructions will result in point deductions or outright disqualification, at the sole discretion of the District. **The document should be prepared using a minimum of 11-point font and printed single-sided on 8 ½" by 11" paper stock. The document may contain 11"**

by 17” pull-out sheets, but such sheets will count as two pages. Tables, figures and photo captions may use a smaller font, but must be easily readable.

Letter of Transmittal (2 pages maximum)

Provide a letter of transmittal on company letterhead summarizing your response to the RFP, signed by an individual authorized to represent the organization and make decisions related to contract terms and pricing. The letter should outline at least three reasons why the District should select you for this project.

Section 1- Background Information and Company History (3 pages maximum)

- Clearly identify the Contractor, providing the full corporate name, address, phone and fax numbers, and the name and date of organization or incorporation (if a joint venture (JV), provide information for all JV partners.
- Indicate whether the entity is a corporation, partnership, unit of government or other.
- Provide the names of the board members, principal stock holders, or partners as appropriate.
- Note the state and/or country of registration of the corporation and Federal Employee identification number.
- Provide a brief history of the organization.
- Include the names of any proposed subcontractor firms, and indicate their role on the team.

Section 2- Firm and Key Personnel Experience (10 pages maximum)

- Provide a brief outline of the firm’s experience with similar water and wastewater operations and maintenance contracts, including systems under Kentucky or other state PSC regulation.
- Provide a detailed project description for at least three (3) contracts similar in size and complexity to the District, with particular emphasis on rural, low-density systems.
- Provide a table listing all relevant water and/or wastewater systems that the firm has managed, operated or maintained over the past ten (10) years. Include:
 - Name of client and location of system
 - System service area and number of customers
 - Whether water, wastewater or both
 - Basic description of assets managed, including size and type of treatment facilities, miles of pipe, and number and size of storage tanks and pump stations
 - Basic description and annual cost of services provided
 - Dates of contract initiation and completion

- Outline the firm's experience with customer service operations, call centers, billing systems, and meter reading.
- Outline the firm's experience with water loss and leak detection, water line repair and replacement, gravity sewer and lift station rehabilitation.
- Describe the experience and qualifications of key management team personnel who will be assigned to the contract, including both full-time and part-time commitments to the District. Include two-page resumes for each individual identified in Appendix A.

Section 3- Professional References (2 pages maximum)

- Provide a minimum of three references from similar clients to the District for whom the contractor has provided comparable services to those requested by this contract.
- Ideally these references would represent the three detailed project descriptions from Section 2 above.
- Each reference should include:
 - Name of reference and title in the client organization
 - Mailing address, telephone (office and cell), and e-mail address
 - Dates the individual was associated with the reference project

Section 4- Operations Plan (15 pages maximum)

- Provide a brief description of your firm's overall philosophy and approach to system management, operations and maintenance.
- Outline a specific plan for transitioning from the current contractor to your team.
- Provide a staffing plan for the contract, utilizing all existing staff and augmenting with key management and/or supervisory personnel as needed.
- Provide detailed operational plans for the various system components, including:
 - Water treatment plants
 - Wastewater treatment plants
 - Water distribution system, including booster pump stations and storage tanks
 - Wastewater collection system, including gravity, force main and lift station operations
 - Residuals management, including biosolids treatment and disposal
- Provide a detailed field maintenance plan, outlining how your firm proposes to coordinate operations and maintenance functions and personnel
- Provide a detailed plan for reducing water loss in accordance with the requirements of PSC Order No. 2014-00342
- Provide a detailed plan for customer service, including customer service information system, call center, field offices, interface with the billing contractor, and collections

- Identify software deficiencies or upgrades required within the three year initial contract period
- Identify innovative approaches to system management that will reduce costs or improve operational efficiency or environmental stewardship
- Specifically identify additional services that exceed the services requested herein

Appendices

The body of the SOQ as outlined above will be supplemented by a number of documents and materials to be included in the appendices. These are prescribed as follows:

Appendix A- Two-page resumes for any proposed key management or supervisory personnel

Appendix B- Contractor's certification to do business in the Commonwealth of Kentucky

Appendix C- Three years of audited financial statements signed by a CPA or certified public accounting firm

Appendix D- Statement from insurance carrier verifying that Contractor is presently insured to the limits established in this RFP and Draft Service Contract

Appendix E- Form indicating exceptions to Draft Service Contract

5. PRICE PROPOSAL

A separate electronic file (in pdf format) including the price proposal will be submitted along with the SOQ. In addition, one (1) hard-copy of this document will be bound separately, and placed in the sealed envelope as described in Section 4 above. The price proposal must be submitted with and at the same time and location the SOQ is submitted.

The Commonwealth of Kentucky (Performance and Examination Audits Branch) issued an audit of the District's management of the system in a document titled "Examination of Certain Policies, Procedures, Controls, and Financial Activity of Mountain Water District" dated January 27, 2011. One of the key findings of the audit was a lack of transparency concerning costs of operation. Specifically, "...there is no provision that the actual costs incurred by UMG to operate MWD water and sewer services be reported to the Board or be made available upon request of the Board." Therefore, any contract resulting from this RFP process will include a provision that the Contractor allow access to cost information about system operations on an ongoing basis, and be subject to an annual audit by the District.

5.1 Cost Definitions

The following definitions shall be applicable to the price items requested in this section.

- a. Raw Salary Costs- Includes raw salary of all personnel assigned to the contract, including full-time and part-time personnel. The data room includes a listing of all staff members who the District expects will be retained by the new Contractor. Additional staff proposed by the respondent as shown in the SOQ shall be included here for pricing purposes.
- b. Labor Overhead- Includes, but not limited to overtime, pay differentials, unemployment compensation, holiday pay, meal allowance, education assistance, health and dental plans, life insurance, retirement contributions, sick leave and other costs directly attributable to employees.
- c. Utilities- Includes, but not limited to, electricity, natural gas, water, communications, and heating fuels.
- d. Chemicals- Includes all bulk chemicals required for the operation and maintenance of the system assets
- e. Equipment- Includes, but not limited to, office equipment, laboratory equipment, safety equipment, tools, communication equipment, maintenance equipment, vehicles, mechanical equipment and manually operated equipment not identified in the data room as being provided by the District.
- f. Materials and Supplies- Includes, but not limited to, gasoline and diesel fuel, vehicle supplies, vehicle accessories, office supplies, copying equipment supplies, First Aid supplies, cleaning chemicals, laboratory supplies, clothing and uniforms, and other materials and supplies.
- g. Outside Services- Includes, but not limited to, solid waste and bio-solids removal and disposal, equipment rentals, temporary and/or part-time labor, legal fees, registrations, telephone, courier services, dues, subscriptions, postage and freight, advertising, printing, and binding, insurance and other professional services.
- h. Maintenance and Repair- Includes the total of all routine maintenance and repair expenditures including, but not limited to repair parts, maintenance supplies, outside maintenance services, oil, grease, and packing, and maintenance equipment rental. Contractor on-site labor shall not be included.
- i. Insurance and Bonds- Includes the annual premium cost for general liability, automobile, workers compensation and property damage insurance. Line item

also includes the cost of the surety for a payment and performance bond.

- j. Other- Includes any and all expenses not identified in any other specific category.

5.2 Price Proposal Format

Attachment D includes a Price Proposal Worksheet for each respondent to use as part of their submittal package. The categories in the spreadsheet are consistent with the items defined in Section 5.1 above. Respondents are required to submit a bid for the initial three (3) years of contract operations. All costs should be included, and escalation from year 1 through year 3 should be assumed and reflected in the tables. All assumptions inherent in your bid should be outlined below the table on the Excel spreadsheet. The spreadsheet is organized as follows:

Category	Year 1	Year 2	Year 3	Total
Raw Salary				
Direct Labor Overhead				
Utilities				
Chemicals				
Equipment				
Materials/Supplies				
Outside Services				
Maintenance and Repair				
Insurance and Bonds				
Other (specify)				
Sub-Total Cost				
Corporate Overhead @ %				
Profit @ %				
TOTAL				

Price proposals do not include capital expenditures, including maintenance repairs and replacements exceeding \$1,500.

5.3 Payment and Performance Bond

The selected Contractor will be expected to post a Payment and Performance Bond in an amount equal to one year of operation, renewable annually. Proof that such bonding can be obtained must be provided by letter from a Surety or some other means as an attachment to this Price Proposal submittal.

6. CERTIFICATIONS

By submitting a response to this RFP, the Contractor hereby agrees to the following:

- i. The Contractor certifies that its Statement of Qualification and Price Proposal is made without collusion or fraud and that the Contractor has not offered or received any kickbacks or inducements, monetary or otherwise, from any other Contractor, supplier, manufacturer or subcontractor in connection with its proposal, and that it has not granted, offered, or otherwise conferred on any public employee having any official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.
- ii. The Contractor hereby certifies that its firm has control of sufficient equipment, personnel, and fiscal resources to perform the actions necessary for professional operation, maintenance and management of the District's system, and will fully commit same to the District as proposed on this Statement of Qualification and Price Proposal pursuant to a negotiated contract.
- iii. The Contractor certifies that no county or municipal official in Pike County, including the Commissioners of the Mountain Water District, or any employee, or any person who is paid in whole or in part by the District has any direct or indirect personal fiduciary interest in the Contractor's firm. (Note: If any such relationship does exist, disclose same in detail.)

6.1 Special Notice to Respondents

The District shall not be liable to any Contractor for costs associated with responding to this Request, including those costs which may be associated with the Contractor's participation in any inspection tour, interviews on-site visit, or contract negotiations.

Contact with individual members of the District Board of Commissioners or any employee, or any member of the Review Panel outside of the scheduled pre-proposal conference and the individual inspection tour is strictly prohibited and any contact or attempt to make contact with these individuals outside of these scheduled times shall constitute grounds for disqualification from the selection process.

Precise compliance with the directives contained herein regarding the content and format of the Statement of Qualifications and the Price Proposal is required in order for same to be considered. However, the District reserves the right to waive minor informalities and minor irregularities in proposals received, and further, reserves the right to reject any and/or all proposals.

ATTACHMENT A

The Water Service Area map will provided at a later date.

ATTACHMENT B

**AGREEMENT FOR OPERATIONS,
MAINTENANCE AND MANAGEMENT SERVICES**

THIS AGREEMENT is entered into this _____ day of _____, 2016, effective the 1st day of January, 2017, by and between:

Mountain Water District, with its principal address at 6332 Highway, P.O. Box 3157, Pikeville, Kentucky 41502 (hereinafter "DISTRICT")

AND

_____, with its principal address at _____ (hereinafter "CONTRACTOR").

WHEREAS, DISTRICT owns and provides for the operation of water, wastewater and related treatment, collection and distribution facilities described on Appendix B; and

WHEREAS, DISTRICT desires to employ the services of CONTRACTOR in the operation, maintenance and management of these facilities and CONTRACTOR desires to perform such services for the compensation provided for herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements

1. **GENERAL**

- 1.1 Definitions of words and phrases used in this Agreement and the attachments are contained in Appendix A.
- 1.2 All land, buildings, facilities, easements, licenses, rights-of-way, equipment and vehicles presently or hereinafter acquired or owned by DISTRICT shall remain the exclusive property of DISTRICT unless specifically provided for otherwise in this Agreement.
- 1.3 This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Kentucky.
- 1.4 Neither this Agreement, nor any of the rights or obligations hereunder, may be assigned by CONTRACTOR without the prior written consent of the DISTRICT.
- 1.5 All notices shall be in writing and transmitted to the party's address stated above. All notices shall be deemed effectively given when

delivered, if delivered personally or by courier mail service, i.e., Federal Express or Airborne Express, delivered after such notice has been deposited in the United States mail postage prepaid, if mailed certified or registered U.S. mail, return receipt required; or received by the party for which notice is intended if given in any other manner.

- 1.6 This Agreement, including its Appendices, is the entire Agreement between the parties. This Agreement may be modified only by written agreement signed by both parties. Wherever used, the terms "CONTRACTOR" and "DISTRICT" shall include the respective officers, agents, directors, elected or appointed officials and employees and, where appropriate, subcontractors or anyone acting on their behalf.
- 1.7 If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.
- 1.8 It is understood that the relationship of CONTRACTOR to DISTRICT is that of independent contractor and nothing in this Agreement shall create the relationship of partnership or joint venture. The services provided under this Agreement are of a professional nature and shall be performed in accordance with good and accepted industry practices for contract operators similarly situated. However, such services shall not be considered engineering services and nothing herein is intended to imply that CONTRACTOR is to supply professional engineering services to DISTRICT unless specifically stated in this Agreement to the contrary.
- 1.9 If any litigation is necessary to enforce the terms of this Agreement, the prevailing party, the party determined not to be in default or in breach of the Agreement shall be entitled to its cost and reasonable attorney fees which are directly attributed to such litigation in addition to other relief to which it may be entitled. If both sides are found to have defaulted or be in breach each will pay their own cost, and attorney fees.
- 1.10 Nothing in this Agreement shall be construed to create in any third party or in favor of any third party any right(s), license(s), power(s) or privilege(s).

- 1.11 This agreement sets forth the entire agreement between the parties and fully supersedes all prior and/or verbal agreements or understanding between the parties which pertain to the subject matter hereof.
- 1.12 This agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one in the same documents.

2.1 **CONTRACTOR SERVICES - GENERAL**

- 2.1 CONTRACTOR will staff the Project with employees who have met appropriate licensing and certification requirements of the Commonwealth of Kentucky. CONTRACTOR warrants that it will maintain the necessary licensed and certified personnel as may be required by the Commonwealth of Kentucky for operation of the Project.
- 2.2 CONTRACTOR shall provide ongoing training and education for appropriate personnel in all necessary areas of modern water and/or wastewater process control, operations, maintenance, safety, and supervisory skills.
- 2.3 CONTRACTOR shall develop and/or supply and utilize computerized programs for maintenance, process monitoring and financial control. In the event this agreement is terminated for any reason, CONTRACTOR shall provide the DISTRICT within thirty (30) days of notice all computerized programs, codes, records, maps, instruction manuals, and any other items necessary for DISTRICT to execute a complete transfer of their records and the operating systems necessary to access and maintain the same. The DISTRICT agrees to apply and pay for any and all software licenses necessary to transfer the same to the DISTRICT.
- 2.4 Within forty-five (45) days after the Commencement Date, CONTRACTOR will provide a physical inventory of DISTRICT's vehicles, equipment and tools in use at the Project and a general statement as to the condition of each vehicle or piece of equipment. In the event this Agreement is terminated for any reason, CONTRACTOR will provide to the DISTRICT, a physical inventory of DISTRICT's vehicles and equipment, and a general statement as to the condition of each vehicle and piece of equipment within ninety (90) days of the end of the contract. If CONTRACTOR fails to do so, then the DISTRICT may take its own inventory and charge the cost thereof to CONTRACTOR.

- 2.5 Within forty five (45) days after the Commencement Date, CONTRACTOR will provide DISTRICT with a physical inventory of chemicals and other consumables on hand when CONTRACTOR begins services under this Agreement. Such chemicals and consumables will be made available to CONTRACTOR in connection with its performance under this Agreement. CONTRACTOR will provide DISTRICT with the same quantity of chemicals or equivalent upon termination of this Agreement. If CONTRACTOR fails to do so, then the DISTRICT may take its own inventory and charge the cost thereof to CONTRACTOR.
- 2.6 CONTRACTOR shall be responsible for maintaining all manufacturers' warranties on new equipment purchased by DISTRICT and shall assist DISTRICT in enforcing existing equipment warranties and guarantees. CONTRACTOR shall keep a record of all such warranties for the DISTRICT.
- 2.7 On or before October 1st of each year CONTRACTOR shall provide the DISTRICT an annual schedule for preventive maintenance, along with an estimated budget for the DISTRICT owned equipment. They shall report to the DISTRICT on a monthly basis what preventive maintenance is being performed on DISTRICT owned equipment in accordance with manufacturer's recommendations at intervals and in sufficient detail as may be determined by the DISTRICT. Such a maintenance program shall include documentation of corrective and preventive maintenance.
- 2.8 CONTRACTOR shall operate, maintain and/or monitor the Project on a 24 hour per day, seven-day per week schedule.
- 2.9 Visits may be made at a reasonable time by DISTRICT's employees, board members or designated DISTRICT's representative. CONTRACTOR shall provide keys for the Project to the DISTRICT's Administrator. The Administrator shall sign a receipt for any keys received. All visitors to the Project shall comply with CONTRACTOR's operating and safety procedures.
- 2.10 CONTRACTOR shall provide a 24 hour/day 7 days per week customer service phone number.
- 2.11 CONTRACTOR will implement and maintain an employee safety program in compliance with applicable laws, rules and regulations and make recommendations to DISTRICT regarding the need, if any, for DISTRICT to rehabilitate, expand or modify the Project to comply with governmental safety regulations applicable to CONTRACTOR's

operations hereunder and with federal regulations promulgated pursuant to the Americans With Disability Act ("ADA").

- 2.12 CONTRACTOR may modify the process and/or facilities to achieve the objectives of this Agreement; provided, however, no modification shall be made without DISTRICT's prior written approval.
- 2.13 In any emergency affecting the safety of persons or property, CONTRACTOR may act without written amendment or change order, at CONTRACTOR's discretion, to prevent threatened damage, injury or loss. CONTRACTOR shall be compensated by DISTRICT for any such emergency work notwithstanding the lack of a written amendment. Such compensation shall include CONTRACTOR's reasonable costs for the emergency. Such cost and the basis for which they were incurred shall be detailed to the Board in any request for additional compensation.
- 2.14 As required by law, permit or court order, CONTRACTOR will prepare plant performance reports and submit them to DISTRICT for signature and transmittal to appropriate authorities on a timely basis.
- 2.15 CONTRACTOR will provide laboratory testing and sampling presently required by plant performance portions of the NPDES permit, the Clean Water Act, the Safe Drinking Water Act, and/or any federal, state or local rules and regulations, statutes or ordinances, permit or license requirements or judicial and regulatory orders and decrees.
- 2.16 CONTRACTOR will provide for the collection, hauling and disposal of solid waste, screening, grit, sludge and scum ("Waste") to DISTRICT's existing or approved disposal sites. It shall be the sole right and responsibility of DISTRICT to designate, approve or select disposal sites to be used by CONTRACTOR for DISTRICT's Waste. All Waste and/or byproduct treated and/or generated during CONTRACTOR's performance of services is not and will not be considered property of CONTRACTOR.
- 2.17 CONTRACTOR shall provide all the administrative and financial functions necessary to effectively operate the business affairs of the DISTRICT, except as designated by the DISTRICT. Those exceptions are those duties assigned to the DISTRICT's Administrator, financial officer and CPA. CONTRACTOR shall submit a monthly report to the DISTRICT that illustrates in summary, how much of the current month and year to date invoices submitted by CONTRACTOR to the

DISTRICT, are related to water services and how much are related to waste water services. The summary shall also report the direct operating costs for water services and waste water services on a monthly and year to date basis. In addition to the above, the CONTRACTOR will provide a breakdown of all annual cost incurred in operation of the DISTRICT under the contract, which shall include cost of personnel, water, power, chemicals, supplies, etc., so as to provide a complete accounting of the full cost incurred by the CONTRACTOR to operate the DISTRICT for the prior year. This report shall be provided to the DISTRICT within sixty (60) days of the end of the calendar year.

- 2.18 CONTRACTOR shall consult with the DISTRICT's Commissioners prior to replacement of the Project Manager.
- 2.19 CONTRACTOR shall comply with all of the DISTRICT's policies and procedures in operating the DISTRICT, and CONTRACTOR's Project Manager shall certify monthly to the DISTRICT's Board that all operations and activities under their control have been in compliance with the Board's policies and procedures.

CONTRACTOR shall submit to the DISTRICT monthly, all reports of project activities in accordance with the DISTRICT's policies and formats.
- 2.20 CONTRACTOR shall provide for monthly meter reading and billing. All amounts billed and received on behalf of DISTRICT are the property of DISTRICT and shall be promptly deposited into a bank account designated by the DISTRICT. Customer Service offices shall be maintained at locations approved by the DISTRICT.
- 2.21 CONTRACTOR shall provide its reasonable business efforts and will manage the DISTRICT to achieve no more than a fifteen percent (15%) water loss, as directed by the Kentucky Public Service Commission ("PSC"). CONTRACTOR will not be liable for capital improvements necessary to achieve the goal, but shall be responsible for identifying all water loss, and implementing a plan to achieve the PSC goal.
- 2.22 CONTRACTOR shall comply with all applicable federal, state and local laws, regulations and rules as they may be applicable to the operation of the DISTRICT's water and waste water systems and the DISTRICT's operations.

- 2.23 CONTRACTOR will seek sources of government grants and loans for consideration by the DISTRICT. The DISTRICT must approve in advance all application for such funding.
- 2.24 To protect the DISTRICT and allow for continuity of service CONTRACTOR will post a surety bond or other surety in the amount of the annual contract price for 2017, to ensure faithful performance of its contract obligations. Such surety shall be released upon termination of this Agreement and compliance by CONTRACTOR with its obligations hereunder.
- 2.25 Notwithstanding anything herein to the contrary, CONTRACTOR agrees to replace the DISTRICT's capital assets (excluding real property and improvements thereon) that are not an integral part of the DISTRICT's water/sewer production, treatment, and distribution and/or collection systems. If CONTRACTOR determines that replacement of capital assets is not essential for their continuing performance under this agreement, they shall notify the DISTRICT that they do not wish to replace an asset, with an explanation as to why. If the DISTRICT agrees, the asset will be removed from the DISTRICT's asset list. If the DISTRICT does not agree, CONTRACTOR will be required to replace the asset. CONTRACTOR shall submit to the DISTRICT at the November DISTRICT meeting a capital budget request for the next calendar year for approval by the DISTRICT. CONTRACTOR may make subsequent request for a capital asset by petitioning the DISTRICT.

For those capital assets that cost less than \$1,500, CONTRACTOR will purchase and pay for the same. For those that cost more than \$1,500, they may also be purchased and paid for by CONTRACTOR or at CONTRACTOR's option may be financed in the DISTRICT's name, subject to prior approval by the DISTRICT, and such loan payments shall be made by CONTRACTOR as long as this contract remains in effect. At the end of the contract term, or upon early termination, if there are any outstanding loans that have been approved by the DISTRICT, which are due and owing, the DISTRICT agrees to pay the balance of the same.

All assets acquired under this paragraph, except as hereinafter provided, will be titled in the DISTRICT's name. Any capital assets that CONTRACTOR acquires, at its discretion, that is not replacements of the DISTRICT's assets, and/or which are not solely dedicated for use at the DISTRICT's project, shall be titled in the name of CONTRACTOR and paid for by CONTRACTOR.

Notwithstanding the above, any individual tool purchased for CONTRACTOR's use in the operation of the DISTRICT that cost more than \$250 shall be paid for by the DISTRICT, and charged to its repair and maintenance budget. Any tool purchased for CONTRACTOR's use in the operation of the DISTRICT that cost less than \$250 shall be paid for by CONTRACTOR. All such tools shall be the property of the DISTRICT.

- 2.26 Routine repair and maintenance of any real property utilized by CONTRACTOR in the performance of its duties under this contract will be done and paid for by CONTRACTOR. If such improvements require financing, it will be done pursuant to the capital acquisition procedure outline above. This excludes any major renovation or expansion directed by the DISTRICT, which will be paid by the DISTRICT.
- 2.27 CONTRACTOR will submit to the DISTRICT by no later than October 1st of each year, a repair and maintenance budget and capital budget for the next fiscal year. It shall include any item already under contract, but not yet paid. The R&M Budget shall include an allowance for any unforeseen repairs based on the DISTRICT's actual experience for such items over the last three (3) years.
- 2.28 CONTRACTOR shall submit a monthly accounting to the DISTRICT detailing all repair and maintenance expenditures, including a brief explanation of the work done and why it was necessary.
- 2.29 All purchases made by CONTRACTOR using the DISTRICT's Tax Identification Number shall only be for those items utilized in the operation of the DISTRICT. CONTRACTOR shall not co-mingle, store or have delivered, parts, materials, chemicals or supplies used for any other customer on the DISTRICT's property, nor will the DISTRICT's parts, materials, chemicals and supplies be stored on any other customer's property without the express prior written consent of the DISTRICT.
- 2.30 CONTRACTOR will properly maintain all facilities, equipment and vehicles, and do routine and preventative maintenance as necessary and appropriate. They will make timely recommendations to the DISTRICT for any needed capital improvements. CONTRACTOR will also maintain all easements and roadways needed to access water tanks, pumping stations, lift stations and all other DISTRICT facilities.

- 2.31 CONTRACTOR shall offer employment to all DISTRICT employees for their current position, at their current rate of pay or higher. CONTRACTOR may not terminate any former DISTRICT employee for six (6) months, except for good cause.

3. **CONTRACTOR SCOPE OF SERVICES - WASTEWATER**

- 3.1 This Article shall apply to CONTRACTOR's operations, maintenance and management services for the DISTRICT's wastewater systems.
- 3.2 Within the design capacity and capabilities of the Waste Treatment Plant(s) described in Appendix B, CONTRACTOR will manage, operate and maintain the Plant(s) so that effluent discharged from the Plant(s) outfalls meets the requirements specified in Appendix C-1.
- 3.3 CONTRACTOR will perform all Maintenance and Repairs for the Project, and submit a monthly accounting to DISTRICT detailing all expenditures incurred, along with a brief explanation of the work done and why it was necessary
- 3.4 CONTRACTOR will pay all Costs incurred in normal wastewater utility operations. Any cost determined to be abnormal, for which additional compensation is sought, shall be submitted to the DISTRICT for approval along with an explanation of why it was determined to be abnormal.

4. **CONTRACTOR SCOPE OF SERVICES - WATER**

- 4.1 This Article shall apply to CONTRACTOR's operations, maintenance and management services for the DISTRICT's drinking water treatment system.
- 4.2 Within the design capacity and capabilities of the Water Treatment Plant(s) described in Appendix B, CONTRACTOR will manage, operate and maintain the Plant(s) so that water produced from the Plant(s) meets the requirements specified in Appendix C-2.
- 4.3 CONTRACTOR shall operate the water treatment plant(s), pump station(s), and provide for all laboratory testing requirements.
- 4.4 CONTRACTOR will perform all Maintenance and Repairs for the Project, and submit a monthly accounting to DISTRICT.
- 4.5 CONTRACTOR will pay all Costs incurred in normal Water operations. Any cost determined to be abnormal, for which

additional compensation is sought, will be submitted to the DISTRICT for approval along with an explanation of why it was determined to be abnormal.

4.6 CONTRACTOR will perform all maintenance and repairs for the project, and submit a monthly accounting to the DISTRICT detailing all expenditures incurred, along with a brief explanation of the work done and why it was necessary.

5. **CONTRACTOR SCOPE OF SERVICES - WASTEWATER COLLECTION SYSTEM AND WATER DISTRIBUTION SYSTEM**

5.1 This Article shall apply to CONTRACTOR's services for the DISTRICT's wastewater collection system and potable water distribution system.

5.2 The scope of CONTRACTOR's services for the Maintenance and Repair of the collection system and the distribution system are set forth in Appendices C-3 and C-4, respectively.

5.3 CONTRACTOR shall provide for all daily operation and maintenance functions such as line Repairs, customer connections, line and tank maintenance, meter replacement, leak detection, line flushing, valve exercise, system inspection, line locations, and emergency call-outs, etc.

6. **DISTRICT DUTIES**

6.1 The DISTRICT shall fund all necessary Capital Expenditures, except as otherwise provided herein. Such funding shall be provided either (i) in advance from the DISTRICT to CONTRACTOR if the DISTRICT requests that CONTRACTOR contract for such Capital Expenditure or (ii) the DISTRICT shall contract for such Capital Expenditure directly. Priorities shall be given to safety and the ADA related expenses described in Section 2.12. Any loss, damage, or injury resulting from the DISTRICT's failure to provide capital as reasonably required by CONTRACTOR shall be the sole responsibility of the DISTRICT provided that CONTRACTOR has timely notified the DISTRICT of the need for the capital expenditure and has provided sufficient lead time for acquisition and utilization of the same. Otherwise any such loss damage or injury shall be the sole responsibility of CONTRACTOR.

6.2 The DISTRICT shall keep in force all Project warranties, guarantees, easements and licenses that have been granted to DISTRICT and are

not transferred to CONTRACTOR under this Agreement. CONTRACTOR shall keep in force all Project warranties, guarantees, easements and license transferred to them under this Agreement.

- 6.3 The DISTRICT shall pay all ad valorem, property, franchise, occupational and disposal taxes, or other taxes associated with the Project other than taxes imposed upon CONTRACTOR's net income and/or payroll taxes for CONTRACTOR employees.

In the event CONTRACTOR is required to pay any sales tax or use taxes on the value of the services provided by CONTRACTOR hereunder such payments shall be reimbursed by the DISTRICT unless the DISTRICT furnishes a valid and properly executed exemption certificate relieving the DISTRICT and CONTRACTOR of the obligation for such taxes. Any items purchased by the DISTRICT to save sales tax for a purchase CONTRACTOR is required to make on behalf of the DISTRICT, shall be reimbursed by CONTRACTOR within fifteen (15) days from the date of invoice to CONTRACTOR. CONTRACTOR shall make all such invoices on behalf of the DISTRICT to CONTRACTOR on the next business date after the DISTRICT has made any purchase referenced above.

- 6.4 The DISTRICT shall provide CONTRACTOR with full use of any and all pieces of DISTRICT's heavy equipment that are available so that CONTRACTOR may discharge its obligations under this Agreement in the most cost-effective manner.
- 6.5 DISTRICT shall provide all registration and licenses for DISTRICT's vehicles used in connection with the Project.
- 6.6 DISTRICT shall provide for CONTRACTOR's exclusive use of all vehicles and equipment presently in full time use at the Project except as may be otherwise designated from time to time by Agreement.
- 6.7 DISTRICT shall provide for CONTRACTOR access to all easements, right-of-ways, and access to discharge CONTRACTOR's obligation under this Agreement.
- 6.8 CONTRACTOR agrees to provide administrative assistance to the Administrator, which shall not exceed fifteen (15) hours per week.
- 6.9 DISTRICT shall promptly review and consider any request by CONTRACTOR for any additional Capital Expenditures or Costs incurred by CONTRACTOR.

6.10 The DISTRICT will be responsible for the purchase of all capital assets (additions and replacements) that are an integral part of the DISTRICT's Water/Sewer production, treatment, distribution and/or collection systems.

7. **COMPENSATION**

7.1 CONTRACTOR's compensation under this Agreement shall consist of an Annual Fee as set forth herein. The Annual Fee for 2017 shall be \$_____ (\$_____ per month). The annual fee for 2018 shall be \$_____ (\$_____ per month). The annual fee for 2019 shall be \$_____ (\$_____ per month). The fee for 2020 shall be a two percent (2%) increase over the prior year of 2019. The fee for 2021 shall be a one percent (1%) increase over the fee for 2020.

7.2 CONTRACTOR shall provide the DISTRICT a summarized expenditure report monthly, and an annual detailed report on or before April 1st of each year. Such reports shall allocate expenses between water and sewer operations.

7.3 In the event the DISTRICT should make application to PSC for a rate increase in any of its services, CONTRACTOR agrees to provide the DISTRICT a copy of any and all necessary information required by the PSC for such application.

If the DISTRICT elects to verify any information which is required by the PSC, or to conduct rate study, CONTRACTOR agrees to allow the DISTRICT's duly authorized agents' access to its records to verify the information provided by CONTRACTOR.

7.4 If actual Maintenance and Repair expenditures are less than the Maintenance and Repair Limit for any Agreement Year, CONTRACTOR will rebate the entire difference to the DISTRICT. If actual Maintenance and Repair expenditures exceed the Maintenance and Repair Limit, the DISTRICT shall pay the excess to CONTRACTOR (to the extent CONTRACTOR has paid the same) in accordance with Section 8.2. CONTRACTOR will notify the DISTRICT when actual Maintenance and Repair expenditures equal eighty percent (80%) of the Maintenance and Repair Limit in each Agreement Year throughout the term.

- 7.5 Any additional expenses, reasonably incurred by CONTRACTOR, including overtime wages as a result of severe weather, a natural disaster or other unplanned events outside of the normal course of operations, will be invoiced by CONTRACTOR to the DISTRICT for reimbursement in accordance with Section 8.2.

Any additional expense, reasonably incurred by CONTRACTOR as set forth in the above paragraph, for which the DISTRICT is eligible for reimbursement by a third party (i.e., FEMA), CONTRACTOR agrees to defer payment from the DISTRICT for such expenses until the DISTRICT receives approval for reimbursement from the third party.

The DISTRICT agrees to pay CONTRACTOR interest on any expenses paid by CONTRACTOR described in the above paragraph at the then prime rate of interest charged by Community Trust Bank of Pikeville, Kentucky. Interest would start to accrue six months after the third party has approved the DISTRICT's application for reimbursement and run on the outstanding balance until paid in full. Approval shall be defined as that date when the third party accepts the DISTRICT's application for reimbursement. If they DISTRICT's application does not receive final approval, or final approval is delayed due to CONTRACTOR's failure to properly process the application or the information therein correctly, then the time table for starting the accrual of interest will not start until the necessary corrections are approved.

8. PAYMENT OF COMPENSATION

- 8.1 One twenty-fourth (1/24) of the Annual Fee for each Agreement Year shall be due and payable on the 1st and the 15th of each month during such Agreement Year for service provided in accordance to Articles 7.1 of this Agreement.
- 8.2 All other compensation to CONTRACTOR is due upon receipt of CONTRACTOR's invoice and payable within fifteen (15) days. Any and all request for additional compensation will be supported by a detailed cost analysis evidenced by appropriate invoices to be attached to the request.
- 8.3 DISTRICT shall pay interest at an annual rate equal to the DISTRICT's designated financial institution's prime rate on payments not paid and received by CONTRACTOR within thirty (30)

calendar days of the due date, such interest being calculated from the due date of the payment. In the event the charges hereunder might exceed any limitation provided by law, such charges shall be reduced to the highest rate or amount within such limitation.

9. **SCOPE CHANGES**

9.1 A Change in Scope of services shall occur when and as CONTRACTORs Costs of providing services under this Agreement significantly change as a result of one of the following:

9.1.1 Any change in Project operations, personnel qualifications or staffing or other cost which is mandated or otherwise required, by a change in law, rule or regulation or an action or forbearance of any governmental body having jurisdiction to order, dictate or require such change.

9.1.2 The DISTRICT's request of CONTRACTOR and CONTRACTORs consent to provide additional services beyond what is provided in this agreement and routine growth of current services.

9.2 For Changes in Scope described in Sections 9.1.1 and 9.1.2, the Annual Fee shall be increased (or decreased) in an amount equal to CONTRACTORs additional (or reduced) Cost associated with the Change in Scope.

10. **INDEMNITY AND LIABILITY INSURANCE**

10.1 CONTRACTOR agrees to indemnify and hold DISTRICT harmless against any and all claims, suits, actions, deeds, damages, cost, charge and expenses, including court cost and reasonable attorney fees, and against all liability, losses and damage of any nature whatever that DISTRICT shall or may at any time sustain arising from the operation of this Agreement other than those arising from the DISTRICT's negligence or willful misconduct.

10.2 DISTRICT agrees to indemnify and hold CONTRACTOR harmless against any and all claims, suits, actions, deeds, damages, cost, charge and expenses, including court cost and reasonable attorney fees, and against all liability, losses and damage of any nature whatever that CONTRACTOR shall or may at any time sustain as a result of DISTRICT's negligence or willful misconduct.

- 10.3 CONTRACTOR shall be liable for those fines or civil penalties imposed by a regulatory or enforcement agency for violations occurring on or after the Commencement Date, of the effluent quality requirements provided for in Appendices C-1 and C-2 that are a result of CONTRACTOR's negligence. DISTRICT will assist CONTRACTOR in contesting any such fines in administrative proceedings and/or in court prior to any payment by CONTRACTOR. CONTRACTOR shall pay the cost of any such contest.
- 10.4 CONTRACTOR shall be liable for all fines or civil penalties imposed by any regulatory or enforcement agencies on DISTRICT and/or CONTRACTOR that are not a result of DISTRICT's negligence or are otherwise directly related to the operation of the Project and shall indemnify and hold DISTRICT harmless from the payment of any such fines and/or penalties.
- 10.5 Indemnity agreements provided for in this Agreement shall survive the termination of the Agreement.
- 10.6 Each party shall obtain and maintain insurance coverage of a type and in the amounts described in Appendix E. Each party shall provide the other party with satisfactory proof of insurance.

11. **TERM, TERMINATION AND DEFAULT**

- 11.1 The term of this Agreement shall be five (5) years, commencing on January 1, 2017, and ending on December 31, 2021. Each period during the term commencing January 1 and ending the following December 31, shall be referred to as an "Agreement Year." Either party shall have the right, without cause, to terminate this Agreement at the end of the third Agreement Year. Notice of termination shall be given in writing, no less than one hundred eighty (180) days in advance of the effective date of termination.
- 11.2 A party may terminate this Agreement only for a material breach of the Agreement by the other party, except as provided in Section 11.1 only after giving written notice of breach; and, only after allowing the other party thirty (30) days to cure or commence taking reasonable steps to cure the breach.
- 11.3 Upon notice of termination by DISTRICT, or the contract is not renewed, CONTRACTOR shall assist DISTRICT in assuming or transferring operation of the Project, for a period up to six (6) months from the date of notice of termination or non-renewal. CONTRACTOR's compensation for such services shall be its costs not otherwise uncured in operation of the Project. If additional Cost

is incurred by CONTRACTOR at request of DISTRICT, DISTRICT shall pay CONTRACTOR such Cost within thirty (30) days receipt of invoice.

11.4 Upon termination of this Agreement and all renewals and extensions of it, CONTRACTOR will return the Project to DISTRICT in the same condition as it was upon the effective date of this Agreement, ordinary wear and tear excepted. Equipment and other personal property purchased by CONTRACTOR for use in the operation or maintenance of the Project shall remain the property of CONTRACTOR upon termination of this Agreement unless the property was directly paid for by DISTRICT or DISTRICT specifically reimbursed CONTRACTOR for the cost incurred to purchase the property or this Agreement provides to the contrary. This provision is subordinated to the terms set out in Section 2.25.

12. DISPUTES AND FORCE MAJEURE

12.1 In the event activities by employee groups or unions unrelated to CONTRACTOR cause a disruption in CONTRACTOR's ability to perform at the Project, DISTRICT, with CONTRACTOR's assistance or CONTRACTOR at its own option, may seek appropriate injunctive court orders. During any such disruption, CONTRACTOR shall operate the facilities on a best-efforts basis until any such disruptions cease.

Both parties indicate their approval of this Agreement by their signatures below, and each party warrants that all corporate or governmental action necessary to bind the parties to the terms of this Agreement has been and will be taken.

MOUNTAIN WATER DISTRICT

CONTRACTOR

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

CONTRACT APPENDIX EXPLANATION

The attached contract Appendices are from the prior contract with UMG. The Appendices will need to be updated to reflect current facts and regulatory compliance standards. Therefore, these should only be used to illustrate the type of Appendices that will be used.

APPENDIX A

DEFINITIONS

- A. 1 "Adequate Nutrients" means plant influent nitrogen, phosphorus and iron contents proportional to BODs in the ratio of five (5) parts nitrogen, one (1) part phosphorus, and one-half (0.5) part iron for each one hundred (100) parts BODs.
- A.2 "Annual Fee" means a predetermined, fixed sum for UMGs services. The Annual Fee includes Cost and profit.
- A.3 "Biologically or Toxic Substances" means any substance or combination of substances contained in the plant influent in sufficiently high concentration so as to interfere with the biological processes necessary for the removal of the organic and chemical constituents of the wastewater required to meet the discharge requirements of DISTRICTS NPDES Permit. Biologically toxic substances include, but are not limited to, heavy metals, phenols, cyanides, pesticides and herbicides.
- A.4 "Capital Expenditures" means any expenditures for (1) the purchase of new equipment or facility items that cost more than Fifteen Hundred Dollars (\$1,500); or (2) major repairs which [significantly extend equipment or facility service life and] cost more than Fifteen Hundred Dollars (\$1,500) or (3) expenditures that are planned, non-routine and budgeted by DISTRICT.
- A.5 "Cost" means all Direct Cost determined on an accrual basis in accordance with generally accepted accounting principles.
- A.6 "Direct Cost" means the actual cost incurred for the direct benefit of the Project including, but not limited to, expenditures for project management and labor, employee benefits, chemicals, lab supplies, repairs, repair parts, maintenance parts, safety supplies, gasoline, oil, equipment rental; legal and professional services, quality assurance, travel, office supplies, other supplies, uniforms, telephone, postage, utilities, tools, memberships and training supplies.
- A.7 "Commencement Date" shall mean January 1, 2011.
- A.8 "Maintenance" means those routine and/or repetitive activities required or recommended by the equipment or facility manufactured or by UMG to maximize the service life of the equipment, sewer, vehicles and facilities.
- A.9 "Maintenance or Repair Limit" means the total Maintenance and Repair expenditures that UMG has included in the Annual Fee. Such

expenditures exclude any labor costs for UMGs staff assigned to the Project. UMGs specialized maintenance personnel, not assigned at the Project, who provide such specialized services such as, but not limited to, vibration, thermographic and electrical analysis, instrumentation maintenance and repair will be charged to the Maintenance and Repair Limit.

- A.10 "Project" means all equipment, vehicles, grounds, rights of way, sewers and facilities described in Appendix B and, where appropriate, the management, operations and maintenance of such.
- A.11 "Repairs" mean those non-routine/non-repetitive activities required for operational continuity, safety and performance generally due to failure or to avert a failure of the equipment, sewer, vehicles or facilities or some component thereof.
- A.12 "Unforeseen Circumstances" shall mean any event or condition which has an effect on the rights or obligations of the parties under this Agreement, or upon the Project, which is beyond the reasonable control of the party relying thereon and constitutes a justification for a delay in or non-performance of action required by this Agreement, including but not limited to (i) an act of God, landslide, lightning, earthquake, tornado, fire, explosion, flood, failure to possess sufficient property rights, acts of the public enemy, war, blockade, sabotage, insurrection, riot or civil disturbance; (ii) preliminary or final order of any local, province, administrative agency or governmental body of competent jurisdiction (but excluding in the case of performance by the DISTRICT, any order of the DISTRICT); (iii) labor disputes, strikes, work slowdowns or work stoppages, but excluding labor disputes, strikes, work slowdowns or work stoppages by employees of UMG; and (iv) loss of or inability to obtain service from a utility necessary to furnish power for the operation and maintenance of the Project.

APPENDIX B

DESCRIPTION OF PROJECT

UMG agrees to provide the services necessary for the management, operation and maintenance of the following.

- a. All equipment, vehicles, grounds and facilities now existing within the present property boundaries of or being used to operate the DISTRICT'S Water Treatment Plant located at:

Harless Creek, Pikeville, Kentucky 41501

- b. All equipment, grounds and facilities now existing within the present property boundaries of pumping stations described as follows:

AS ATTACHED - one hundred and seven (107) Pumping Stations (Exhibit "B-1), twenty-seven (27) master meters (Exhibit "B-2), thirty-one (31) pressure regulators, one hundred seven (107) water storage tanks (Exhibit "B-3), three hundred fifty (350) fire hydrants and seven hundred eighty-one (781) miles of water distribution line.

- c. All equipment, vehicles, grounds and facilities now existing within the present property boundaries of or being used to operate the DISTRICT'S wastewater treatment plants and aerators identified in Exhibit "B-4":

- d. Twenty-five sewer lift stations, one hundred (100) (+ or -) miles of force mains or gravity sewer lines in service on the effective date of this Agreement.

- e. All additions to the above that occur in the ordinary course of business.

MOUNTAIN WATER DISTRICT
PUMP STATIONS AND SOLENOID VALVE STATIONS
FEBRUARY 2010

EXHIBIT
B-1

BPS NO.	NAME	AREA	PUMP RATE	SUCTION PRESSURE		DISCHARGE PRESSURE		ELEVATION	CONST. DATE
				Static	Dynamic	Static	Dynamic		
03RC	GRASSY FORK #1	GV	25 GPM	70	60	165	175	885	1990
05JC	CABIN KNOLL	GV	700 GPM	90	35	225	235	870	1998
07JC	JOHNS CREEK RAILROAD	GV	500 GPM	115	80	120	180	752	1997
08JC	DEKONS	GV	350 GPM	80	60	175	180	834	1997
08JC	ELKHORN MOUNTAIN (INACTIVE)	GV	280 GPM	70	62	215	220	1059	1998
10GV	GRAPEVINE SCHOOL (INACTIVE)	GV	200 GPM	70	70	280	125	963	1998
11GV	UPPER CAMP BRANCH (INACTIVE)	GV	200 GPM	42	33	180	190	1178	1998
13JC	STRATTON FORK	BC	28 GPM	80	85	125	125	1085	1998
14JC	MEATHOUSE	BC	28 GPM	65	80	175	125	1059	1998
15JC	COBURN MOUNTAIN #1 (JERRY BTM)	BC	350 GPM	110	90	121	128	1007	1998
17BC	LONG FORK OF BIG CREEK	BC	100 GPM	85	60	194	190	782	1998
18PC	ROGERS PARK	BC	25 GPM	80	42	165	180	785	1998
19PC	KY 292 (WILSON LOOP)	PC	180 GPM	62	30	62	72	667	2000
22PC	FOREST HILLS	PC	80 GPM	25	20	190	198	914	1995
23PC	US 118 - TOLER	PC	400 GPM	55	60	90	90	697	1993
24PC	SHARONDALE (STONE)	PC	300 GPM	48	42	130	140	720	1985-1993
25PC	RUNYON SCHOOL	PC	100 GPM	84	68	150	155	800	1995
26PC	HARDY	PC	180 GPM	80	40	175	190	680	1998
27PC	TURKEY TOE	PC	158 GPM	70	50	140	140	688	1998
288B	DIALS BRANCH	PC	120 GPM	88	72	160	182	1088	1998
308B	LFT FK OF BLACKBERRY (OLD HOUSE)	PC	35 GPM	145	141	160	153	1008	1998
318B	SMITH FORK OF BLACKBERRY	PC	42 GPM	128	120	219	221	744	1998
328B	PETER FORK	PC	38 GPM	30	28	120	120	852	1998
338C	PINSON FORK OF ROCKHOUSE	BC	10 GPM	88	85	185	188	857	1990
35CC	KENDRICK FORK	MC	25 GPM	85	60	185	188	877	1997
36CC	IVY FORK	MC	100 GPM	70	68	170	175	825	1997
38MC	POOR BOTTOM	MC	25 GPM	50	40	192	198	1172	2008
39MC	TWIN BRIDGES (INACTIVE)	MC	78 GPM	38	33	128	130	940	1991
40MC	GRAVEYARD HOLLOW	MC	60 GPM	66	61	105	109	1078	1991
41SV	FORDS BRANCH (INDIAN HILLS)	MC	600 GPM	100	95	130	170	715	1996
42SV	SOOKEYS CREEK BPS OR S.V.	SV	290 GPM	80	50	180	178	681	1991
43RC	GRASSY FORK #2	GV	25 GPM	105	102	180	184	1010	1990
44C	ISLAND CREEK	SV	400 GPM	75	245	85	248	752	1991
45SV	CANEY CREEK	SV	250 GPM	58	50	230	233	960	1991
46DC	DORTON HILL	SV	20 GPM	28	26	143	145	1189	1991
47GC	GREASY CREEK	MC	100 GPM	68	10	185	190	832	1992
488C	BUCKLEY CREEK	GV	100 GPM	38	35	80	88	1098	1991
498C	UPPER GREASY CREEK	MC	32 GPM	70	68	170	180	1077	1992
50GC	GILLESPI BRANCH	MC	28 GPM	40	35	128	130	788	1992
52JC	PHELPS #1	GV	250 GPM	80	78	180	185	989	1993
53JC	PHELPS #2	GV	250 GPM	60	68	180	210	1283	1993
54JC	LONG FORK OF KIMPER	GV	28 GPM	20	27	140	150	1304	1993
58CP	COWPEN CREEK	GV	200 GPM	80	37	180	170	692	1993
57CP	ADKINS BRANCH (COWPEN #2)	GV	100 GPM	82	37	250	260	849	1993
58PC	NARROWS BRANCH	PC	38 GPM	35	24	130	135	712	1992
59PC	MUDLICK BRANCH	PC	30 GPM	64	60	110	115	1070	1992
60PC	PINSON FORK OF POND CREEK	PC	28 GPM	80	54	270	275	801	1992
61PC	COBURN MOUNTAIN #2 (WEST RD)	BC	200 GPM	136	125	246	260	737	1993
62PC	SCANT BRANCH (PECCO HOLLOW)	PC	30 GPM	43	45	140	135	758	1992
63PC	RUNYONS BRANCH	PC	22 GPM	30	25	150	155	1088	1992
64GV	SCOTT FORK (AGUAVAR)	GV	VD 1-15GPM	115	102	60	102	667	2009
66MC	ALLEGHANY	MC	23 GPM	40	36	150	154	1239	1993
68PC	BELFRY HILL	PC	32 GPM	62	56	108	108	760	1993
67SV	INDIAN CREEK	SV	250 GPM	60	48	235	240	742	1993
68MC	PEYTON CREEK	MC	34 GPM	40	35	128	130	704	1993
68SV	LONG FORK OF SHELBY CREEK	SV	100 GPM	52	40	230	230	688	1994
70LP	SLONES BRANCH	MC	28 GPM	25	20	155	160	625	1992
71PF	SMITH FORK OF PHELPS	GV	70 GPM	145	138	235	240	1150	1995

MOUNTAIN WATER DISTRICT
PUMP STATIONS AND SOLENOID VALVE STATIONS
FEBRUARY 2010

EPS NO.	NAME	AREA	PUMP RATE	SUCTON PRESSURE	DISCHARGE PRESSURE	ELEVATION	CONST. DATE
72HC	HURWCANE CREEK (INACTIVE)	SV	100 GPM	100	240	650	1895
73SV	SHARRON HEIGHTS	SV	300 GPM	75	210	1070	1995
74PC	LAYNE BRANCH (AQUAVAR)	PC	10 GPM	38	185	650	1995
78JC	CANEY FORK OF ROGERS PARK (AQUAVAR)	PC	12 GPM	118	170	780	1895
78SV	PIGEON BRANCH (PNEUMATIC BPS)	SV	15 GPM	38	50	1470	1895
78HC	SPRING BRANCH	GV	25 GPM	40	38	688	1895
80MC	POWER CREEK	MB	30 GPM	64	60	240	1998
81PC	WIDOWS BRANCH	GV	150 GPM	100	80	300	1998
82PF	BARBERSHIRE HOLLOW	GV	70 GPM	65	46	258	1998
83HC	EDGEWOOD LANE (INACTIVE)	MC	10 GPM	30	25	120	1998
84SV	LIZZE FORK	SV	25 GPM	69	68	205	1898
85SV	LITTLE ROBINSON CREEK	SV	25 GPM	50	38	170	1898
86CC	MILLS BRANCH	SV	25 GPM	65	64	181	2000
87PF	BEECH CREEK	GV	25 GPM	60	45	200	2000
88MC	BIGGS BRANCH	MC	25 GPM	102	87	240	2000
89GV	WATCHDOG FORK	GV	25 GPM	60	65	190	2000
89PC	BALL FORK	PC	25 GPM	74	70	190	2000
81PF	BONER BRANCH	GV	25 GPM	65	55	180	2000
82MC	BRUSHY FORK OF HELLER	MC	35 GPM	60	38	235	2001
83MC	CONTRARY HOLLOW	SV	20 GPM	70	67	165	2001
84HC	SARAH BRANHAM HOLLOW	SV	20 GPM	105	125	135	2001
85PC	STRAIGHT HOLLOW	PC	25 GPM	70	65	170	2001
86GV	TRACE FORK (PNEUMATIC BPS)	GV	10 GPM	28	20	100	2000
86PF	UPPER PIER CREEK	GV	25 GPM	62	60	148	2002
87MC	ROCKHOUSE MARROWBONE	MC	118 GPM	68	60	290	2002
89BC	BRUSHY CREEK	BC	140 GPM	100	85	270	2002
89PF	HURWCANE FORK OF KNOX CREEK	GV	25 GPM	55	40	130	2002
100MC	WOLF PIT HOLLOW	MC	25 GPM	60	50	240	2002
101SV	KELLY MOUNTAIN ROAD	SV	30 GPM	35	30	187	1900
102SV	BUGAR CAMP BRANCH	SV	25 GPM	38	36	158	1050
103MC	BOWLING FORK ROAD	MC	40 GPM	64	40	187	2002
104PF	CAMP CREEK	PC	35 GPM	60	40	185	1105
105PC	HUNTS BRANCH	GV	300 GPM	25	38	225	1130
106PC	ANDERSON BRANCH	GV	300 GPM	70	64	250	2003
107MC	BLITON	BC	500 GPM	130	172	712	2004
110PC	FERRIS CREEK	FC	500 GPM	81	61	220	1010
111PC	FEOS CREEK	FC	70 GPM	66	60	298	2003
112PC	MOTLEY FORK	FC	70 GPM	50	43	208	1063
113SV	BEEHIDE	SV	60 GPM	60	60	188	1100
114SV	BOOKER FORK	SV	80 GPM	60	64	278	805
115SV	BLWICK FORK - LOCK CREEK	MB	40 GPM	47	20	82	1034
118SV	LITTLE CREEK	SV	50 GPM	110	80	205	936
117SV	LITTLE FORK	SV	45 GPM	40	140	127	885
118PC	STRINGTOWN BURWELL	PC	62 GPM	61	60	135	680
119GV	JOES CREEK	GV	70 GPM	90	83	178	670
120GV	DRY BRANCH	GV	80 GPM	120	85	190	780
121SV	ELSWICK FORK JONANCY	SV	38 GPM	27	21	131	950
122PF	ABBY BRANCH (AQUAVAR)	PF	30 GPM	70	69	130	1020
123PF	ALES BRANCH (AQUAVAR)	PF	VD 1-15GPM	110	100	130	1062
124GV	ASHBIRE HOLLOW	GV	VD 1-15GPM	40	38	105	1500
125MC	BRAYMAN HEIGHTS	MC	30 GPM	100	89	100	630
125PC	BROADBAD (AQUAVAR)	PC	30 GPM	25	100	100	794
127GV	CALHAN BRANCH	GV	53 GPM	55	50	370	853
128PC	FALLS BRANCH (AQUAVAR)	PC	30 GPM	43	41	50	670
129PF	GRASSY FORK OF PETER CREEK	PF	16 GPM	18	17	118	922
130FC	NIGH BRIDGE	FC	450 GPM	130	130	215	784
131HC	SCHOOL HOUSE HILL (INACTIVE)	MC	30 GPM	53	52	110	1345
132SV	SUNNY FORK (AQUAVAR)	SV	30 GPM	53	52	110	1345

**MOUNTAIN WATER DISTRICT
PUMP STATIONS AND SOLENOID VALVE STATIONS
FEBRUARY 2010**

BPS NO.	NAME	AREA	PUMP RATE	SUCTION PRESSURE		DISCHARGE PRESSURE		ELEVATION	CONST. DATE
133MC	LOWER POMPEY	MC	158.5 GPM	82	60	300	350	805	2008
134MC	DRY FORK OF MARROWBONE (AQUAVAR)	MC	53 GPM	48		135		850	2007
135MC	HONEY FORK (AQUAVAR)	MC	30 GPM	68	86	105	105	1006	2007
136SV	JENKINS (INACTIVE)	SV	62 GPM					1395	2007
137PC	DRY FORK (PNEUMATIC)	PC		42	50	60	115	1030	2007
138GV	HURRICANE OF KIMPER (AQUAVAR)	GV	30 GPM	45	40	155	151	844	2008
139MB	JIMMIES CREEK	MB	30 GPM	90	85	115	115	748	2007
140SV	DORTON CREEK (AQUAVAR)	SV	30 GPM	60		80		1247	2008
141PC	GRANT'S BRANCH (AQUAVAR)	PC	20 GPM	55		140		1038	2008
142GV	LOWER CAMP	GV	15 GPM	41	45	105	108	870	2008
143GV	SMITH FORK	GV	30 GPM	115	72	110	100	684	2007
144SV	GW NEWSOME	SV	27 GPM	60	50	90	60	800	2008
145SV	DEADENDING FORK OF LITTLE CREEK	SV	30 GPM	80	80	100	100	897	2008
146PC	WATSON HILL	PC	30.38 GPM	69	60	85	103	685	2010
147PC	ORINOCO HOLLOW	PC	30.38 GPM	58	60	90	94	578	2010
148SV	ADAMS BRANCH	SV	40 GPM	80	80	70	105	825	2010
149SV	KETTLE CAMP	SV	30 GPM	100	250	60	265	811	2010
TOTAL	134								

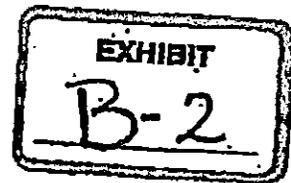
SOLENOID VALVE STATIONS

55SV*	US 23 SOLENOID VALVE	SV	---	205	175	185	185	604	1993
20 PC*	WILLIAMSON WTP	PC	1100 GPM	---	---				1885
37MC	RUSSELL FORK WTP	MC	1547 GPM	---	---	205	225	703	1871

* DENOTES TELEMETRY CONTROLS

INFORMATION BEING GATHERED, WILL BE PASSED ON TO SEMS WHEN COMPLETED.

**MOUNTAIN WATER DISTRICT
MASTER METER STATIONS
AS OF DECEMBER 2007**



	MMS NO.	NAME / LOCATION	METER SIZE	METER TYPE	CONST. DATE
1	M-01JC	TOWN MOUNTAIN	6 INCH	COMPOUND	1987
2	M-02JC	META	6 INCH	TURBO	1987
3	M-03BC	BIG CREEK	6 INCH	TURBO	1987
4	M-04CC	CHLOE CREEK	6 INCH	COMPOUND	1980
5	M-05SV	INDIAN HILLS	4 INCH	TURBO	1996
6	M-06IC	ISLAND CREEK	4 INCH	TURBO	1992
7	M-07IC	RACCOON BRANCH	4 INCH	TURBO	1993
8	M-08IC	HOOPWOOD HOLLOW	2 INCH	COMPOUND	1998
9	M-09SX	SOOKEY CREEK #1	4 INCH	TURBO	1992
10	M-10SV*	SOOKEY CREEK #2	6 INCH	TURBO	1993
11	M-11EC	ELKHORN CREEK	4 INCH	TURBO	1997
12	M-12CP	COWPEN	4 INCH	TURBO	1993
13	M-13HC	HURRICANE CREEK (OUT OF ORDER)	4 INCH	TURBO	1992
14	M-14MC	MARROWBONE WTP (OUT OF ORDER)	10 INCH	TURBO	1972
15	M-15MC	MILLARD	6 INCH	TURBO	1992
16	M-16PC	WILLIAMSON #1	10 INCH	TURBO	1984
17	M-17PC	WILLIAMSON #2	6 INCH	COMPOUND	1978
18	M-18IC	MODERN MOBILE HOME PARK	2 INCH	COMPOUND	19787
19	M-18MC	GREASY CREEK	6 INCH	TURBO	1992
20	M-18MC	FERRELLS CREEK	4 INCH	COMPOUND	2001
21	M-20JC	BRUSHY CREEK	4 INCH	COMPOUND	2003
22	M-21HC	CEDAR GAP	4 INCH	COMPOUND	2005
23	M-22MC	ELKHORN CONNECTOR	6 INCH	COMPOUND	2005
24	M-23JC	LOWER JOHNS CREEK	6 INCH	COMPOUND	2006
25	M-24MC	RUSSELL FORK WTP	12 INCH	COMPOUND	2003
26	M-25JC	MILLER'S CREEK	4 INCH	COMPOUND	2006
27	M-26JC	LEFT JOE'S CREEK	2 INCH	TURBO	2006

* Denotes Telemetry Controls

**MOUNTAIN WATER DISTRICT
WATER STORAGE TANKS
AS OF JANUARY 2010**

**EXHIBIT
B-3**

TANK ID NO.	NAME	GPF	CAPACITY	HEIGHT	OVERFLOW ELEVATION	CONSTRUCTION DATE
01PC	TOWN MOUNTAIN	15625	500,000	32 FT	1189	1987
03RC	GRASSY FORK #1	2500	25,000	10 FT	1289	1990
05JC	DASIN KNOLL	4167	100,000	24 FT	623	1988
06JC	BENT MOUNTAIN	6250	200,000	32 FT	1390	1985
07JC	LAWSON BRANCH	6250	200,000	32 FT	1012	1987
08JC	ELKHORN FORK (KIMPEO)	6250	200,000	32 FT	1220	1987
09JC	RIDGELINE ROAD	4167	100,000	24 FT	1553	1988
10GV	GRAPEVINE SCHOOL	3125	100,000	32 FT	1264	1988
11GV	HUNT KNOB	6250	200,000	32 FT	1692	1988
125C	CANADA	6250	200,000	32 FT	1163	1989
14JC	MEATHOUSE FORK	2500	25,000	10 FT	1348	1988
16JC	COBURN MOUNTAIN	6250	200,000	32 FT	1303	1989
169C	SAND LICK	4167	100,000	24 FT	1085	1989
178B	LONG FORK OF BIG CREEK	2273	50,000	22 FT	1231	1989
18PC	ROGERS PARK	2000	20,000	10 FT	1167	2000
18PC	KY 292 TANK	6250	200,000	32 FT	617	1985
20PC	SOUTHSIDE MALL #1	6250	200,000	32 FT	845	1985
21PC	SOUTHSIDE MALL #2	4167	100,000	24 FT	993	1985
22PC	FOREST HILLS	1200	20,000	10 FT	1371	1985
23PC	SHARRONDALE	4167	100,000	24 FT	885	1985
24PC	STONE	4167	100,000	24 FT	1032	1985
25PC	MEVEIGH (HOMEMADE HOLLOW)	3188	78,500	24 FT	1257	2007
26PC	HARDY PARK	4167	100,000	24 FT	1118	1988
278B	BLACKBERRY MOUNTAIN	6250	200,000	32 FT	1312	1988
288B	BLACKBERRY SCHOOL	4167	100,000	24 FT	1515	1988
308B	LEFT FORK OF BLACKBERRY	2500	25,000	10 FT	1365	1988
318B	SMITH FORK OF BLACKBERRY	2500	25,000	10 FT	1250	1988
328B	PETER FORK OF BLACKBERRY	1000	10,000	10 FT	1240	1988
338C	PINSON FORK OF ROCKHOUSE	500	5,000	10 FT	1285	1990
350C	KENDRICK FORK	2500	25,000	10 FT	1305	1987
380C	IVY FORK	2273	50,000	22 FT	1230	1987
38WC	POORBOTTOM	2000	20,000	10 FT	1584	1985
40MC	GRAVEYARD HOLLOW	6250	100,000	24 FT	1330	1971
415V	SHELBIANA	6250	200,000	32 FT	1020	1987
425V	DOUGLAS PARK	15000	300,000	20 FT	1092	1985
43RC	GRASSY FORK #2	500	5,000	10 FT	1444	1990
44IC	ISLAND CREEK	6375	300,000	32 FT	1325	1991
465V	DORTON #1	4167	100,000	24 FT	1491	1991
480C	DORTON #2	500	5,000	10 FT	1500	1991
470C	GREASY CREEK	4167	100,000	24 FT	1260	1992
488C	BUCKLEY CREEK	3571	100,000	28 FT	1232	1981
489C	UPPER GREASY CREEK	2500	25,000	10 FT	1470	1992
609C	GILLESPI BRANCH	625	3,000	8 FT	1080	1982
51LP	LOWER POMPEY	4167	100,000	24 FT	1630	2008
52JC	UPPER JOHNS CREEK #1	6250	200,000	32 FT	1365	1993
53JC	UPPER JOHNS CREEK #2	4167	200,000	48 FT	1722	1993
54JC	LONG FORK OF JOHNS CREEK	2500	25,000	10 FT	1650	1993
555V	ROBINSON CREEK	6250	200,000	38 FT	1117	1993
58CP	COWPEN CREEK	4167	100,000	24 FT	1085	1993
57CP	PIKE COUNTY AIRPORT	588	50,000	85 FT	1550	1993
58PC	NARROWS BRANCH	2500	25,000	10 FT	1024	1992
58PC	MUDLUCK BRANCH	625	5,000	8 FT	1325	1992
60PC	PINSON FORK OF POND CREEK	2500	25,000	10 FT	1625	1992
62PC	SCANT BRANCH	1500	15,000	10 FT	1070	1992
63PC	RUNYONS BRANCH	625	5,000	8 FT	1445	1992
65MC	ALLEGHANY	1000	10,000	10 FT	1585	1993
66PC	BELFRY HILL	1250	10,000	8 FT	1000	1993
675V	INDIAN CREEK	4167	100,000	24 FT	1265	1993
68WC	PEYTON CREEK	1250	10,000	8 FT	1000	1993

**MOUNTAIN WATER DISTRICT
WATER STORAGE TANKS
AS OF JANUARY 2010**

TANK ID NO.	NAME	GPF	CAPACITY	HEIGHT	OVERFLOW ELEVATION	CONSTRUCTION DATE
68SV	LONG FORK OF SHELBY CREEK	2500	2 * 25,000	10 FT	1500	1994
70LP	SLONES BRANCH	625	5,000	8 FT	894	1992
71GC	SMITH FORK	2000	2 * 20,000	10 FT	1620	1995
72HC	HURRICANE CREEK	4167	100,000	24 FT	1200	1995
73SV	ELKHORN CREEK	8250	200,000	32 FT	1530	1995
74PC	SHARRON HEIGHTS	250	3,000	8 FT	1100	1995
76JC	LANE BRANCH	250	1,500	8 FT	1070	1994
77PC	CANEY FORK	250	1,500	8 FT	1180	1995
79HC	SPRING BRANCH	250	1,500	6 FT	823	1995
80MC	POWELL CREEK	2000	20,000	10 FT	1320	1998
81PF	WIDOWS BRANCH	1639	100,000	61 FT	1579	1998
82PF	BARRENSHEE HOLLOW	2500	25,000	10 FT	1480	1998
87MC	WOLFPIT	7813	250,000	32 FT	1020	1971
84SV	LIZZIE FORK	1250	10,000	8 FT	1380	1999
85SV	LITTLE ROBINSON CREEK	2000	20,000	10 FT	1500	1998
86EC	MILLS BRANCH	625	5,000	8 FT	1720	2000
87PF	BEECH CREEK	1250	10,000	8 FT	1425	2000
88MC	BIGGS BRANCH	1250	10,000	8 FT	1240	2000
89GV	PRITCHARD FORK	625	5,000	8 FT	1440	2000
90PC	BALL FORK	2000	20,000	10 FT	1300	2000
91PF	BONES BRANCH	625	5,000	8 FT	1203	2000
92MC	BRUSHY FORK OF ALLEGHENY	625	5,000	8 FT	1730	2001
93SV	CONTRARY HOLLOW	375	3,000	8 FT	1680	2001
94SV	SARAH BRANHAM HOLLOW	375	3,000	8 FT	1620	2001
95PC	STRAIGHT HOLLOW	250	2,000	8 FT	1470	2001
96PF	UPPER PETER CREEK	5000	30,000	10 FT	1348	2002
97MC	ROCKHOUSE, MARROWBONE	4167	100,000	24 FT	1443	2002
98BC	BRUSHY CREEK	2083	100,000	48 FT	1716	2002
99DF	HURRICANE FORK OF KNOX CREEK	1000	10,000	10 FT	1290	2002
100MC	WOLFPIT HOLLOW	1000	10,000	10 FT	1450	2002
101SV	KELLY MOUNTAIN ROAD	1000	10,000	10 FT	1650	2002
102SV	SUGAR CAMP ROAD	1000	10,000	10 FT	1380	2002
103MC	BOWLING FORK ROAD	2000	20,000	10 FT	1480	2002
104PF	CAMP CREEK	1000	10,000	10 FT	1280	2003
37MC	ROAD CREEK	20833	1,000,000	48 FT	1140	2002
110FC	FERRELLS CREEK	7884	300,000	38 FT	1408	2003
111FC	FEDS CREEK	5000	50,000	10 FT	1618	2004
112FC	MOTLEY FORK	2000	20,000	10 FT	1545	2004
113SV	BEEFROE	3000	30,000	10 FT	1380	2005
114SV	BOOKER FORK	2000	20,000	10 FT	1470	2005
115SV	ELSWICK FORK LICK BRANCH	2000	20,000	10 FT	1290	2004
116SV	LITTLE CREEK	2000	20,000	10 FT	1415	2008
117SV	LITTLE FORK	2000	20,000	10 FT	1338	2005
118PC	STRINGTOWN BURNWELL	2500	25,000	10 FT	980	2008
119GV	JOES CREEK	2000	20,000	10 FT	1258	2008
120GV	DRY BRANCH JOHNS CREEK	2000	20,000	10 FT	1202	2008
121SV	ELSWICK FORK JONANCY	2000	20,000	10 FT	1230	2008
122MB	JIMMIES CREEK	630	5000	8 FT	1240	2007
	TOTAL		4,882,000			

Location	KY PDES#	Permit Issued	Permit Expires	Capacity	BOD	TSS
WWTPS						
Bethy Courthouse	KY0072581	1/1/2007	12/31/2011	5000	30/45 mg/l	30/45 mg/l
Branchmont Heights	KY0096350	1/1/2007	12/31/2011	10000	30/45 mg/l	30/45 mg/l
Dardef's Creek (T & H MHP)	KY0076311	2/1/2007	2/31/2012	2000	30/45 mg/l	30/45 mg/l
Dorton Park	KY0104841	1/1/2007	12/31/2011	1500	30/45 mg/l	30/45 mg/l
Deepley Indusyl (I)	KY0042811	1/1/2007	1/30/2012	200000	15/22.5 mg/l	30/45 mg/l
Hardy Park (Mockberry)	KY0072872	1/1/2007	12/31/2011	10000	30/45 mg/l	30/45 mg/l
Johns Creek DC	KY0090621	11/21/2009	12/31/2014	1000	30/45 mg/l	30/45 mg/l
Johns Creek FWA	KY0109553	2/1/2007	1/31/2012	500	30/45 mg/l	30/45 mg/l
Kecoma Village	KY0099384	4/1/2007	3/31/2012	10000	25/30 mg/l	30/45 mg/l
Maple Valley Subd.	KY0098359	12/11/2007	11/30/2012	2000	30/45 mg/l	30/45 mg/l
Modern MHP	KY0098457	2/1/2007	1/31/2012	6000	30/45 mg/l	30/45 mg/l
Philips / Freasburn	KY0104442	4/1/2007	7/31/2012	250000	30/45 mg/l	30/45 mg/l
Rudmans MHP	KY0099885	7/1/2007	1/31/2012	9000	30/45 mg/l	30/45 mg/l
Stone Heights	KY0021348	7/1/2007	1/31/2012	10000	30/45 mg/l	30/45 mg/l
Widow Plaza	KY0011708	5/1/2007	4/30/2012	6000	30/45 mg/l	30/45 mg/l
AERATORS						
Prevue, Virginia 114 Bevins Ln	KY0400000/KY0402114	1/1/2008	12/31/2012	1000	10/15 mg/l	30/45 mg/l
Smith, Clarence 587 N. Big Crk Rd	KY0400000/KY0402101	1/1/2008	12/31/2012	1000	10/15 mg/l	30/45 mg/l
Taylor, Wendell 1175 N. Big Crk Rd	KY0400000/KY0402116	1/1/2008	12/31/2012	1000	10/15 mg/l	30/45 mg/l
Young, Willie Marie 3138 N. Big Crk Rd	KY0400000/KY0402103	1/1/2008	12/31/2012	1000	10/15 mg/l	30/45 mg/l
Beard, Rayer Jr 2175 N. Big Crk Rd	KY0400000/KY0402101	1/1/2008	12/31/2012	1000	10/15 mg/l	30/45 mg/l
Reed, Roger Jr 3175 N. Big Crk Rd	KY0400000/KY0402113	1/1/2008	12/31/2012	1000	10/15 mg/l	30/45 mg/l
Belley, Jody 5368 N. Big Crk Rd	KY0400000/KY0402104	1/1/2008	12/31/2012	1000	10/15 mg/l	30/45 mg/l
Smith, David 11342 N. Big Crk Rd	KY0400000/KY0402104	1/1/2008	12/31/2012	1000	10/15 mg/l	30/45 mg/l
Smith, Jerry 641 N. Big Crk Rd	KY0400000/KY0402128	1/1/2008	12/31/2012	1000	10/15 mg/l	30/45 mg/l
WTP WITHDRAWAL PERMIT					CRDING - 30 DAY	
Research Park WTP	KY040159	2004	In Review at DOW	3 MGD	AVO	TSS
					0.08	30/50 mg/l

EXHIBIT
B-4

APPENDIX C-1

NPDES PERMIT AND PROJECT CHARACTERISTICS

- C.1.1 UMG will operate so that effluent will meet the requirement of each NPDES permit as listed on Exhibit "B-4" and any additions thereto that occur in the ordinary course of business.

These are adopted by reference herein as of the date hereof UMG shall be responsible for meeting the effluent quality requirements of the Permit unless one or more of the following occurs: (1) the project influent does not contain Adequate Nutrients to support operation of Project biological processes and/or contains Biologically Toxic Substances which cannot be removed by the existing process and facilities; (2) dischargers into DISTRICT'S sewer system violate any or all regulations as stated in DISTRICT'S Industrial Water and Sewer Ordinance(s) or as required by law; (3) the flow or influent BODs and/or suspended solids exceeds the Project design parameters which are identified (FIGURE 1) thousand gallons of flow per day, (FIGURE 1) pounds of BODs per day, (FIGURE 1) pounds of suspended solids and a daily peaking factor of (FIGURE 1) times flow; (4) if the Project is inoperable or can operate only at a reduced capacity on account of construction activities, fire, flood, adverse weather conditions, labor disputes or other causes beyond UMGs control.

- C.1.2 In the event any one of the Project influent characteristics, suspended solids, BOD or flow, exceeds the design parameters stated above, UMG shall return the plant effluent to the characteristics required by NPDES in accordance with the following schedule after Project influent characteristics return to within design parameters.

10% or Less	5 days
Above 10% Less than 20%	10 days
20% and Above	30 days

Notwithstanding the above schedule, if the failure to meet effluent quality limitations is caused by the presence of Biologically Toxic Substances or the lack of Adequate Nutrients in the influent, then UMG will have a thirty (30) day recovery period after the influent is free from said substances or contains Adequate Nutrients.

- C.1.3 UMG shall not be responsible for fines or legal action as a result of discharge violations within the period that influent exceeds design parameters, does not contain Adequate Nutrients, contains Biologically Toxic Substances or is inoperable, and the subsequent recovery period.

APPENDIX C-2

PROJECT CHARACTERISTICS

C.2.1 The Project has the following design characteristics:

A capacity of 2.0 MGD of finished water production with an ability for chemical additions, flocculation, sedimentation and filtration based on 2 gallons per minute per square foot of filter area. The Project has the capability for post treatment by chlorination and fluoridation.

C.2.2 UMG will operate the Project so that water treated will meet the current Municipal Drinking Water Standards. UMGs Annual Fee includes all costs for treating an average daily flow of 2.0 MGD of raw water per day to the standards specified below.

Turbidity	0.3 NTU
Iron	<0.3 mg/L
Manganese	<0.05 mg/L
Fluoride	0.8 average mg/L
pH Color	>7.0
Corrosivity	<15 color units
Odor E.	Non-corrosive
Coli	<3.0 TON Negative

C.2.3 If any of the following contaminants in the raw water causes the finished water to exceed the maximum Contaminant Levels (MCL) established for finished water quality, UMG will treat the raw water to reduce said contaminant to an acceptable MCL. The cost of any specific treatment will be in addition to the Annual Fee for the treatment required by this Article C.2.3.

Radionuclides

Radium	5.0 Pci/L
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Gross Alpha	15.0 Pci/L
-------------	------------

Organic Chemicals

<u>Contaminant</u>	<u>MCL Cmg/U</u>
Alachlor	0.002
Aldicarb	0.003
Aldicarb Sulfone	0.002
Aldicarb Sulfoxide	0.004
Atrazine	0.003
Benzene	0.005
Carbofuran	0.04
Carbon Tetrachloride	0.005
Chlordane	0.002
2,4-D	0.07
Dibromochloropropane (DBCP)	0.0002
Dibromochloropropane (DBCP)	0.6
p-Dichlorobenzene	0.075
1,2-Dichloroethane	0.005
1,1 -Dichloroethylene	0.007
cis-1,2-Dichloroethylene	0.07
trans-1,2-Dichloroethylene	0.1
1,2-Dichloropropane	0.005
Endrin	0.002
Ethylbenzene	0.7
Thylene Dibromide (EDB)	0.00005
Thylene Dibromide (EDB)	0.0004
Heptachlor Epoxide	0.0002
Lindane	0.0002
Methoxychlor	0.04
Monochlorobenzene	0.1
Pentachlorophenol	0.001
Polychlorinated Biphenyls (PCB)	0.0005
Styrene	0.1
Tetrachloroethylene	0.005
Toluene	1
Toxaphene	0.003
2,4,5-TP (Silvax)	0.05
1,1,1 -Trichloroethane	0.02
Trichloroethylene	0.005
Total Trihalomethanes	0.1
Vinyl Chloride	0.002
Xylenes (Total)	10

Inorganic Chemicals

<u>Contaminant</u>	<u>MCL</u>
Arsenic	0.05
Asbestos	7 (million fibers/L)
Barium	2
Cadmium	0.005
Chromium	0.1
Fluoride	4
Mercury	0.002 10 (as
Nitrate	nitrogen)
Nitrite	1 (as nitrogen)
Total Nitrate Nitrite	10
Selenium	0.05
Chloride	300
Copper	1.0
Fluoride	2.0
Silver	0.10
Sulfate	300 1,000
Total Dissolved Solids (TDS)	5
Zinc	

C.2.4 UMG will provide laboratory services for monitoring only the following contaminants on an as-requested basis. These contaminants do not have an established MCL.

Aldrin	Hexachlorobenzene
Benzo(a)pyrene	Hexachlorocyclopentadiene
Butachlor	3-Hydroxycarbofuran
Carbayl	Methomyl
Dalapon	Metolachlor
Di(2-ethylhexyl) adipate	Metribuzin
Di(2-ethylhexyl)phthalate	Oxyamyl (vydate)
Didamba	Pictoram
Dichloromethane Dieldrin	Propachlor
Dinoseb	Simazine
Diquat	2,3,7,8-TCDD (Dioxin)
Entodhal	1,2,4-Trichlorobenzene
Glyphosate	1,1,2-Trichloroethane

APPENDIX C-3

WASTEWATER COLLECTION SYSTEM

SCOPE OF SERVICES

The wastewater collection system consists of all lift stations, manholes and pipe in service as of effective day of this Agreement and those added to the system in the ordinary course of business. UMG's responsibility with the wastewater collection system shall be to respond to notification of clogged or blocked DISTRICT owned wastewater/sewer lines in place as of the effective date of this Agreement, and to make all reasonable and diligent efforts to remove debris or other material causing blockages. UMG shall respond to notices of blockage by the next working day of receiving notice. The DISTRICT shall remain responsible for replacing sewer and wastewater lines and for any damage or loss to property or injury, including death or disease of any person arising from failure or from the operation or repair of the wastewater collection system, and the DISTRICT, or its underwriters, shall retain responsibility to administer, adjust and respond to any claims arising as a result thereof.

UMG will notify the DISTRICT promptly when UMG becomes aware of the potential requirement of repair or replacement of any wastewater collection system components and assist the DISTRICT in locating such areas. UMG repair and maintenance of the wastewater collection system components shall be treated as Maintenance and Repair incurred pursuant to this Agreement.

APPENDIX C-4
DRINKING WATER DISTRIBUTION SYSTEM
SCOPE OF SERVICES

The water distribution system consists of all waterlines, meters, hydrants, master meters and valves in service as of the effective date of this Agreement and pump stations and water storage tanks identified in Figure 2, Figure 3, Figure 4, and those added to the system in the ordinary course of business.

Figure 2

MMS	Location	Meter Size
M-01JC	Town Mountain	6 inch
M-02JC	Meta	6 inch
M-03BC	Big Creek	6 inch
M-04CC	Chloe Creek	6 inch
M-05SV	Indian Hills	4 inch
M-06IC	Island Creek	4 inch
M-07IC	Raccoon Branch	4 inch
M-08IC	Hoopwood Hollow	2 inch
M-09SX	Sookekey Creek #1	4 inch
M-10SV	Sookekey Creek #2	6 inch
M-11EC	Elkhorn Creek	4 inch
M-12CP	Cowpen	4 inch
M-13HC	Hurricane Creek	4 inch
M-14MC	Marrowbone WTP	10 inch
M-15MC	Millard	6 inch
M-16PC	Williamson #1	10 inch
M-17PC	Williamson #2	6 inch
M-18IC	Modern Mobile Home Park	2 inch

MMS	Location	Meter Size
M-19MC	Ferrells Creek	4 inch
M-20JC	Brushy Creek	4 inch
M-21HC	Cedar Gap	4 inch
M-22MC	Elkhorn Connector	6 inch

Figure 3

01FC	Ferguson Creek	02RC	Taylor Fork
03RC	Grassy Fork #1	05JC	Cabin Knoll
07JC	Johns Creek RR	08JC	Deskins
09JC	Elkhorn MT	10GV	Grapevine School
11GV	Upper Camp Branch	13JC	Stratton Fork
14JC	Meathouse	15JC	Coburn Mt #1
17BC	Long Fork, Big Creek	18PC	Rogers Park
20PC	Williamson Mall	21PC	Southside Mall
22PC	Forest Hills	23PC	US 119, Toler
24PC	Sharondale	25PC	Runyon School
26PC	Hardy	27PC	Turkey Toe
28BB	Dials Branch	29BB	Blue Springs
30BB	Left Fork of Blackberry	31BB	Smith Fork
32BB	Peter Fork	33BC	Pinson Fork
35CC	Kendrick Fork	36CC	Ivy Fork
37MC	Marrowbone Pl.	38MC	Poor Bottom
39MC	Twin Bridges	40MC	Graveyard Hollow

41SV	Fords Branch	42SV	Snokeys Creek
43RC	Grassy Fork #2	44IC	Island Creek
45SV	Caney Creek	46DC	Dorton Creek
47GC	Greasy Creek	48BC	Buckley Creek
49GC	Greasy Creek	50GC	Gillespi Branch
51LP	Lower Pompey	52JC	Johns Creek #1
53JC	Johns Creek #2	54JC	Long Fork Johns Creek
55SV	US 23 Solenoid	56CP	Cowpen Creek
57CP	Adkins Branch	58PC	Narrows Branch
59PC	Mudlick Branch	60PC	Pinson Fork Pond Creek
61PC	Coburn Mountain	62PC	Scant Branch
63PC	Runyon Branch	64JC	Scott Fork
65MC	Alleghany	66PC	Belfry Hill
67SV	Indian Creek	68MC	Peyton Creek
69SV	Long Fork Shelby Creek	70LP	Stones Branch
71PT	Smith Fork	72HC	Hurricane Creek
73SV	Elkhorn Creek	74PC	Sharon Heights
75PC	Allison Heights	76JC	Layne Branch
77PC	Caney Fork	78SV	Pigeon Branch
79HC	Spring Branch	80MC	Powell Creek
81PF	Widows Branch	82PF	Barrenshee
83IC	Edgewood Lane	84SV	Lizzie Fork
85SV	Little Robinson Creek	86EC	Mills Branch
87PF	Beech Creek	88MC	Biggs Branch
96GV	Trace Fork	19PC	KY 292
89GV	Fritchard Fork	90PC	Ball Fork

91 PF	Bones Branch	93MC	Contrary Hollow
94MC	Sarah Branham	95PC	Straight Hollow
92MC	Brushy Fork, Hellier	96PF	Upper Peter Creek
97MC	Rockhouse	98BC	Brushy Creek
99PF	Hurricane Fork	100MC	Wolfpit Hollow
101SV	Kelly Mountain Road	102SV	Sugar Branch
103MC	Bowling Fork	104PF	Camp Creek
105	Hunt Branch	106	Anderson Branch
107	Sutton Bottom	108	Hatfield
109	Upper Pompey	110	Abner Fork
111	Feds Creek		

Figure 4

01FC	Town Mountain
03RC	Grassy Fork #1
05JC	Cabin Knoll
06JC	Bent Mountain
07JC	Lawson Branch
08JC	Elkhorn Fork
09JC	Ridgeline Road
10GV	Grapevine School
11GV	Hunt Knob
12BC	Canada
14JC	Meathouse Fork

15JC	Coburn Mountain
16BC	Sandlick
17BB	Long Fork, Big Creek
18PC	Rogers Park
19PC	KY 292 Tank
20PC	Southside Mall #1
21PC	Southside Mall #2
22PC	Forest Hills
23PC	Sharon dale
24PC	Stone
25PC	McVeigh
26PC	Hardy Park
29BB	Blackberry Mountain
30BB	Left Fork Blackberry
31BB	Smith Fork Blackberry
32BB	Peter Fork Blackberry
33BC	Pinson Fork of Rockhouse
35CC	Kendrick Fork
36CC	Ivy Fork
38MC	Poor Bottom
40MC	Graveyard Hollow
41SV	Shelbiana
42SV	Douglas Park
43RC	Grassy Fork #2
44IC	Island Creek
45SV	Dorton #1

46DC	Dorton #2
47GC	Greasy Creek
48BC	Buckley Creek
49GC	Upper Greasy Creek
50GC	Gillespi Branch
51LP	Lower Pompey
52JC	Upper Johns Creek #1
53JC	Upper Johns Creek #2
54JC	Long Fork of Johns Creek
55SV	Robinson Creek
56CP	Cowpen Creek
57CP	Pike County Airport
58PC	Narrows Branch
59PC	Mudlick Branch
60PC	Pinson Fork of Pond Creek
62PC	Scant Branch
63PC	Runyons Branch
65MC	Alleghany
66PC	Belfry Hill
67SV	Indian Hill
68MC	Peyton Creek
69SV	Long Fork of Shelby Creek
70LP	Slones Branch
71GC	Smith Fork
72HC	Hurricane Creek
73SV	Elkhorn Creek

74PC	Sharon Heights
76JC	Lane Branch
77PC	Caney Fork
79HC	Spring Branch
80MC	Powell Creek
81PF	Widows Branch
82PF	Barrenshee Hollow
37MC	Wolfpit
84SV	Lizzie Fork
85SV	Little Robinson Creek
86EC	Mills Branch
87PF	Beech Creek
88MC	Biggs Branch
89GV	Pritchard Fork
90PC	Ball Fork
91PF	Bones Branch
92MC	Brushy Fork of Allengeny
93SV	Contrary Hollow
94SV	Sarah Branham Hollow
95PC	Straight Hollow
96PF	Upper Peter Creek
97MC	Rockhouse, Marrowbone
98BC	Brushy Creek
99DF	Hurricane Fork of Knox Creek
100MC	Wolfpit Hollow
101SV	Kelly Mountain Road

102SV	Sugar Camp Road
103MC	Bowling Fork Road
104PF	Camp Creek
105	Road Creek
106	Ferrells Creek
107MC	Feds Creek
108MC	Motley Fork

APPENDIX D

INSURANCE COVERAGE

UMG SHALL MAINTAIN:

1. Statutory Workers' Compensation for all of UMG's employees at the Project as required by the Commonwealth of Kentucky.
2. Comprehensive general liability insurance, insuring UMGs negligence, in an amount not less than \$2,000,000 combined single limits for bodily injury and/or property damage.

DISTRICT SHALL MAINTAIN:

1. Statutory Workers' Compensation for all of DISTRICT'S employees associated with the Project as required by the Commonwealth of Kentucky.
2. Property damage insurance for all property including vehicles owned by DISTRICT and operated by UMG under this Agreement. Any property, including vehicles not properly or fully insured shall be the financial responsibility of the DISTRICT. Although the DISTRICT is required to maintain these insurance coverages, the parties acknowledge that the current premium costs are included in the budget provided to UMG and provided and to the extent the premium costs do not increase, UMG will promptly pay, on behalf of the DISTRICT, the premiums for said insurance coverages. The DISTRICT shall pay any additional premium cost for such insurance coverages.
3. Automobile liability insurance for collision, comprehensive, and bodily injury.

Each party will provide at least thirty (30) days notice of the cancellation of any policy it is required to maintain under this Agreement. UMG may self-insure reasonable deductible amounts under the policies it is required to maintain to the extent permitted by law but only if such action does not invalidate the property insurance of DISTRICT.

**Mountain Water District
Request for Proposals
Operation, Maintenance & Management**

**ATTACHMENT C
EXCEPTIONS TO DRAFT SERVICE CONTRACT**

Check one box below:

The proposer takes no exceptions to the Draft Service Contract as provided in Attachment B

The proposer takes the following exceptions to the Draft Service Contract as provided in Attachment B (use as many pages as needed)

1.

2.

3.

4.

5.

Poser Name: _____

e: _____

Authorized Signature: _____

Mountain Water District
Request for Proposals
Cost Proposal Worksheet

Category	Year 1	Year 2	Year 3	Total
Salary				\$ -
Direct Labor Overhead				\$ -
Utilities				\$ -
Materials				\$ -
Equipment				\$ -
Materials/Supplies				\$ -
Outside Services				\$ -
Maintenance and Repair				\$ -
Insurance and Bonds				\$ -
Other (specify)				\$ -
Total - Cost of Service	\$	\$	\$	\$
Corporate Overhead @ ___%				\$ -
Profit @ ___%				\$ -
FINAL PRICE	\$	\$	\$	\$

Notes and Assumptions (list below):

Mountain Water District
Request for Statements of Qualifications and Price Proposals for the
Operations, Maintenance and Management of all Facilities

Addendum #1
May 11, 2016

This addendum is being issued to the above-referenced Request for Proposals as issued by the Mountain Water District (MWD) on April 30, 2016. The addendum includes two items:

1. A full-day facility inspection tour has been scheduled for Tuesday, May 17. Interested parties are asked to meet at the MWD offices at 6332 Zebulon Highway, Pikeville, KY 41501 at 8:30 am. Participants will need to provide their own transportation.
2. The deadline for submission of questions has been extended from Wednesday May 18 to Friday May 20. All other dates/deadlines outlined in Section 3 of the RFP remain the same.

Mountain Water District
Request for Statements of Qualifications and Price Proposals for the
Operations, Maintenance and Management of all Facilities

Addendum #2
May 25, 2016

This addendum is being issued to the above-referenced Request for Proposals as issued by the Mountain Water District (MWD) on April 30, 2016. The addendum includes two items:

1. The District has established budget numbers for the Repair and Maintenance line item to be included in the Price Proposal of each respondent. The revised worksheet has been uploaded to the Data Room.
2. The District has established a Drop Box site for each proposer firm for their use in uploading the electronic (pdf) version of both the Statement of Qualifications and Price Proposal. The link to the site will be provided to each respondent.

Mountain Water District
Request for Statements of Qualifications and Price Proposals for the
Operations, Maintenance and Management of all Facilities

Addendum #3
May 25, 2016

This addendum is being issued to the above-referenced Request for Proposals as issued by the Mountain Water District (MWD) on April 30, 2016. The addendum includes one item:

1. The District has extended the deadline for the printed copy of the Statement of Qualifications and Price Proposal to Thursday June 2 at 4 pm EDT. The electronic version must still be uploaded to the Drop Box site before 2 pm EDT on June 1. All other instructions related to the submittals as outlined in the RFP remain the same.

PUBLIC NOTICE

The Board of Commissioners of the Mountain Water District requests Statements of Qualifications and Price Proposals from qualified entities interested in providing operations, maintenance and management services to the District. The District provides water and wastewater service to the unincorporated areas of Pike County, Kentucky, consisting of 789 square miles with a water service population of approximately 63,000 people (7,000 for wastewater).

The District water system includes one 3 million gallon per day treatment plant, 1,000 miles of water main, 17,000 metered connections, 108 water storage tanks and 138 booster pumping stations. The wastewater system includes ten wastewater treatment plants (the largest with a capacity of 250,000 gallons per day), 2,400 service connections, 51 miles of force main, 8 miles of gravity sewer line and 20 lift stations.

The District seeks the services of a contractor to provide full, on-site contract management to include operation and maintenance of all facilities (treatment, distribution and collection systems) as well as associated fiscal and customer services. The selected contractor must have experience in providing contract services for rural water and wastewater facilities of similar size and complexity as the District's system.

Interested parties can obtain the Request for Statements of Qualifications and Price Proposals for the Operation, Maintenance and Management of All Facilities by contacting Wetzel Consulting at ewetzel@wet-con.com or accessing the District website at www.mountainwaterdistrictky.com.

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515590

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PIKEVILLE KY 41502 USA

Customer Phone
606-631-9162

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PO BOX 3157
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Tear Sheets **Proofs** **Affidavits**
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Net Amount **Tax Amount** **Total Amount**
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Payment Amt **Amount Due**
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4/30/2016, 5/1/2016, 5/2/2016, 5/3/2016, 5/4/2016, 5/5/2016,
5/6/2016
PUBLIC NOTICE The Board of Commissioners of the Mountain Water

Transaction Type: Payment
Card Number: 0000628418
Payment Method: Credit card
Bad Debt: -
Card Number: XXXXXXXXXXXX0312
Card Expire Date: 10/28/2018
Payment Amount: 312.84
Reference Number:
Bill to Company: Charleston Newspapers
Category: Classified
Bill to Trans Nbr: P132639
Check Number:
Routing Number:

Invoice Text:
Invoice Notes:

Customer Type: Business
Customer Category: Local
Customer Status: OK
Customer Group: Monthly
Customer Trade:
Account Number: 054309102
Phone Number: 6064377800
Company / Individual: Individual
Customer Name: STRATTON LAW FIRM
Customer Address: PO BOX 1530

PIKEVILLE KY 41502 USA

Donna S. Mullins

From: Classifieds <classads@news-expressky.com>
At: Thursday, April 28, 2016 2:21 PM
To: dsmullins@strattonlaw.net
Subject: Re: Legal Ad for Mountain Water District

HI,

I am the Classified Legal Manager for the Appalachian News-Express, I have received your ad. The Appalachian News-Express publishes on Wednesday, Friday and Saturday, I will scheduled the ad to run on the dates requested, April 30 through May 6, that will only be three run, April 30, May 4 and May 6, cost is \$319.20, Or do you need the ad to actually run for seven days that will be through May 14, cost for seven days is \$744.80.

Just let me know for sure and thanks and have a great day!

--

Deborah Chambers
Classified/Legals Manager
Appalachian News-Express
PO Box 802 Pikeville KY 41502
(606)437-4054 phone
)437-4246 fax

From: Donna S. Mullins [mailto:dsmullins@strattonlaw.net]
Sent: Thursday, April 28, 2016 12:08 PM
To: Jeff Vanderbeck
Cc: Dan Stratton Esq.; Roy Sawyers; Ed Wetzel
Subject: Legal Ad for Mountain Water District

Dear Mr. Vanderbeck:

Pursuant to Dan's instructions, please find attached Request for Proposal to be published in Appalachian News Express next week. The Ad needs to run for seven (7) consecutive days, beginning Saturday, April 30, 2016, and run through Friday, May 6, 2016.

The bill for running this Ad this should sent to:

Mountain Water District
Post Office Box 3157
Pikeville, Kentucky 41502

REQUEST FOR STATEMENTS OF QUALIFICATIONS AND PRICE
PROPOSALS
FOR OPERATION, MAINTENANCE, AND MANAGEMENT OF MOUNTAIN
WATER DISTRICT

QUESTIONS AND REQUESTS FOR CLARIFICATION
ANSWERS PROVIDED IN RED

1. Section 1.3 District Management: This section refers to a Financial Administrator who is a direct employee of the District. It does not make any reference to an independent accountant comparable to the individual presently retained by the District to assist the District with all of its financial affairs. Will an independent accountant continue to be retained and what will his/her specific responsibilities be? **The District will continue to retain professional services, including the services of an independent accountant, as it deems necessary.**
2. In Section 2 on Page 3, the Request states that “the Board has determined that it may be in the best interest of its customers to consider an alternate management approach than that presently in place”. The first paragraph on Page 4 identifies what the Board is seeking with this RFQ. It is not clear to this respondent how the nature and scope of services outlined in this RFQ is different in any substantial manner from the way that the District presently manages its water and sewer systems. Please clarify. **Proposers may offer any suggestions for alternative approaches to system operations and management, particularly if they result in lower cost or improved system efficiency, as part of their submittal.**
3. Section 2.1 d. addresses insurance requirements. Is the contractor’s responsibility limited to furnishing liability and property damage? Does this requirement exclude auto coverage? Is this a separate policy in the District’s name or additional coverage requirements that the contractor would need to add to its own policy? Is this coverage in addition to other insurance coverage that the District would secure in its own name? Please clarify. **(a) No. (b) No. (c) This is to be a separate policy in the District’s name, which is in addition to any coverage requirements that the Contractor would have under its own name. (d) Yes.**
4. Section 3.6 addresses employees – both current and as proposed by contractor. Please clarify that it is the District’s intention to hire all UMG employees at 7/18/2016, retain them as District employees for approximately 6 months, and then transfer their employment to the successful contractor. Will all employees be able to participate in the District’s benefit plans (ie: health insurance, retirement plan, etc.) for those six months?

It is the District's intent to make offers to most of UMG's employees. Those hired will start on July 18, 2016. If the Board elects to accept a Contract Management Proposal, then all of the then existing District employees, except for the District's Administrator and Financial Officer, will be transferred back over to the new Contractor. All District employees will participate in the District's benefits plans, while employed by the District.

5. Section 3 – Professional References: The RFQ requests a minimum of three references from similar clients to the District that the contractor has provided similar services to. While this respondent has multiple references it can and will submit, it is not aware of three clients in the state or region that are as large and complex as that of Mountain Water District. **Each proposer should select references from client engagements that best match the system requirements and complexity of the District.**
6. Who will be responsible for the vehicle and equipment replacement program, will the District or Contactor be liable for the payment and who provides the schedule and requirements? **Contractor will be responsible for replacement of equipment and vehicles on a schedule to be agreed upon by the parties.**
7. Will Contractor be allowed to use all District equipment? **All District-owned equipment identified in the asset list located in the Data Room will be available for use by the contractor.**
8. Who will be responsible for purchasing water from Pikeville and Williamson? **The Contractor will be responsible for purchasing water from the City of Pikeville and the City of Williamson, pursuant to the terms of the contracts between the District and these municipalities.**
9. Who will be responsible for paying for sewer disposal that is currently being sent to Williamson? **The Contractor will be responsible for paying for sewage disposal, currently being sent to Williamson, pursuant to the District's contract with the City of Williamson.**
10. Who will be responsible for supplying hand tools and other tools needed for operations and maintenance? **The proposer must provide all tools not provided by the District and included in the list of assets in the Data Room.**
11. Who will be responsible for payments of District's insurances etc? **The District will be responsible for the insurance policies related to the District's own employees. See response to Question No. 3, concerning all other insurances.**

12. Subpart of question 8 – “What contractual obligation will the District provide with regard to infrastructure improvement to reduce water loss percentage to below the 15% requirement? (ie. Capital Infrastructure Replacement Program) **Proposers may identify any exceptions, additions or amendments to the Draft Service Agreement provided with the RFP. The District cannot make a specific contractual obligation to capital improvements to reduce the water-loss percentage, as it has not yet determined the scope of work that needs to be done to reduce the loss below 15%, and what funds would otherwise be available to address this issue.**
13. As the District’s facilities grow (new pump stations, additional wastewater facilities, etc.) what contractual mechanism will be provided for additional chemicals, employees, vehicles, payment of electrical usage, etc.? **Proposers may identify any exceptions, additions or amendments to the Draft Service Agreement provided with the RFP.**
14. Who is responsible for IT, tech issues and maintenance? **Contractor.**
15. Will the District address the issue of the current contractual monthly R & M Budget considering historical trends and realistic annual increases? **The District has established budget numbers for the Repair and Maintenance line item to be included in the price proposal of each respondent. The revised worksheet has been uploaded to the Data Room.**
16. Will the District compensate contractor for additional future regulatory compliance mandates? (ie, lab certification, stricter sampling and associated costs) **Costs related to future, unanticipated regulatory compliance requirements will be compensated by the District after negotiation of an approved contract amendment.**
17. Whose responsibility is it to be the custodian of records and who signs off on DOW paperwork? **The contractor will provide record keeping and prepare reports as described in Section 2 of the Draft Service Agreement.**
18. Clarification of relationship of contractor and District administrator? **The District Administrator oversees the contract on behalf of the District.**
19. The RFQ requires the selected contractor to provide a Payment Performance Bond in the amount equal to one year of operation, renewable annually.

- a. Does the current contractor have a Payment and Performance Bond in force? **Yes. (Subject to verification).**
 - b. What is the reason for the bond? In our 30+ years of experience we have never known of a payment or performance bond being called on an O&M job. These types of Bonds are expensive to provide and offer little insurance to the owner. Will the MWD waive the Payment and Performance Bond requirements? **A bond was required to offset the lack of an audited statement recommended by the State's Auditor. At this time, we cannot waive the requirement, but we are prepared to negotiate what the amount of the bond should be, based on the proposer's financial strength.**
20. The RFQ lists the Contract start date of January 1, 2017. Assuming that the selection and contract negotiation occur per the current schedule, ESG would like to propose a start date that coincides with the departure of the existing contractor. It does not seem reasonable to transition the employees from UMG to MWD and then back to a private contractor. Will MWD accept a start date immediately following the departure of the existing contractor? **The January 1, 2017 start date was selected to give the selected contractor adequate time to prepare and mobilize for the engagement. If a proposer believes they can start on July 18, 2016, or any date between July 18 and January 1, they should so indicate in their proposal.**
21. Can you please clarify who pays for the following?
- a. Purchased water from Pikeville, KY and Williamson, WV to augment MWDs demand. **Please refer to response for Question No. 8.**
 - b. Power Costs. If this cost is to be paid by the contractor, we request 2 years of detailed power bills. We suggest that this line item be paid by MWD, as there are few opportunities available to change the electrical consumption in the system. **Cost will be absorbed by the contractor. Two years of power bill cost information will be uploaded into the Data Room.**
 - c. Sludge Disposal Costs. If this cost is to be paid by the contractor, we respectfully request 2 years of sludge disposal cost history. **Two years of sludge disposal costs will be uploaded into the Data Room.**
 - d. Vehicle Fuel. If this cost is to be paid by the contractor, we respectfully request 2 years of vehicle fuel cost history. **Two years of fuel cost information will be uploaded into the Data Room.**

22. The RFQ requires the contractor to provide audited financials with the proposal submittal. ESG Operations, Inc. is a private, closely held corporation that does not have audited financials. We will have revenues in excess of \$60,000,000 in 2016 and are very stable with over \$500,000,000 in contracted backlog. We typically submit a financial report from our CPA to meet this requirement. Will MWD accept this report in lieu of audited financials? **For the purposes of this submittal, the District will accept a reviewed statement from a Certified Public Accountant.**
23. The MWD and the PSC recently approved a rate increase. Can you provide us with an estimate of the revenue increase generated by the rate increase? Will these funds be available to the contractor for capital projects like leak reduction and line replacements? **The District's recent rate increase is estimated to provide \$190,000 in additional average monthly revenue. A portion of these funds will be available for capital projects, including leak reduction and line replacement. The amount that will be available is unknown at this time, as the District has certain indebtedness to its current Contractor that will need to be reduced in a timely manner.**
24. MWD currently has a contract with Southern Corrosion to provide tank maintenance. ESG has a tank company and would like to include these services in our offering to MWD.
- a. Is a contract currently in force with Southern Corrosion? **Yes**
 - b. Can we get a summary of the work that has been performed under this contract? **The Company has performed probably less than 25% of their contractual obligations.**
 - c. Subject to the applicable terms of the Southern Corrosion contract would MWD be willing to consider that those services be provided ESG in the context of this agreement? **The District is contractually bound to honor the Southern Corrosion Contract, as they have been very flexible with the District during some difficult financial periods. The District is certainly open to consider future work, after this contract is completed.**
25. During our site visits, the UMG staff indicated that there is equipment being utilized in the system that is owned by UMG. Can MWD/UMG provide a list of ALL tools, vehicles, and/or equipment that is currently onsite that they plan on removing from the project if their contract is not renewed? This would include vehicles, tools (including hand tools and tool boxes), heavy equipment, leak detection equipment, lab equipment (including portable instruments and meters, meter reading equipment, computers, copiers,

telephones, etc. We need to make sure we have an accurate account of what we need to provide. An inventory of District-owned assets is included in the Data Room. Other equipment, tools and vehicles required by the Contractor must either be provided by the Contractor or requested of the District in accordance with the provisions of the Draft Service Agreement.

26. What is the root cause of the dramatic increase in chemical costs from 2014 to 2015? In general, there are different reasons for the increase in cost, such as additional regulations or necessities at the water treatment plant (corrosion inhibitor, lagoon treatment, organic carbon removal), inclement weather that affects the influent (river conditions) for the water treatment plant for additional costs for treatment, phosphorous regulations at small package wastewater treatment plants, new method of treatment installed during the upgrades for Phelps/Freeburn WWTP.
27. Does a fully populated account/meter data base exist that includes; manufacturer, type (PD, turbine, compound, etc....), size and date manufactured? Yes, contractor maintains that information.
28. Provide a history of main breaks by location. It is not feasible to provide this information at this time.
29. Please provide July and August 2015 MOR's as they are not in the drop box. July and August MOR's will be uploaded into the Data Room.
30. Will equipment asset information from the current contractors CMMS be available electronically? The Contractor tracks maintenance work orders and data through the billing program (Alliance Software Program). Any additional information is tracked via spreadsheet.
31. Provide a detailed report of chemical consumption by location and month. Two years of chemical cost information will be uploaded into the Data Room.
32. Provide a list any boil water notices that occurred over the past year. The boil water notice list will be uploaded into the Data Room.
33. Are there currently any efforts in place or being contemplated to reduce odor and/or corrosion in collection system? Yes, the District has been proactive in addressing odor control in utilizing ozone treatment (Anue Water Technologies) and NitroNox, also utilizing Sulfite for odor and corrosion control.

34. What is MWD's capital budget for the next 5 years by discipline (water/wastewater)?
Capital budgets are currently established by the District on an annual basis.
35. Please provide clarity to which individual staff hold valid Kentucky water and/or wastewater licenses and at what level. **The staff list for licenses will be uploaded into the Data Room.**
36. Is MWD under any or in the process of negotiating an administrative or consent order with the regulatory agency? If so, please provide any drafts of a proposed order and any related written communications. **None.**
37. Are there any bulk fuel (gasoline and/or diesel) storage tanks or facilities at any of MWD's sites? **None.**
38. What number of trench boxes and shoring are available? What depth can the existing contractor excavate with MWD's equipment? If deeper digs are necessary, are outside contractors used? If so, what outside contractors does MWD utilize for major line repairs? Provide history of outside contractors, etc. . **A) None, Contractor provides necessary equipment for their personnel's safety; B) Contractor will provide their larger equipment, if available, by schedule; or, if the urgency of the situation dictates it being sooner than scheduling will allow, then the equipment will be rented through R & M; C) None; and D) N/A.**
39. Provide any correspondence between MWD and the current contractor regarding the contract-year-end cost exceedances associated with repairs, overtime or other unforeseen costs associated with Articles 7.4 and 7.5 in the RFQ's draft contract. **The District respectfully declines to provide a copy of the correspondence requested.**
40. We assume that the current contractor is submitting a monthly report along with a contract-year-end annual report similar to those required by Articles 2.17 and 7.2 of the RFP's draft contract. Provide the last 3 years of client monthly reports and client annual reports submitted to MWD from the current contractor. **This was a new requirement in 2014. Reports have been required from UMG as they have not been previously provided.**
41. Provide MWD's current contract and last three years of contract amendments with the current contractor. **The current Contract with UMG dated March 27, 2014, as amended January 31, 2015, will be uploaded to the Data Room.**
42. Is it possible to get a listing of wages for hourly employees only? This information is very subjective and site-specific. And it is necessary for ESG to be able to commit to

hire all existing staff at their current wage level. No, because these are currently UMG employees, not MWD employees. We have previously provided totals for labor costs, and the number of employees, which should be sufficient information.

EXHIBIT "6a"

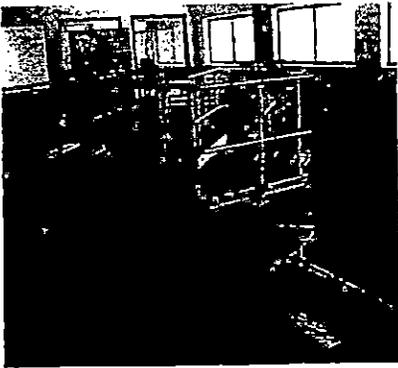
OPERATIONS, MAINTENANCE & MANAGEMENT

Proposal

Prepared for:

Mountain Water District
Pike County, KY

June 2016



Submitted by:





May 30, 2016

Board of Commissioners
Mountain Water & Sewer District
6332 Zebulon Highway
Pikeville, KY 41501

**RE: REQUEST FOR STATEMENT OF QUALIFICATIONS AND PRICE PROPOSAL
OPERATION, MAINTENANCE, AND MANAGEMENT OF MOUNTAIN WATER DISTRICT FACILITIES**

Dear Board of Commissioners:

I am pleased to provide you with the enclosed Statement of Qualifications and Pricing Proposal related to the operation and management of water and sewer facilities owned by Mountain Water District.

As you are aware, Utility Management Group, LLC has operated those same facilities for the past ten years. Despite the fact that there have been a few "bumps" in the road, I feel that our relationship has been a mutually beneficial one, with the bottom line being that, under our stewardship, your water and sewer customers have come to expect – and receive – the consistent and professional service that they expect and deserve. In submitting this proposal, I sincerely hope that we can continue to provide that same level of service to you and your customers in the future.

Your Request for Statements of Qualifications stipulates that we provide a minimum of three reasons for selecting UMG for contract management. While there are numerous reasons that UMG is the most qualified proponent, allow me to present three of them:

1. UMG is intimately familiar with the complexity of your water and sewer systems. We have operated them for 10 years and know the hydraulics of the system, where all facilities are located, where the problems are, and how to keep the system operational in crises. We have done that many times. As I know you are aware, running a water distribution system with over 125 storage tanks and associated pump stations presents challenges that utility systems – and operators – in most other parts of the country cannot appreciate. There is no other respondent that could conceivably have a more thorough knowledge and understanding of your water and sewer systems than UMG. Couple that background with the thorough understanding that UMG managers and operators have of a wide range of water and sewer treatment and distribution /

287 Island Creek Road - Pikeville, Kentucky 41501
Phone: 606-437-4754 - Fax: 606-437-5083

collection processes and we are able to offer management and operations services to Mountain Water that few others can.

2. UMG is local – in the best sense of that word. I am a Pike County native and have spent my entire life working in and around Pike County and with that, obtaining a thorough understanding and appreciation of how things work – and how to be an effective agent for change. The other owners are all native Kentuckians. Virtually all of my staff are Kentucky born – the majority of them from Pike and Floyd Counties. Which means we understand not only what it takes to run utilities in mountainous areas but we also understand the social, political, and economic dynamics that are always at play in this part of the country.
3. We are financially sound. In the ten years since I established UMG, we have grown our primary source of revenue (utility operations) but have also expanded into other areas of operation including HVAC installation and maintenance services, small engine sales and servicing, and property rentals. As you are aware, we have been able to work consistently with the District when it has been unable to keep current with its obligations to UMG. I mention this only to reiterate that UMG is solid financially and has demonstrated its willingness to assist the District in weathering financially difficult times.

I appreciate the opportunity to submit this proposal and to continue to provide effective water and sewer services to the residents of Pike County.

Sincerely,



Greg May, Chief Operating Officer

Enclosures

Utility Management Group, LLC
Statement of Qualifications
Presented to Mountain Water District
June 1, 2016

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SECTION I

SECTION I Background Information and Company History

The following statement of qualifications complies with the directive set out in the District's RFQ/P:

Contractor Information

Name and Address

Utility Management Group, LLC.
500 Summit Drive
P.O. Box 663
Corbin, Kentucky 40702

Utility Management Group, LLC
287 Island Creek Road
Pikeville, Kentucky 41501

Phone Number: 606-528-2454
Fax Number: 606-528-1770
e-mail: archiemarr@umgllc.net

Phone Number: 606-437-4754
Fax/data Number: 606-437-5083
e-mail: gregmay@umgllc.net

Name and Date of Incorporation

Utility Management Group, LLC

February 12, 2005

Type of Entity

Limited Liability Corporation / State of Kentucky

Name of Owner/Manager

Archie L. Marr
Greg May
Delmar Mayhan
Anthony Combs

FEIN Number

20-2621526

Brief History of Utility Management Group, LLC

Greg May is the Chief Operating Officer of UMG. He has spent the majority of his adult life and professional career in the utility operations and management sector. For __ years, Mr. May worked for Veolia Water (formerly US Filter), first as a project manager for the City of Pikeville Project and subsequently as an Area Manager who was responsible for a wide range of water and sewer utility operations in three states.

With years of experience under his belt and with an understanding of the type of disconnect that routinely occurs when a multi-national corporation is trying to be responsive to local economic and political



Mountain Water District
Operations, Maintenance & Management

conditions, Mr. May decided it was time to set up his own company and offer the same type of operation and management services but with a much clearer understanding of the social and economic atmosphere in this particular region. In 2005, Mr. May, along with Archie Marr, a successful CPA and financial planner from Corbin, Kentucky established Utility Management Group, LLC. UMG's first major contract was Mountain Water District. UMG began operating Mountain Water District in 2006 and has been managing it ever since that time. Mr. May immediately introduced new and more effective operational procedures for the District, began trimming unnecessary staff, and at the same time, provided oversight for major system expansions – primarily on the water side.

A year later, UMG was successful in taking over an existing operations contract for the City of Pikeville and has managed all the city's public works functions since that time. In addition to water and sewer services, UMG also is responsible for street maintenance, gas distribution system, parks maintenance, and garbage collection. There are almost 60 employees working the City of Pikeville Project.

Since that time, UMG has picked up several smaller utility projects including Dickenson County, Virginia's sewer treatment facilities. It has also provided a range of technical assistance and short term emergency management services to Troublesome Creek Sewer treatment and collection system, City of Salyersville Utility Commission, Perry County Fiscal Court (formerly City of Vicco Water and Sewer) and others.

Within the last three years, Mr. May has also expanded UMG's business interests to include HVAC installation and servicing, small engine repairs and equipment sales, and more recently, development of property at UMG's corporate business office site for other area businesses' growth needs. In 2015, UMG obtained a contract in excess of \$1,000,000 for a mixed residential / commercial development in Pikeville, Kentucky.

Mr. May has been successful in attracting highly qualified operations and administration professionals to his organization. Grondall Potter and Donnie Slone, UMG's two Senior Project Managers, have between them __ years of management experience in the field of utility operations. Project managers and mid management employees, in addition to many years of experience, have access to a wide range of knowledge and creative problem solving from co-employees, specialized field equipment owned by UMG, and the ability to marshal personnel, equipment, material and services in a very brief time to respond to system breakdowns and weather emergencies.

Mr. Archie Marr and his associates routinely provide a range of financial and legal services to UMG and the company also has a full time controller, Mr. Bob Meyer, who has a wide range of experience not only in the utility field but in other positions he has held in both the public and private sectors.

With its central offices located in Pikeville, Kentucky, UMG is ideally situated to respond to the utility needs in an area that includes four states (Kentucky, Virginia, West Virginia, and Tennessee).



SECTION II

Section 2 Firm and Key Personnel Experience

A. Firms Experience with Water and Wastewater contracts

Utility Management Group LLC, was awarded in 2005 a 5- year contract with Mt. Water District's for operations and maintenance. The annual amount of the contract was initially 6.8 million a year. Your District is the second largest district in the state with over 16,000 water customers and 2,300 sewer customers. UMG has helped manage the expansion of the water treatment plant, water storage tanks, line additions and wastewater plant expansion since we have operated the system. We developed a tank maintenance program that has been initiated by the District. We have operated your system now for 10 years without a significant cost increase while the cost of operations has risen substantially. The electric cost has more than doubled, we have given salary increases every year to employees, UMG has provided extra equipment at no cost to the District and the system has expanded.

In September, 2006 UMG was awarded a five (5) year contract with the City of Pikeville for operation and maintenance of its facilities which includes, water, wastewater, gas distribution, solid waste, street maintenance, parks and recreation facilities. This contract has been renewed for its third 5- year term.

Troublesome Creek Environmental Authority was created by Breathitt, Knott and Perry counties to provide sewer for the Troublesome Creek watershed in 2006. UMG was hired to help plan, construct and operate the plant until it was merged with Knott County Water and Sewer.

In February 2012, UMG was hired by the City of Salyersville for emergency operations of its water and wastewater services including operating its water and wastewater plants. After a tornado ripped the roof off the water plant, UMG had water services restored for the system in less than 24 hours.

Dickenson County Virginia PSA contracted with UMG to provide operation and maintenance service for its wastewater treatment plant located in Haysi, Virginia. We began operations and have successfully been rehired for the third 2- year contract.

The City of Vicco in Perry County KY was declared a state of emergency for the water and wastewater systems in February 2015. UMG was hired by the Perry County Fiscal Court to reorganize the water and wastewater system to get it operational and maintain the service to its 1100 customers.

B. Detailed Project Descriptions

UMG had its first operations and maintenance contract with the Mt. Water District (your district) in 2005. In 2005 the District had 14,736 water customers, 98 storage tanks, 100 booster pump stations, approximately 900 hundred miles of water line. The sewer system consisted of 1491 customers, 20 lift stations, two treatment plants at or over 200,000 GPD, 8 other small extended aeration plants ranging from 2800 to 15,000 GPD., septic tanks and 76 manholes.

When UMG began the operations for MWD they had 70 employees. The electrical cost was \$42,518.44, the water treatment plant was a 2 million gallons per day plant, the cost of producing water was .70 per 1000 gallons.



Mountain Water District
Operations, Maintenance & Management

Thru 2015 MWD has had growth of over 3000 water customers, 842 sewer customers, added 10 water storage tanks, 38 booster pumping stations, added 3 quadplex grinder stations, added over 90 miles of water line, 29 miles of sewer line, increase capacity of water treatment plant to 3 million GPD per day.

UMG has operated the system without any significant cost increases in contract, while the electrical costs had doubled from \$42,518 per month to \$91,425 per month, the chemical costs has increased because the improper operation of the wastewater treatment facilities, the necessity of having to have odor control on the District's wastewater facilities and the rising cost of health insurance for employees and the overall growth of the system.

UMG has operated the City of Pikeville's water and wastewater systems since 2006. There systems include 6 MGD water treatment plant, 2 MGD wastewater treatment plant, 20 water storage tanks, 16 water pump stations, 120 miles of water distribution lines, 14 lift stations, 54 miles of collection lines, meter reading and all other public works.

UMG has operated other systems in Eastern KY and Virginia that has all the same issues with terrain and logistics of Mountain Water District.



UTILITY MANAGEMENT GROUP, LLC

SECTION 2 - FIRM EXPERIENCE

TABLE OF WATER & WASTEWATER SYSTEMS OPERATED OVER THE PAST TEN YEARS

Client	Area Served	# of Customers	Type of Service	Assets Managed	Annual Costs	Start	End
Mountain Water District 6332 Zebulon Hwy. Pikeville, KY. 41501	Pike County	17,000	water & wastewater	3 MGD water treatment plant 250k GPD wastewater plant 200k GPD wastewater plant	\$7,757,640.00	7/1/2005	7/18/2016
Roy Sawyers 606-616-8366 sawyers@mtwater.org				20 lift stations 138 booster pump stations 108 storage tanks 1000 miles of water line 60 mile of sewer line			
City of Pikeville 243 Main Street Pikeville, KY 41501	City Limits & City of Coal Run	6,500	water & wastewater	6 MGD water plant 2 MGD wasteater plant 14 lift stations 16 water pump stations 120 miles of water line 54 miles of sewer line 20 water storage tanks 1m and below meter reading public works	\$4,298,805.72	9/1/2006	present
Donovan Blackburn 606-437-5104 citymanager@pikevillecity.com							
Dickenson County PSA PO Box 399 Clinchco, Virginia 24266	Dickenson County	600	wastewater	200,000 GPD 6 sewer lift stations 15 miles of collection	158,000	2012	present
Ron Phillips, Director 276-275-1235							

Perry County Water	City of Vicco	1000	water	4 water storage tanks 100,000 gallon	\$65,000	2/15/2015	11/1/2015
PO Box 420				60 miles of water line			
700 Main Street				6 pump stations			
Hazard, KY 41701				50,000 GPD wastewater plant			
Judge Scott Alexander				4 lift stations			
606-438-9639				15 mile of sewer line			
City of Sayersville	City of Sayersville	3,600	water &	1.5 MGD water plant	162,000	2/1/2012	7/12/2012
315 E Maple Street	Magoffin County		wastewater	1 MGD wastewater plant			
Sayersville, KY 41465				125 miles of water line			
Pete Sheperd				4 pump stations			
606-349-2409				6 sewer lift stations			
				40 miles of sewer line			
				3 storage tanks 200k and below			
Troublesome Creek	Knott County	100	sewer	100,000 GPD wastewater plant	\$158,000	10/6/2006	10/6/2013
917 Perry Park Road				2 lift stations			
Hazard, KY 41701				35 miles of line			
Jimmy Childers							
606-634-0734							

D. Customers Experience with Call Centers, Billing System and Meter Reading

UMG personnel as operated several different billing system programs, AMR software programs and is well acquainted with the United, Alliance and Orion software utilized by Mountain Water District in its customer service and billing systems. UMG has also performed in-house customer courtesy phone training to billing and customer service representatives. All of UMG's employees conduct their customer activities in a civil, polite and professional manner, maintaining the District's "good neighbor" relationship with consumers throughout the service area. Between our projects we average over 250 work orders a month in which we complete 95 % of those within 24 hours. In our projects we read over 20,000 meters a month and UMG excels in the excellence of the accurate readings. UMG understands the importance of accuracy and timeliness.

E. Leak Detector Experience/Water & Sewer Line Repairs

UMG is well versed in leak detection and has maintained specially trained crews to utilize a variety of equipment (Ultrasonic Flow meters, digital Correlation machines, Deployable Z-Corr leak listening devices and acoustic leak detection scopes). Our personnel understand the importance of leak detection on water loss and realize the process is a continual issue, the limiting factor on water loss prevention is funding to replace aging infrastructure, UMG crews have repaired and or replaced an array of different sizes, types and lengths of water line, from ¾" Polyethylene services 2" PVC, 1: galvanized, 8" Asbestos Cement to 16" ductile Iron. Rehabilitation and /or replacement has been performed on many gravity sewer mains by our crews as well as lift station upgrades, from pump replacements, interior piping rehabilitation to control panel build and installment.

F. Key Management

Utility Management Group (UMG) is a well-established company located in Eastern Kentucky. The company is committed to managing and staffing projects using local resources and other expertise to manage and maintain water and wastewater utilities throughout Eastern Kentucky and Southwest Virginia. As described in detail below, our personnel have the necessary experience in the utility management and financial fields to effectively optimize existing facilities and to develop approaches to cost effectively meet changing regulatory requirements, discharge standards and operational requirements.

Greg May

The Utility Management Group team will be led by Project Developer and Chief Operating Officer Mr. Greg May. Mr. May brings to this role a unique blend of management experience, from the mining industry and utility distribution, as well as organizational skills and project development experience. He served as Executive Assistant to the Pike County Judge-Executive for three years. Prior to joining Utility Management Group, he served as Area Vice President for Veolia Water, the largest contract management company in the world. He first served as project



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manager for the Pikeville public works project which included a 6 MGD water plant, 18 water storage tanks, 14 water pump stations, 74 miles of water distribution lines, 2 MGD wastewater plant, 14 pump stations and 54 miles of collection lines. The scope of the Pikeville Project also included full public works such as customer service, meter reading and meter replacement program, natural gas distribution, sanitation services (collection and transfer station), handling industrial leachate, parks maintenance and street maintenance. After becoming Area Vice President of Operations for Veolia Water serving Kentucky, Virginia and West Virginia Mr. May managed water and/or wastewater utilities in 13 cities and water districts as well as one state of the art private industrial wastewater plant. These projects had combined operation revenues of 14 million per year and approximately 220 employees. Mr. May took the lead role in developing and doing the 'due diligence' analysis on the one billion dollar contract for operations and maintenance for the water and sewer systems for the Norfolk Naval Yard for Veolia Water. Mr. May helped coordinate a distribution system expansion for Southern Water in Floyd County growing a customer base from 3,800 to more than 7,000. Please find resume attached.

Archie Marr

Archie L. Marr, president of Marr, Miller & Myers, PSC will serve as CEO/CFO of Utility Management Group, LLC. Mr. Marr is a Certified Public Accountant and has great expertise in management advisory services, business and financial planning, acquisition and valuation strategies, and immense knowledge of auditing. Mr. Miller was also director of training for Monroe Shine & Company, CPA's. Mr. Miller resides in Corbin, Kentucky and has experience throughout eastern Kentucky managing and auditing special projects for large corporations. Please find resume attached.

Bob Meyer

Mr. Meyer is Controller of Utility Management Group, LLC, his responsibilities include oversight of all financial and administrative aspects of our company. He has over 16 years' experience in the utility field as well as many years of management position service in both the private and public sectors. Please find resume attached.

Grondall Potter

Mr. Potter is one of Utility Management Group, LLC's Project Managers. Mr. Potter has 19 years of utility operations and management experience. Prior to entering the utility field he served in several positions in the mining and civil engineering sector where he gained a wealth of background information on practical application and design. Please find resume attached.



SECTION III

Section 3 Professional References

A. Three References from Similar Clients

Jimmy Carter, Mayor
City of Pikeville
243 Main Street Pikeville, KY 41501
(606) 437-5100-office
(606) 205-2818-cell
Jimmycarter0421@gmail.com

Ron Phillips, Executive Director
Dickenson County Public Service Authority
11996 Dickenson Highway
PO Box 399
Clinchco, VA 24226
(276) 835-1580-office
(276) 275-1235-cell
Levithan1959@yahoo.com

Pete Shepherd, Mayor
City of Salyersville
PO Box 640
Salyersville, KY 41465
(606) 349-2409-office
(606) 367-5022-cell
JamesM.Shepherd@ky.gov

SECTION IV

Section 4 **Operations Plan**

The following **Operations Plan** complies with the directive set out in the District's RFQ/P, Section 4 and all entries will be marked accordingly.

A. UMG Philosophy

The UMG approach to system management is "Never Lose Sight of the Forest" when managing utility systems the goal is always safe, reliable services to customers at a reasonable cost. UMG strives to keep a total system view for their client. Operations will be performed with economies of scale in mind and maintenance accomplished through "identify, correct and prevent". UMG will provide their client with cost estimates and recommendations on capital improvements needed to rehabilitate, upgrade and maintain the Districts' infrastructure.

B. Transition Plan

A key component of the UMG staffing and management plan for this project involves employing all of the District's existing staff. These individuals know in-place operational methods and their participation is critically important to assure seamless continuity in service delivery as the District transitions to contract services. UMG will offer in writing a position to each employee currently working at Mountain Water District in Pike County. Each employee will be paid their current wage and be provided a benefit package that is comparable with that which is currently provided.

UMG is aware that the proposed contract for operation and maintenance of District facilities will involve a significant amount of change for current employees of the District and a lesser, though significant change for the District's customers. Acknowledging that change can prompt anxiety, UMG is committed to taking all reasonable steps to assure that the transition from public to private management of the District's facilities will go smoothly and as painlessly as possible. Proper and timely communication with District employees and District customers will resolve nearly all concern regarding the transition. UMG will coordinate closely with the District's board of commissioners regarding any and all employee notification and any public notice(s) or other method of communicating the change in operation and maintenance responsibilities.

To better assure that the transition will occur with ease, UMG proposes the following:

1. The District's board of commissioners and UMG will conduct an informational meeting for all employees, their spouses and other interested family members prior to contract signing. All aspects of the contract affecting employees will be explained in full and Commissioners and members of the management team will address any and all questions.
2. There will be no change in the hours of operation of the District office.
3. All phone numbers will remain the same, and phone salutations identifying "Mountain Water District" will continue, unchanged.

4. All vehicle and equipment logos designating ownership by the District will remain unchanged.
5. The format of all customer billings and other office-generated customer notices will carry the District's logo and the signature of the chairperson of the board of commissioners, as appropriate.

C. Staffing Plan

The UMG management team will consist of Mr. Greg May, Chief Operating Officer and Mr. Grondall Potter, Project Manager. Generally, Mr. May will engage in methods of operation analyses, and will devise adaptations and modifications to current methods to better assure achievement of economies of scale, and conservation of resources. Additionally, Mr. May will be charged with identifying and securing funding for system component rehabilitation and up-grade, line extensions and other capital improvements on the District's system.

Mr. Potter will oversee the daily operations of the treatment plants for water and wastewater, the distribution and collection systems, all tanks and pumping stations, system maintenance and repair activities.

To assure continuity of service and smooth transition of staff from public management to private management, all members of the District's current staff –administrative, treatment, distribution and collection and construction -- will be retained in their present positions and carry their current job duties and responsibilities. System maintenance employees will be configured into teams, initially conforming to the regions currently utilized by the District.

Thirty days after the start-date of system operations and management by UMG, the District's board of commissioners will be provided a comprehensive organizational chart illustrating assignments of all personnel.

In the event of successful bid UMG would continue their operations as soon as possible to avoid the District of having to run the system for six months and UMG would continue on with the new contract without a lapse in service.

D. Description of Daily Operational Routine

Water Plant: Schedules of work will be established based upon number of certified operators, a typical work shift will be production of treated water in accordance with all EPA and KY DOW regulations, operations of the water plant involve monitoring, sampling, testing, and analyzing the water before during and after treatment, by doing so constant adjustments can be made to maximize production of quality water while minimizing cost.



Waste Water Treatment Plants: The SBR WWTP at Freeburn will be run by PLC and SCADA controls; operators will monitor the facility, make adjustments for optimization, perform sampling in accordance with the permit, engage in routine maintenance and provide for sludge pressing as necessary. The Douglas WWTP and the other smaller waste water plants are extended aeration facilities, operations will be monitored closely by sampling and daily routine testing to ensure adjustments are made to air cycles to optimize the facilities operation and compliance with permit requirements.

Water Distribution System: The Districts' distribution system will be operated with reduction of water loss and maximization of the Russell Fork Water Treatment Facilities' produced potable water in mind. Telemetry control and monitoring of the distribution system will be performed with the goal of increased water storage and customer satisfaction.

Waste Water Collection System: Lift stations, manholes and gravity sewer lines will be inspected on routine intervals to identify issues and ensure uninterrupted service. Force main lines will be monitored to ensure no leakage has developed and pressures checked intermittently to guard against potential over pressurization or blockages.

Residuals Management: The rotary press at the Freeburn SBR WWTP will be utilized for pressing of sludge at that facility and the "cake" will be transported by Pike County Solid Waste to the landfill. The sludge will be pumped from the remaining WWTPs as necessary and disposed of at the Pikeville WWTP. The "dipping" and disposal of material in the lagoons at the Russell Fork Water Treatment Facility will be opted out our service plan and will need to be negotiated at a later date if the District requires this service.

E. Field Maintenance Plan

Generally, UMG will carry out all the day-to-day activities presently performed by the staff of Mountain Water District. This work will involve the operation and maintenance of all District facilities including its 3 mgd water treatment plant, 138 water pump stations, 108 water storage tanks, 42 pressure regulator stations, 26 master meter stations, 10 wastewater treatment plants, 20 sewer lift stations, 1000+ miles of water distribution line and 58.7 miles of sewer collection line.

UMG will provide all required personnel, equipment, parts, supplies and other specialty services needed to implement this project.

The typical work day will start promptly at 8:00 a.m. and continue until 4:30 p.m., with 30 minutes for a lunch break. Routine maintenance work tasks will be carried out as per assignment and by schedules established by the management team. All non-routine maintenance activities, including response to customer service calls, will be tracked electronically via a work order data base and management tool, coordinated through the District's administrative office. All emergencies, such as line breaks, pump failure and similar occurrence that interrupts routine service will result in suspension of routine maintenance work tasks to allow for appropriate and timely response by personnel. UMG will respond immediately and make all necessary



expenditures and invest whatever amount of time and personnel necessary to restore service, if and when service is interrupted. As per contract, the management team will provide timely communication to members of the District's board of commissioners if and when an outage occurs and inform same when service is restored.

F. Plan for Water Loss Reduction in Accordance with PSC Order 2014-00342

Utility Management Group, LLC (UMG) is very concerned with their (Mountain Water Districts) water loss and will make it one of the top priorities. The water loss at the District in 2005 was 39%. UMG has consistently worked on the water loss without proper funding to replace the service and old main lines it will be difficult to reach the goal of 15%. UMG will begin the process of evaluating a plan to reduce the water loss to a manageable number. Currently MWD has a county wide telemetry system that allows the monitoring and control of their tanks and pump stations in the most efficient, productive way. The following steps are being planned and in the process of implementing to control the water loss.

1. To assure that all customer meters are accurate, UMG will check, test, and certify all production meters (residential and wholesale customer meters) are tested on an annual basis in accordance with Public Service Commission regulation, 807 KAR 5:0666 Section 15(2)(a). System personnel will replace old meters, take meters to a testing facility, or have the large meters tested in place.
2. Install appropriately sized production and large customers' meters to meet flow requirements.
3. Assure that smaller customer meters are on a written replacement rotation plan. The current meter suppliers are providing an estimate of how long a meter is expected to work accurately.
4. UMG will address the oldest distribution systems area first, which is believed to have the largest water loss if the District will dedicate the appropriate funds.
5. UMG will consult with Kentucky Rural Water Association (KRWA), and/or obtain the assistance of an outside leak detection firm to survey large portions of the system of leaks. UMG will then develop a plan for other portions of the system in the next budget depending on the outcome of the initial survey. Within an 18-24 month period, UMG for MWD anticipates to have completed a leak detection survey of the entire water distribution system.
6. MWD owns three (3) Heath Aqua Scopes, TWO (2) digital correlators – to assist in finding leaks at valves, meters, hydrants and on mains. UMG has trained their personnel to find and repair easy leaks, prior to obtaining outside assistance from leak detection firms. This should save UMG and MWD from incurring any additional expense and allow a concentrated effort in locating larger and more difficult to find leaks.
7. UMG personnel will monitor the unmetered water use.
 - UMG's manager will work closely with the fire departments to obtain reliable estimates of how much water was used in fire protection every month.

- Correct other unmetered water uses within the system by better estimating the amount used for flushing fire hydrants; repair found leaks; water theft or other facilities. UMG is projecting this to be done within the next six (6) months.
- Wholesale meters are read on a weekly basis and efforts will be made to install meters at each large booster pump station to allow for recording on the volume pumped each day via the telemetry system.
- Additional meters will be installed in each sub-section, as funds become available.

The water loss control plan should allow UMG for MWD to better determine the actual water loss on a monthly basis. By following this plan and dividing the system into smaller sub-sections will allow for timely identification of potential leaks and water loss.

In summary, the District will have to dedicate sufficient funds to replace the old lines and service lines that produces the most of the water loss in order to reach the 15 % PSC requirement.

G. Plan for Customer Service

All customer communication will continue to be logged and all customer accounting transactions will be handled by the administrative office and tracked through the work order software program and the District's accounting software. UMG personnel will conduct all components of the billing, recordkeeping and bookkeeping operations and make daily deposits to that bank(s) and account(s) as determined by the District.

H. Deficiencies and recommended Upgrades to Software

The Districts AMR (Automated Radio Read) is currently in need of software and hardware upgrades. Also, the Russell Fork Water Treatment Facility is in need of upgrading Scada operations software and hardware components.

I. Innovative Approaches

UMG strives to stay at the forefront of industry developments and technological advancements, as information becomes available and cost effective these improvements will be introduced to our clients. UMG also prides itself on relationships with other entities (AEP, KYDOW and scores of Vendors), through these contacts energy cost savings are realized and new approaches are found to protect the environment.

J. Additional Services

Water & Wastewater Plant Laboratory Testing and Verification

The water quality is most affected by the operation of the water plant. Operating the plant involves monitoring, sampling, testing, analyzing and reporting on the makeup of the water both before and after treatment to determine what chemicals to add. The results of this testing are then passed on to the State and Federal government for review. The accuracy of the testing is checked both by the State and the company. This verification of test results is important because of public health.

UMG will implement a quality assurance/quality control program to handle this verification. This program will include performing tests in-house and contracting with a local lab. UMG will train the operators in the most current laboratory techniques to ensure proper testing procedures.

Process Control Management will be a major part of the Project Manager's responsibilities. Training will be conducted to allow each plant operator to timely assess whether unit processes are in or out of control without being overly committed day-to-day involvement. Monitoring effluent or finished water is not an effective "Control Plan" because, at this point, serious trouble may already exist and prevention control steps are limited. This will be the primary goal.

The secondary goal is to provide a process whereby other UMG management personnel are notified when "exceptions" to normal conditions occur. Timely notification is essential in keeping management informed so that resources can be provided to assist in correction of minor issues before they become major ones.

UMG will use the "Top Down" approach to process management. This approach, and the data analysis structure that supports it, allows management to routinely review and to respond to as necessary the few leading or critical parameters rather than having to analyze all process data.

Maintenance

UMG will carry out all the maintenance activities required by the District. The effort will include both on-site staff and or special contractors who are needed say to pull a large raw water pump. The maintenance work will involve the water plant, wastewater plants, distribution system pipes pumps and tanks, sewer collection pipes, sewer collection lines, tanks, customer meters and vehicle fleet. The maintenance work covers four different situations.

- Preventive -- includes oil and filter changes and similar actions.
- Predictive -- scheduled work that prevents outages.
- Corrective -- involves fixing a problem.
- Emergency -- repairs such as a water or wastewater line break.

UMG will follow the highest standards for maintenance as prescribed by the equipment manufactures and accepted engineering practices.

The best method of providing for compliance and monitoring the proper administration of these standards is the use of Computerized Maintenance System. This system is used to document the procedures and completion of a Preventive Maintenance and Predictive Maintenance tasks. The



Computerized System is a computer software program that will automate preventive and predictive maintenance scheduling and track distribution system work orders, maintenance histories and costs. Work orders for all areas of the water and wastewater system will be tracked on the maintenance management system. In addition, through the computerized system, information obtained from the maintenance surveys and indicators will be stored, tracked and utilized to identify trends or pending equipment failures.

Some examples of equipment monitored will include:

- Water Plant
 - Motors
 - Valves
 - Telemetry
- Distribution Systems
 - Pumps
 - Tanks
 - Valves
 - Hydrants

Vehicles

The system can also be set up to remind operators about water testing and hydrant flushing schedules.

Warranty Activities

UMG will also conduct preventive maintenance such as oil changes, grease application, cleaning, changing filter elements and inspections at scheduled intervals as recommended by the manufacturer. To maintain the area equipment in the optimum condition, UMG will follow appropriate manufacturer-recommended service intervals, which are usually based on operating hours.

Computer-Aided O&M Management System

Almost every aspect of day-to-day management at the District will be assisted with computer technology. Many of these are not currently being used, but should help reduce the workload and improve customer service. Among the computer programs and systems that UMG will implement as a part of this contract are those for:

- Water Plant Operations
- Maintenance
- Distribution System Monitoring
- Inventory Control
- Meter Reading
- Billing

Annually a report will be compiled recapping the activities of the previous year, and laying out the planned activities for the upcoming year. These activities will include any major maintenance, or capital expenditures anticipated.

Safety

Safety will be our NUMBER ONE concern, and we will practice it daily. UMG will implement one of the best safety programs in the industry. UMG will develop site specific programs and procedures such a Lockout for electrical motors etc., Confined Space Entry and Traffic Control etc. The training is provided monthly or more often depending on the work scheduled to be completed. A new or difficult task might be reviewed by the safety coordinator and training provided to the employees before performing the work. The safety coordinator is also responsible for making sure proper safety equipment is provided to the employees. This equipment involves safety shoes, hard hats and glasses, as well as making sure signs are available for traffic control, warning lights are on all vehicles, a trench box is provided for any deep or unstable trenches and confined space gas monitoring and recovery gear is available.

As the District's contracted operation and maintenance service provider, UMG commits to:

- Improved operational and maintenance efficiency within the water treatment and distribution system and the wastewater treatment and collection systems to ensure the delivery of high quality, professional service.
- Conduct all customer service activities in a civil, polite and professional manner, maintaining the District's "good neighbor" relationship with consumers throughout the service area.
- Guarantee compliance with the District's water withdrawal and discharge permits, and all other State of Kentucky and Federal regulatory requirements.
- Foster and maintain positive working relationships with staff of regulatory, infrastructure planning and funding agencies at all levels.
- Maintain the District's facilities so as to ensure their longer-term viability and proper return on the public's investment.
- Actively pursue greater efficiency in all aspects of the District's water and wastewater systems, especially in their operations and maintenance systems and methods.
- Guarantee the safe operation of all facilities, protecting the employees and customers of the system.

Mountain Water District
Operations, Maintenance & Management

- Foster effective communication and cooperation among all State, County, Area and Municipal service entities.
- Devise workable Operation and Maintenance Plans for the District's water treatment plant and distribution system and wastewater plants and collection systems.

SECTION V

Appendix A Resumes for key management personnel

Profile

Mr. May is the Chief Operating Officer for Utility Management Group, LLC, since its creation in 2005. He provides oversight and management of operations, maintenance and management of (O&M) projects and client services in the region and owns 60% of the company. He has created another company, which offers heating and cooling services. Air Management Group, which has 4 service technicians and has over 100 customers. He most recently started another business, Small Engine Solutions located in Pikeville, Kentucky. It has 3 service technicians and will be providing warranty work for Briggs & Stratton and other small engines manufacturers. Small Engine Solutions will be providing warranty repairs for Altagrip and MTD. Mr. May has more than 20 years of experience in public works and has managed O&M projects for water distribution, natural gas distribution and other utility systems.

Experience

April 2005-Present, COO, Utility Management Group, LLC

1999-April 2005 Veolia Water North America
KY, West Virginia and Virginia

Area Vice President

- Managed 3 Total Public Works Contracts
- Water plants
- Wastewater plants
- Collection and distribution systems
- One industrial wastewater plant
- Several other wastewater plants
- Contract renewals
- New business development
- Management projects for 13 different areas
- Lead role in due diligence analysis of \$1 billion contract O&M for Norfolk, VA Naval yard water and sewer
- Helped coordinate distribution system expansion for Southern Water & Sewer located in Floyd County, KY

1996–1999 Veolia Water, Pikeville, KY

Project Manager

- Managed O&M contract for City of Pikeville
- 6 MGD water treatment plant
- 2 MGD wastewater treatment plant
- Managed the operation and maintenance for the City's public works, water distribution and natural gas distribution

1996–1999 PSG, Clintwood VA

Project Manager

- Manager of operations contract
- 0.5 MGD oxidation ditch wastewater treatment plant.

1993–1996 Pike County Fiscal Court Pikeville, KY

Executive Assistant to Judge/Executive

- Development and execution of orders and policies of the Fiscal Court and Judge/Executive
- Supervised administrative assistants whose duties included operation county solid waste pickup, 650 miles of road maintenance, equipment repair shop, self-contained landfill, parks crew and building and grounds crew.

1993-1996 Pike County Fiscal Court Pikeville, KY

Education

- Liberal Arts Coursework - Prestonsburg Community College
- State Hazard Mitigation Planning, Federal Emergency Management Agency
- Mitigating Business Disaster Effects, Federal emergency Management Agency
- Liability issues, Federal Emergency Management Agency
- Managing Floodplain Development, Federal Emergency Management Agency
- Community Rating System, Federal Emergency Management

Certifications

Mine Foreman Certification, Kentucky
Mine Inspector Certification, Kentucky

Profile

Mr. Meyer is the Controller of Utility Management Group, LLC. He is responsible for all financial and administrative functions of UMG including contract oversight, personnel administration, insurance coverages, and banking relationships. He has 16 years of experience in the utility field and has also served in a wide range of other management positions both in the public and private sectors

Experience

2006 - 2016 UTILITY MANAGEMENT GROUP, LLC.
Pikeville, KY

Controller

- Manage all accounting and financial reporting functions, including supervision of payroll and accounts payable personnel.
- With C.O.O., manage contract negotiations and compliance
- Deal with all property, auto, general liability, and workman's compensation insurance policy negotiations, and claims associated with those policies.
- Coordinate all employee fringe benefits programs and offerings including health insurance, retirement plan, life insurance and other benefits.
- Establish and maintain effective banking relationships.

1999-2006 VEOLIA WATER NORTH AMERICA /
SOUTHERN WATER & SEWER DISTRICT
Floyd County, Kentucky

Project Manager

- Managed all facets of operations, budget and financial controls, and routine reporting / communications with a Board of Commissioners.
- Provided oversight for the expansion of the District's water system and first sewer facilities. The District's water distribution system increased by approximately 45% during this time frame.
- Additional responsibilities included management of a neighboring water and sewer utility owned by the City of Hindman.

1998-1999 COMMUNITY TRUST BANK
Pikeville, KY

Director / Small Business Lending program

- Established policies and procedures related to utilization of the SBA lending programs for small businesses.
- Traveled extensively throughout Kentucky and West Virginia training and providing oversight to commercial loan officers related to federally guaranteed loans for small businesses.

1996-1998

MOUNTAIN ARTS CENTER
Prestonsburg, KY

Director

- Worked with a planning group of public officials and private citizens in developing, funding and constructing a 1,000 seat performing arts center in Prestonsburg, KY that contained its own recording studio and a range of community meeting rooms.
- Was retained as the first executive director for the Mountain Arts Center and was responsible for all aspects of operations, finances, administration and routine reporting to the Mountain Arts Center Management Commission.
- Successfully attracted a wide range of performers to the center and established a music and arts education program.

1996-1996

FLOYD COUNTY FISCAL COURT
Prestonsburg, KY

Floyd County Judge Executive

- Was appointed as Interim County Judge Executive for Floyd when the previous judge died while still in office.
- Revamped the county's code of ethics
- Made significant changes to the county's administrative code
- Provided oversight during the initial stages of the development and construction of a new judicial center for the county.

1986-1996

BIG SANDY AREA DEVELOPMENT DISTRICT
Prestonsburg, KY

Programs Director

- Coordinated a wide range of programs administered by the Area Development District.
- Managed all aspects of finance and accounting systems for the ADD.

1982-1986

BENTLEY MEYER CONSTRUCTION
Blue River, KY

Co-Owner

- Along with another co-owner, constructed a wide range of private residences from a modest FmHA sized house to 4,000 SF+ homes.

VARIOUS POSITIONS PRIOR TO THAT INCLUDING A YEAR AT MOUNTAIN COMPREHENSIVE CARE CENTER (Prestonsburg, KY), TWO YEARS AT COMMUNITY MEALS ON WHEELS (Prestonsburg, KY) AND THREE YEARS AT KENTUCKY YOUTH RESEARCH CENTER (Frankfort, KY).

GRONDALL GENE POTTER II



PROFILE: Mr. Potter has approximately 9 years of experience in the operation of water and wastewater systems. He is experienced in managing day-to-day operations of a Class III Water Distribution and Treatment Facility, Class II Wastewater Treatment Facilities, and in-house water and wastewater construction. He has also performed inspection on various construction projects. Mr. Potter is very knowledgeable of the most recent technologies used in the field of leak detection.

EXPERIENCE: July 2005-Present. Utility Management Group Pikeville, KY 41501
Maintenance Manager

- Manage daily operations for Class III Water and Class II Wastewater System
- Manage operation of 2 MGD Water Treatment Facility
- Manage two (2) 200,000 gallons/day, one (1) Sequential Batch Reactor (SBR) Wastewater Treatment Facilities and 15 extended aeration wastewater package plants
- Assist engineers in the design of new water and wastewater construction projects to meet requirements set forth by Kentucky Division of Water and various funding agencies
- Perform leak detection/water loss control activities through out distribution system. Utilizing state-of-the-art equipment, such as, digital correlators, ultrasonic flowmeters, Aquascopes, various software related to each type of equipment
- Monitor of water storage tank levels and booster pump station run-time through the use of telemetry system
- Manage emergency call-out crew
- Manage 50 employees

June 1997-July 2005 Mountain Water District Pikeville, KY 41501
Assistant Operations Manager

- Assisted in management of daily operations for Class III Water and Class II Wastewater District
- Assisted in management of operation of 2 MGD Water Treatment Facility
- Assisted in management of two (2) 200,000 gallons/day, one (1) Sequential Batch Reactor (SBR) Wastewater Treatment Facilities and 15 extended aeration wastewater package plants
- Assist engineers in the design of new water and wastewater construction projects to meet requirements set forth by Kentucky Division of Water and various funding agencies
- Perform leak detection/water loss control activities through out distribution system. Utilizing state-of-the-art equipment, such as, digital correlators, ultrasonic flowmeters, Aquascopes, various software related to each type of equipment
- Monitor of water storage tank levels and booster pump station run-time through the use of telemetry system
- Assisted in management of emergency call-out crew
- Assisted in management of 50 employees

Leak-Detection Specialist

- Coordinated leak detection activities in various areas of system as determined by water loss statistics

Area Supervisor

- Coordinated all work order maintenance
- Scheduled employees and equipment distribution
- Performed water testing in compliance with regulations set forth by Kentucky Division of Water
- Performed in-field leak detection
- Inspected, repaired and installed distribution mains and all related appurtenances

Construction Supervisor

- Coordinated employees and equipment for two (2) in-house construction crews
- Ensured ordering of all parts for upcoming water construction projects
- Supervised and inspected installation of water distribution main on in-house construction projects
- Performed pressure testing, disinfection, and water quality testing on in-house construction projects prior to water being released for use by residents

Resident Inspector

- Inspected construction of water and wastewater projects performed by third-party contractors
- Ensured that work complied with contract documentation and specifications
- Documented daily work progress
- Assisted engineer in completing pay estimates
- Plotted construction on As-Built maps

August 1990 – June 1997 Summit Engineering, Inc. Pikeville, KY 41501

Bond Release Specialist

- Bond release site assessment for private mining companies
- Vegetation success determination studies
- Revisions and other corrective actions for permits
- Permit consultation with various private coal mining companies

Resident Inspector

- Responsible for resident inspection of projects for the City of Pikeville (roads, sewers and waterlines), Pike County, KY, (bridges, roads, solid waste landfill and forty acre industrial site development), Kentucky Housing Corporation (home relocation and new home construction)
- Responsible for documentation of inspection of projects (reports, photographs, as-builts, etc.)
- Perform site inspections
- Maintain and coordinate relations with principal owners, project engineers, state inspectors, county officials and local city officials
- Perform nuclear density compaction testing.

EDUCATION: SOUTHWEST VIRGINIA COMMUNITY COLLEGE

- Basic college core with concentration in biology and electronics
- CLINCH VALLEY COLLEGE

- Basic college core with concentration in biology

**CERTIFICATIONS AND
ADDITIONAL SKILLS:**

- Class II-A Water Treatment Plant Operator Certification
- Class III-D Water Distribution Operator Certificati

Appendix B Contractor's Certification to do business in Kentucky

As of 2010 there is no requirement for licensure as a general contractor in the state of Kentucky. We have included a copy of the Secretary of State's Certificate of Existence.

Commonwealth of Kentucky

**Trey Grayson
Secretary of State**

Certificate of Existence

I, Trey Grayson, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

UTILITY MANAGEMENT GROUP, LLC

is a limited liability company duly organized and existing under KRS Chapter 275, whose date of organization is August 10, 2004.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that articles of dissolution have not been filed; and that the most recent annual report required by KRS 275.190 has been delivered to the Secretary of State.

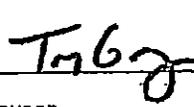
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 23rd day of April, 2005.

Certificate Number: 13554

Jurisdiction: Utility Management Group

Visit <http://www.sos.ky.gov/obch/certvalidate.aspx> to validate the authenticity of this certificate.




Trey Grayson
Secretary of State
Commonwealth of Kentucky
13554/0592196

Appendix C Three years of audited financials

UTILITY MANAGEMENT GROUP, LLC
Pikeville, Kentucky

COMPILATION OF FINANCIAL STATEMENTS
December 31, 2013

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Marr, Miller & Myers, PSC

Certified Public Accountants
(606) 528-2454 (FAX 528-1770)

P.O. Box 663
Corbin, Kentucky 40702

ACCOUNTANT'S COMPILATION REPORT

June 19, 2014

Members of Utility Management Group, LLC
Pikeville, Kentucky

We have compiled the accompanying balance sheet of Utility Management Group, LLC as of December 31, 2013, and the related statements of income, members' equity and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with U.S. generally accepted accounting principles.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by U.S. generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position and results of operations. Accordingly these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Utility Management Group, LLC.

Marr, Miller & Myers, PSC

Certified Public Accountants

UTILITY MANAGEMENT GROUP, LLC
Pikeville, Kentucky

BALANCE SHEET
December 31, 2013

ASSETS

CURRENT ASSETS

Cash and temporary cash investments	\$ 624,918
Accounts receivable	818,077
Inventories	59,352
Prepaid expenses	135,654
Note receivable	<u>37,353</u>
Total current assets	<u>1,675,354</u>

PROPERTY AND EQUIPMENT

Property and equipment	1,469,415
Less: accumulated depreciation	<u>895,832</u>
Undepreciated cost	<u>573,583</u>

TOTAL ASSETS \$ 2,248,937

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 319,124
Accrued wages and employee benefits	198,983
Accrued payroll taxes	31,033
Accrued state and local taxes	5,955
Current portion of notes payable	<u>68,840</u>
Total current liabilities	<u>623,935</u>

LONG-TERM LIABILITIES

Notes payable	<u>87,440</u>
---------------	---------------

MEMBERS' EQUITY

1,537,562

TOTAL LIABILITIES AND MEMBERS' EQUITY \$ 2,248,937

See accountant's compilation report.

UTILITY MANAGEMENT GROUP, LLC
Pikeville, Kentucky

STATEMENT OF INCOME
Year Ended December 31, 2013

EARNED REVENUES	\$ 11,797,613
COST OF EARNED REVENUES	<u>10,245,116</u>
GROSS PROFIT	1,552,497
GENERAL AND ADMINISTRATIVE EXPENSES	<u>1,409,634</u>
INCOME FROM OPERATIONS	<u>142,863</u>
OTHER INCOME (EXPENSE)	
Miscellaneous income	2,740
Interest income	9,092
Interest expense	(17,732)
Gain (loss) on disposition of property and equipment	<u>5,140</u>
Total other income (expense)	<u>(760)</u>
INCOME BEFORE STATE AND LOCAL INCOME TAXES	142,103
Provision for state and local income taxes	<u>11,835</u>
NET INCOME	<u>\$ 130,268</u>

See accountant's compilation report.

UTILITY MANAGEMENT GROUP, LLC
Pikeville, Kentucky

STATEMENT OF MEMBERS' EQUITY
Year Ended December 31, 2013

BEGINNING BALANCE	\$ 1,507,294
Net income	130,268
Distributions to members	<u>(100,000)</u>
ENDING BALANCE	<u>\$ 1,537,562</u>

See accountant's compilation report.

UTILITY MANAGEMENT GROUP, LLC
Pikeville, Kentucky

STATEMENT OF CASH FLOWS
Year Ended December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 130,268
Noncash (income) expense included in net income:	
Depreciation	152,468
(Gain) loss on sale of property and equipment	(5,140)
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(27,890)
(Increase) decrease in inventories	(24,180)
(Increase) decrease in prepaid expenses	(37,122)
Increase (decrease) in accounts payable	(43,351)
Increase (decrease) in accrued wages and employee benefits	20,308
Increase (decrease) in accrued payroll taxes	27,688
Increase (decrease) in accrued state and local taxes	(4,918)
Net cash provided by (used in) operating activities	<u>188,131</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of property and equipment	25,460
Purchase of property and equipment	<u>(129,394)</u>
Net cash provided by (used in) investing activities	<u>(103,934)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from borrowings	31,006
Principal payments on borrowings	(47,417)
Payments received on note receivable	108,401
Distributions to members	<u>(100,000)</u>
Net cash provided by (used in) financing activities	<u>(8,010)</u>

Net increase (decrease) in cash and temporary cash investments 76,187

Cash and temporary cash investments:

Beginning	<u>548,731</u>
Ending	<u>\$ 624,918</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash payments for:	
Interest	<u>\$ 17,732</u>
Income taxes	<u>\$ 16,754</u>

See accountant's compilation report.

UTILITY MANAGEMENT GROUP, LLC
Pikeville, Kentucky

COMPILATION OF FINANCIAL STATEMENTS
December 31, 2014

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Marr, Miller & Myers, PSC

Certified Public Accountants
(606) 528-2454 (FAX 528-1770)

P.O. Box 663
Corbin, Kentucky 40702

ACCOUNTANT'S COMPILATION REPORT

June 11, 2015

Members of Utility Management Group, LLC
Pikeville, Kentucky

We have compiled the accompanying balance sheet of Utility Management Group, LLC as of December 31, 2014, and the related statements of income, members' equity and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with U.S. generally accepted accounting principles.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by U.S. generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position and results of operations. Accordingly these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Utility Management Group, LLC.

Marr, Miller & Myers, PSC

Certified Public Accountants

UTILITY MANAGEMENT GROUP, LLC
Pikeville, Kentucky

BALANCE SHEET
December 31, 2014

ASSETS

CURRENT ASSETS

Cash and temporary cash investments	\$ 214,919
Accounts receivable	1,443,867
Prepaid expenses	<u>58,597</u>
Total current assets	<u>1,717,383</u>

PROPERTY AND EQUIPMENT

Property and equipment	1,599,382
Less: accumulated depreciation	<u>1,024,818</u>
Undepreciated cost	<u>574,564</u>

TOTAL ASSETS \$ 2,291,947

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 262,917
Accrued wages and employee benefits	168,823
Accrued payroll taxes	35,452
Accrued state and local taxes	1,080
Current portion of notes payable	<u>39,216</u>
Total current liabilities	<u>507,488</u>

LONG-TERM LIABILITIES

Notes payable	<u>55,419</u>
---------------	---------------

MEMBERS' EQUITY

1,729,040

TOTAL LIABILITIES AND MEMBERS' EQUITY \$ 2,291,947

See accountant's compilation report.

UTILITY MANAGEMENT GROUP, LLC
Pikeville, Kentucky

STATEMENT OF INCOME
Year Ended December 31, 2014

EARNED REVENUES	\$ 12,956,599
COST OF EARNED REVENUES	<u>11,211,518</u>
GROSS PROFIT	1,745,081
GENERAL AND ADMINISTRATIVE EXPENSES	<u>1,550,393</u>
INCOME FROM OPERATIONS	<u>194,688</u>
OTHER INCOME (EXPENSE)	
Miscellaneous income	6,946
Interest income	2,309
Interest expense	(5,672)
Gain (loss) on disposition of property and equipment	<u>7,500</u>
Total other income (expense)	<u>11,083</u>
INCOME BEFORE STATE AND LOCAL INCOME TAXES	205,771
Provision for state and local income taxes	<u>14,293</u>
NET INCOME	<u>\$ 191,478</u>

See accountant's compilation report.

UTILITY MANAGEMENT GROUP, LLC
Pikeville, Kentucky

STATEMENT OF MEMBERS' EQUITY
Year Ended December 31, 2014

BEGINNING BALANCE	\$ 1,537,562
Net income	191,478
Distributions to members	<u> -</u>
ENDING BALANCE	<u>\$ 1,729,040</u>

See accountant's compilation report.

UTILITY MANAGEMENT GROUP, LLC
Pikeville, Kentucky

STATEMENT OF CASH FLOWS
Year Ended December 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 191,478
Noncash (income) expense included in net income:	
Depreciation	137,887
(Gain) loss on sale of property and equipment	(7,500)
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(625,790)
(Increase) decrease in inventories	59,352
(Increase) decrease in prepaid expenses	77,057
Increase (decrease) in accounts payable	(56,207)
Increase (decrease) in accrued wages and employee benefits	(30,160)
Increase (decrease) in accrued payroll taxes	4,419
Increase (decrease) in accrued state and local taxes	<u>(4,875)</u>
Net cash provided by (used in) operating activities	<u>(254,339)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of property and equipment	9,500
Purchase of property and equipment	<u>(140,868)</u>
Net cash provided by (used in) investing activities	<u>(131,368)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from borrowings	34,728
Principal payments on borrowings	(96,373)
Payments received on note receivable	37,353
Distributions to members	-
Net cash provided by (used in) financing activities	<u>(24,292)</u>

 Net increase (decrease) in cash and temporary cash investments (409,999)

Cash and temporary cash investments:

Beginning	<u>624,918</u>
Ending	<u>\$ 214,919</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash payments for:	
Interest	<u>\$ 5,672</u>
Income taxes	<u>\$ 18,800</u>

See accountant's compilation report.

UTILITY MANAGEMENT GROUP, LLC
Pikeville, Kentucky

COMPILATION OF FINANCIAL STATEMENTS
December 31, 2015

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Marr, Miller & Myers, PSC

Certified Public Accountants
(606) 528-2454 (FAX 528-1770)

P.O. Box 663
Corbin, Kentucky 40702

ACCOUNTANT'S COMPILATION REPORT

May 27, 2016

Members of Utility Management Group, LLC
Pikeville, Kentucky

Management is responsible for the accompanying financial statements of Utility Management Group, LLC which comprise the balance sheet as of December 31, 2015, and the related statements of income, members' equity and cash flows for the year then ended in accordance with U.S. generally accepted accounting principles. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by U.S. generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position and results of operations. Accordingly these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Utility Management Group, LLC.

Marr, Miller & Myers, PSC

Certified Public Accountants

UTILITY MANAGEMENT GROUP, LLC
Pikeville, Kentucky

BALANCE SHEET
December 31, 2015

ASSETS

CURRENT ASSETS

Cash and temporary cash investments	\$ 337,655
Accounts receivable	1,922,779
Prepaid expenses	123,764
Total current assets	<u>2,384,198</u>

PROPERTY AND EQUIPMENT

Property and equipment	1,628,933
Less: accumulated depreciation	<u>1,112,004</u>
Undepreciated cost	<u>516,929</u>

TOTAL ASSETS \$ 2,901,127

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 466,279
Accrued wages and employee benefits	180,443
Accrued payroll taxes	10,717
Accrued state and local taxes	1,080
Deferred revenue	358,234
Current portion of notes payable	<u>40,000</u>
Total current liabilities	<u>1,056,753</u>

LONG-TERM LIABILITIES

Notes payable	<u>49,040</u>
---------------	---------------

MEMBERS' EQUITY

1,795,334

TOTAL LIABILITIES AND MEMBERS' EQUITY \$ 2,901,127

See accountant's compilation report.

UTILITY MANAGEMENT GROUP, LLC
Pikeville, Kentucky

STATEMENT OF INCOME
Year Ended December 31, 2015

EARNED REVENUES	\$ 11,798,386
COST OF EARNED REVENUES	<u>10,816,749</u>
GROSS PROFIT	981,637
GENERAL AND ADMINISTRATIVE EXPENSES	<u>892,864</u>
INCOME FROM OPERATIONS	<u>88,773</u>
OTHER INCOME (EXPENSE)	
Miscellaneous income	8,921
Interest income	1,033
Interest expense	(6,403)
Gain (loss) on disposition of property and equipment	<u>3,500</u>
Total other income (expense)	<u>7,051</u>
INCOME BEFORE STATE AND LOCAL INCOME TAXES	95,824
Provision for state and local income taxes	<u>14,530</u>
NET INCOME	<u>\$ 81,294</u>

See accountant's compilation report.

UTILITY MANAGEMENT GROUP, LLC
Pikeville, Kentucky

STATEMENT OF MEMBERS' EQUITY
Year Ended December 31, 2015

BEGINNING BALANCE	\$ 1,729,040
Net income	81,294
Distributions to members	<u>(15,000)</u>
ENDING BALANCE	<u>\$ 1,795,334</u>

See accountant's compilation report.

UTILITY MANAGEMENT GROUP, LLC
Pikeville, Kentucky

STATEMENT OF CASH FLOWS
Year Ended December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 81,294
Noncash (income) expense included in net income:	
Depreciation	126,599
(Gain) loss on sale of property and equipment	(3,500)
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(478,912)
(Increase) decrease in prepaid expenses	(65,167)
Increase (decrease) in accounts payable	203,362
Increase (decrease) in accrued wages and employee benefits	11,620
Increase (decrease) in accrued payroll taxes	(24,735)
Increase (decrease) in deferred revenue	358,234
Net cash provided by (used in) operating activities	<u>208,795</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of property and equipment	16,114
Purchase of property and equipment	<u>(81,578)</u>
Net cash provided by (used in) investing activities	<u>(65,464)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from borrowings	23,920
Principal payments on borrowings	(29,515)
Distributions to members	<u>(15,000)</u>
Net cash provided by (used in) financing activities	<u>(20,595)</u>

Net increase (decrease) in cash and temporary cash investments 122,736

Cash and temporary cash investments:

Beginning	<u>214,919</u>
Ending	<u>\$ 337,655</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash payments for:	
Interest	<u>\$ 6,403</u>
Income taxes	<u>\$ 14,530</u>

See accountant's compilation report.

Appendix D Statement of Insurance Carrier





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/31/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lexington (C&S) / AssuredPartners NL 2416 Sir Barton Way, Suite 300 Lexington, KY 40509	CONTACT NAME: Jennifer Nickerson	
	PHONE (A/C, No, Ext): (859) 543-1716 FAX (A/C, No): (859) 543-1987	
	EMAIL ADDRESS: Jennifer.nickerson@assuredptrnl.com	
INSURED Utility Management Group LLC 287 Island Creek Road Pikeville, KY 41501	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: Liberty Mutual Insurance Co	23043
	INSURER B: Liberty Mutual Fire Insurance Co	23035
	INSURER C: Liberty Insurance Corporation	42404
	INSURER D: Kentucky Employers Mutual Insurance	10320
	INSURER E: Selective Insurance Co of Southeast	39926
	INSURER F:	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL ISUR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		2-2641-44645-015	08/31/2015	08/31/2016	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/POP AGG \$ 2,000,000 EBL AGG \$ 2,000,000 COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		2-2641-44645-015	08/31/2015	08/31/2016	BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000		TH7-641-444645-035	08/31/2016	08/31/2016	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A	364156	07/01/2015	07/01/2016	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER EL EACH ACCIDENT \$ 500,000 EL DISEASE - EA EMPLOYEE \$ 500,000 EL DISEASE - POLICY LIMIT \$ 500,000
E	EPLI		MY1010836	09/18/2015	08/31/2016	Per claim 1,000,000
E	Directors & Officers		MY1010836	09/18/2015	08/31/2016	Per Claim 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

CANCELLATION

Mountain Water District PO Box 3157 6332 Zebulon Highway Pikeville, KY 41501	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Gary Stafford

Appendix E Scope Changes

Language pertaining to water purchase and electricity increases needs to be addressed.

EXHIBIT "6b"

**Price
Proposal**

Prepared for:

**Mountain Water District
Pike County, KY**

June 2016



Submitted by:

UMG
UTILITY MANAGEMENT GROUP
Your Utility Experts



June 1, 2016

Mountain Water Commissioners:

Utility Management Group (UMG) is pleased to present our Price Proposal for the District's system operations and maintenance. Our Price Proposal has been prepared in compliance with requirements of RFP.

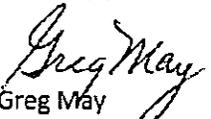
The Price Proposal presented in this volume is based on the Technical and Management approach defined in our Qualifications/Proposal.

We invite your careful review of this Price Proposal so that you understand all UMG has done and what they are offering to the District.

Our price will be straightforward and fair, reflecting our willingness to assume full responsibility for our agreement.

We look forward to discussing our Proposal with you at any time.

Sincerely yours,

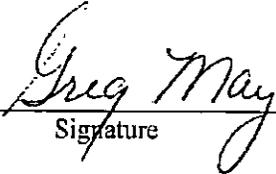

Greg May
Chief Operating Officer

287 Island Creek Road - Pikeville, Kentucky 41501
Phone: 606-437-4754 - Fax: 606-437-5083

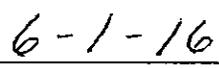
Certifications

By submitting a response to this RFP, the Contractor hereby agrees to the following:

- i. The Contractor certifies that its Statement of Qualification and Price Proposal is made without collusion or fraud and that the Contractor has not been offered or received any kickbacks or inducements, monetary or otherwise, from any other Contractor, supplier, manufacturer or subcontractor in connection with its proposal, and that it has not granted, offered, or otherwise conferred on any public employee having any official responsibility for this procurement transaction on any payment, loan, subscription, advance, deposit of money or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.
- ii. The Contractor hereby certifies that its firm has control of sufficient equipment, personnel, and fiscal resources to perform the actions necessary for professional operation, maintenance, and management of the District's system, and will fully commit same to the District as proposed on the Statement of Qualification and Price Proposal pursuant to a negotiated contract.
- iii. The Contractor certifies that no county or municipal official in Pike County, including the Commissioners of the Mountain Water District, or any employee, or any person who is paid in whole or part by the District has any direct or indirect personal fiduciary interest in the Contractor's firm. (Note: If any such relationship does exist, disclose same in detail.)

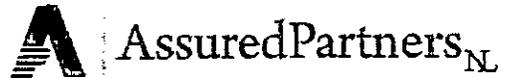


Signature



Date

4000 Smith Road
Suite 400
Cincinnati, OH 45209



P: 513.333.0700
F: 513.333.0735

www.assuredptml.com

May 31, 2016

Mountain Water District
6331 Zebulon Highway
Pikeville, KY 41502

Re: Utility Management Group - Bonding

To Whom It May Concern:

As the broker for Utility Management Group, AssuredPartners NL is pleased to confirm the relationship between Utility Management Group and The Guarantee Company of North America USA. We consider the management team at Utility Management Group to be very capable and would highly recommend them to you for the project you are considering. Guarantee Company of North America USA will consider providing performance and payment bonds on single projects up to \$8,000,000.

We are confident that Utility Management Group is very capable of successfully completing any project they choose to undertake. Due to the infrequent needs for contract surety bonding, The Guarantee Company of North America USA provides bid, performance and payment bonds on a case by case basis through their underwriting process.

Naturally, any arrangement to release performance and payment bonds is a matter between Utility Management Group and The Guarantee Company of North America USA and we assume no liability to third parties or to you if for any reason we do not execute said bonds.

The Guarantee Company of North America USA is listed on the U.S. Treasury Department's Listing of Approved Sureties (Department Circular 570), and is Rated (A, VIII) by A.M. Best.

Should you have any questions, please feel free to contact me at 513-907-7483

Sincerely,

A handwritten signature in black ink, appearing to read 'Randal T. Noah', written over a horizontal line.

Randal T. Noah
Vice-President, AssuredPartners NL

ATTACHMENT D

Proposer Name: UTILITY MANAGEMENT GROUP, LLC

Date: May 31, 2016

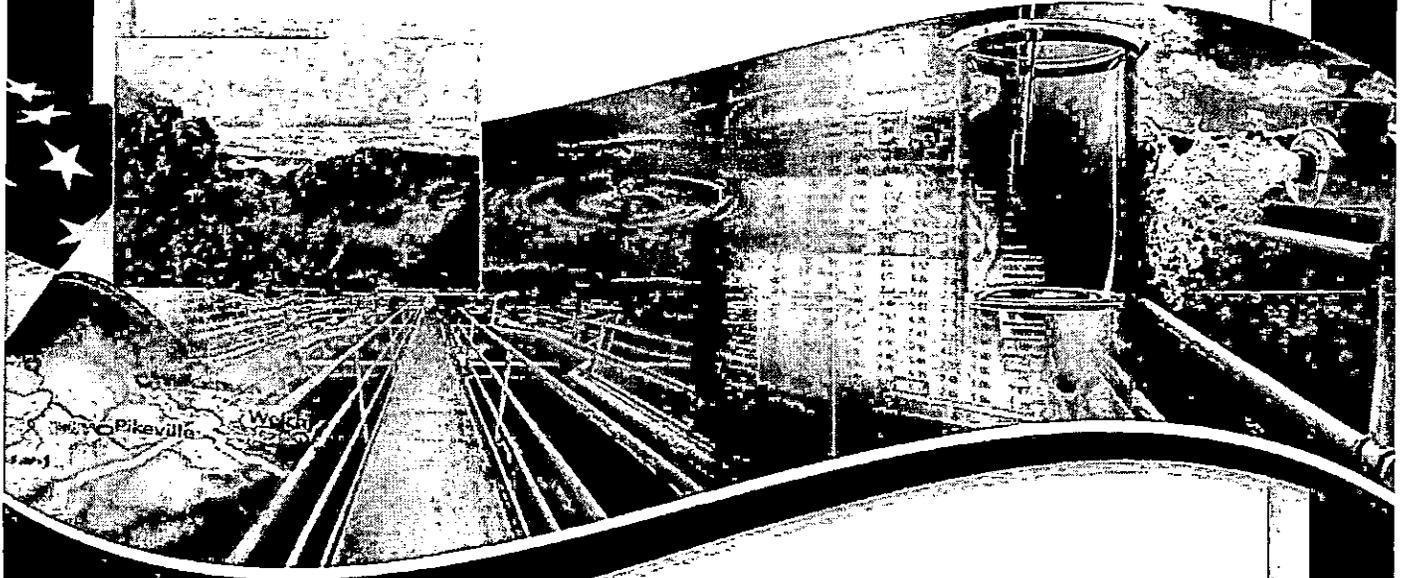
Authorized Signature: *Greg May*

Mountain Water District Request for Proposal Cost Proposal Worksheet				
Category	Year 1	Year 2	Year 3	Total
Raw Salary	\$ 1,640,000	\$ 1,656,400	\$ 1,672,964	\$ 4,969,364
Direct Labor Overhead	\$ 835,022	\$ 843,857	\$ 852,295	\$ 2,531,173
Utilities	\$ 2,439,240	\$ 2,463,640	\$ 2,488,284	\$ 7,391,164
Chemicals	\$ 255,000	\$ 257,550	\$ 260,126	\$ 772,676
Equipment	\$ 63,250	\$ 63,883	\$ 64,521	\$ 191,654
Materials/Supplies	\$ 232,000	\$ 231,645	\$ 233,961	\$ 697,606
Outside Services	\$ 210,000	\$ 212,100	\$ 214,221	\$ 636,321
Repair and Maintenance	\$ 960,000	\$ 1,020,000	\$ 1,080,000	\$ 3,060,000
Insurance and Bonds	\$ 267,000	\$ 269,670	\$ 272,367	\$ 809,037
Other (specify)	\$ 16,590	\$ 16,745	\$ 16,902	\$ 50,237
Subtotal Cost of Service	\$ 6,918,302	\$ 7,035,489	\$ 7,155,641	\$ 21,109,231
Corporate Overhead @ 6.1 %	420,000	424,200	428,442	1,272,642
Profit @ 6.0 %	440,286	447,581	455,045	1,342,912
TOTAL PRICE	\$ 7,778,388	\$ 7,907,271	\$ 8,039,128	\$ 23,724,786

Footnotes and Assumptions (list below):

- 1) Annual costs increases are based on the assumption that economic conditions remain stable. They do not allow for
- 2) any extraordinary increases in fuel or chemical costs, water purchase rates, or electric expenses.
- 3) Salaries are budgeted with a 2% annual increase each year.
- 4)
- 5) Note that \$79,000 has been included in the budget for a performance/payment bond equal to the first year contract amount.
- 6)
- 7) SEE ATTACHED BUDGET DETAIL
- 8)
- 9)
- 10)
- 11)
- 12)
- 13)
- 14)
- 15)

EXHIBIT "7a"



STATEMENT OF QUALIFICATIONS
FOR THE

**Operation, Maintenance and Management
of All Facilities**

OWNED BY THE MOUNTAIN WATER DISTRICT
PIKE COUNTY, KENTUCKY



SUBMITTED • JUNE 1, 2016



CERTIFICATIONS

**ESG OPERATIONS, INC. (CONTRACTOR),
A CORPORATION AUTHORIZED TO DO BUSINESS IN THE
COMMONWEALTH OF KENTUCKY,**

HEREBY CERTIFIES THE FOLLOWING PER THE REQUIREMENTS OF THIS RFP

- i. The Contractor certifies that its Statement of Qualification and Price Proposal is made without collusion or fraud and that the Contractor has not offered or received any kickbacks or inducements, monetary or otherwise, from any other Contractor, supplier, manufacturer or subcontractor in connection with its proposal, and that it has not granted, offered, or otherwise conferred on any public employee having any official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.
- ii. The Contractor hereby certifies that its firm has control of sufficient equipment, personnel, and fiscal resources to perform the actions necessary for professional operation, maintenance and management of the District's system, and will fully commit same to the District as proposed on this Statement of Qualification and Price Proposal pursuant to a negotiated contract.
- iii. The Contractor certifies that no county or municipal official in Pike County, including the Commissioners of the Mountain Water District, or any employee, or any person who is paid in whole or in part by the District has any direct or indirect personal fiduciary interest in the Contractor's firm. (Note: If any such relationship does exist, disclose same in detail.)



JOHN F. EDDLEMON, P.E.
SENIOR VICE PRESIDENT AND PARTNER

June 1, 2016

DATE



ADDENDA ACKNOWLEDGEMENT

**WE HAVE EXAMINED AND CAREFULLY STUDIED THE
REQUEST FOR PROPOSAL DATED APRIL 2016
BY THE MOUNTAIN WATER DISTRICT, PIKE COUNTY, KENTUCKY
RECEIPT OF ALL OF WHICH IS HEREBY ACKNOWLEDGED:**

Addendum No. 1
Dated • MAY 11, 2016

Addendum No. 2
Dated • MAY 25, 2016

Addendum No. 3
Dated • MAY 25, 2016

JOHN F. EDDLEMON • Senior Vice President and Partner

Authorized Representative/Title (Print or Type)

A handwritten signature in black ink, appearing to read "J F Eddlemon", written over a horizontal line.

Authorized Representative/Title (Signature)

June 1, 2016

Date



REQUEST FOR PROPOSALS
MOUNTAIN WATER DISTRICT
PIKE COUNTY, KENTUCKY

**Statement of Qualifications and Price Proposals
for the
Operation, Maintenance and Management
of All Facilities**

**Owned by the Mountain Water District
Pike County, Kentucky**

OPEN RECORDS TRADE SECRET AFFIDAVIT

Personally appeared before the undersigned officer duly authorized to administer oaths came, John F. Eddlemon after being duly sworn, deposes and says:

1.

That I am over 18 years of age and competent to give this Affidavit. Affiant further deposes that the contents of this Affidavit are true and correct to the best of his knowledge.

2.

This Affidavit is made upon the personal knowledge of Affiant in his capacity as an officer of ESG Operations, Inc. ('ESG') for identifying and declaring that certain portions of the ESG's submission of its

response to the above captioned Request for Proposals, issued by the Mountain Water District, Pike County, Kentucky, are 'trade secrets' as defined by Georgia law.

3.

Affiant is engaged in the day to day management and business of ESG and as a result is familiar with certain information that the company considers to be proprietary and qualifies as a 'trade secret' as defined by the Georgia Trade Secrets Act.

4.

Affiant declares that those pages of ESG's response which are identified by the following language "ESG Operations, Inc. Confidential and Proprietary ©2016 ESG Operations, Inc." which is found at the bottom of the page in question contain information which is and constitutes 'trade secrets'.

5.

This affidavit is submitted pursuant to the provisions of O.C.G.A. §50-18-71(34).

AFFIANT FURTHER SAITH NOT.

This 1st day of June, 2016.



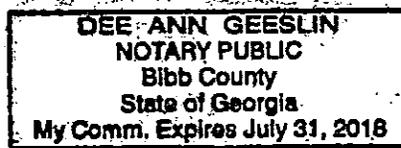
JOHN F. EDDLEMON

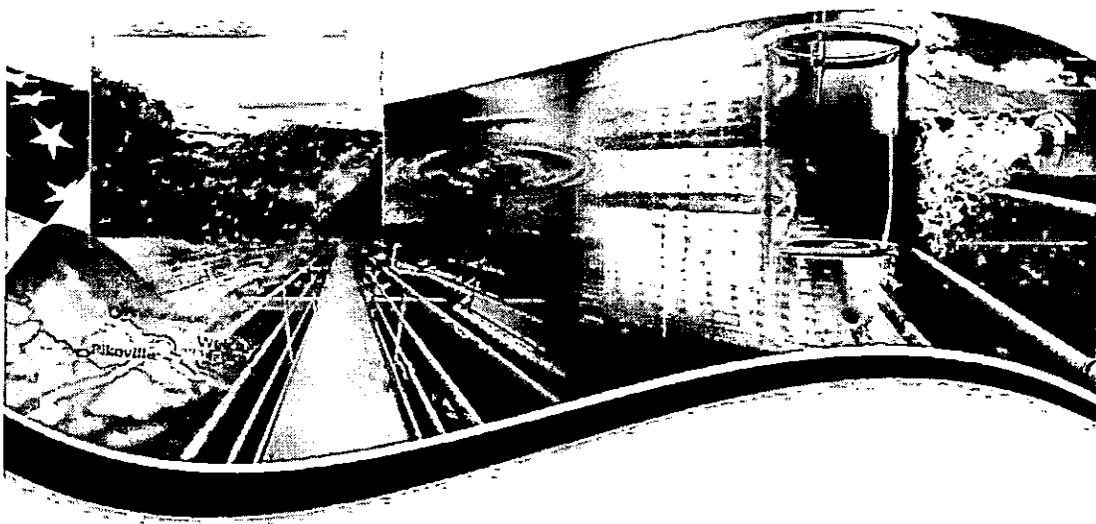
Sworn to and subscribed before me

this 1st day of June, 2016.



NOTARY PUBLIC





STATEMENT OF QUALIFICATIONS
FOR THE

**Operation, Maintenance and Management
of All Facilities**

OWNED BY THE MOUNTAIN WATER DISTRICT
PIKE COUNTY, KENTUCKY



Partnering to Meet the Demands of Today
and the Challenges of Tomorrow

LETTER OF TRANSMITTAL

June 1, 2016

Stratton Law Firm, P.S.C.
111 Pike Street
Post Office Box 1530
Pikeville, Kentucky 41502
ATTENTION: Donna S. Mullins



RE: REQUEST FOR PROPOSALS FOR THE OPERATION, MAINTENANCE AND MANAGEMENT
OF ALL FACILITIES OWNED BY MOUNTAIN WATER DISTRICT IN PIKE COUNTY, KENTUCKY

Dear Mountain Water District:

On behalf of ESG Operations, Inc. (ESG), thank you for considering ESG to manage, operate and maintain all facilities owned by the Mountain Water District (District) of Pike County, Kentucky. ESG has the in-house resources, requisite qualifications and commitment to address the District's immediate needs while providing support and direction for future challenges. We are unique in the fact that we are both a nationally recognized firm and also based in the Southeast. No other firm in our industry can offer the level of personal commitment as ESG in delivering an extensive range of resources to meet the District's needs.

As you review our Proposal, we trust you will find that our time-tested and proven approach to utility operations and asset management are completely different from what other firms offer. ESG's business model focuses on **creating value for our clients**. We do this by combining our employee-focused culture, operations expertise, and financial management expertise with state-of-the-art tools and technologies. Our focus is expanded beyond single year O&M cost reduction to a multi-year **comprehensive view** that encompasses revenue, operations' costs, debt service and capital investment.

The success of our unique approach to utility operations is evident by ESG being the fastest growing utility operations company in the United States, winning more core-business work over the last 13 years than all of our large international competitors combined (within our geographical service area). We are confident that you will not find another company that can deliver the level of service that ESG provides. The foundation of our offering to the District includes:

- **Engaged Corporate Support** — The greatest value that we bring to our clients is the close linkage between ESG's institutional knowledge and our "on the ground" project teams. A key ESG differentiator is that our company's resources are highly engaged and typically provide routine on-site support on a monthly basis.
- **Corporate Stability** — ESG is somewhat unique in the contract operations industry in that we have no outside ownership, zero corporate debt, and with owners that "lead from the front" by working full-time and totally committed to our projects, employees and clients.

- **Personal and Corporate Integrity** — ESG offers unquestionable credentials regarding personal and professional integrity which gives the District a level of trust that the information, communications and recommendations they receive from ESG are accurate, complete, and can be trusted as a sound basis for decision-making.
- **Proven, Zero Risk Transition Plan** — ESG and its principals have successfully transitioned over 1,400 employees and numerous operations from both local governments and other private operation companies without incurring any technical, regulatory or human resource problems.
- **Technology Based Solutions—Unique Application of Engineering Principals into Utility Operations—** One of the revolutionary concepts of ESG is actually infusing a professional engineering mindset and level of understanding into the contract operations arena. This perspective allows us to resolve utility challenges in a very effective manner by being able to analyze challenges from both the operations and engineering perspectives. This foundation of understanding allows our staff to communicate and partner with our clients to craft the optimum solution to utility challenges.
- **Lowest Cost of Ownership** — Reliable and safe water treatment service is one of the most critical services that a utility can provide. How do you select the company best suited to manage these critical services? Most companies in this industry focus exclusively on the annual operations and maintenance (O&M) costs of a facility. The ESG approach combines all of the facets of utility management including revenue enhancement, capital planning, repair and replacement, as well as operations and maintenance. This positions our clients for achieving the “lowest cost of ownership” over the life of the facility. We are confident that ESG is the highest value option for the District.
- **Impeccable Performance Record** — ESG has never been fired, terminated or replaced on any utility operations contract. This is a remarkable performance record given that we are currently entering into our 14th year of providing engineering and operations services to local governments and industries.

We invite the District representatives to talk with our clients. ESG has established a track record of exemplary performance where others have struggled. Both our clients and employees can speak with experience regarding the “**ESG Difference.**” In summary, ESG operates more water and wastewater treatment plants for more communities in the “deep South” than any of our local, regional or national competitors.

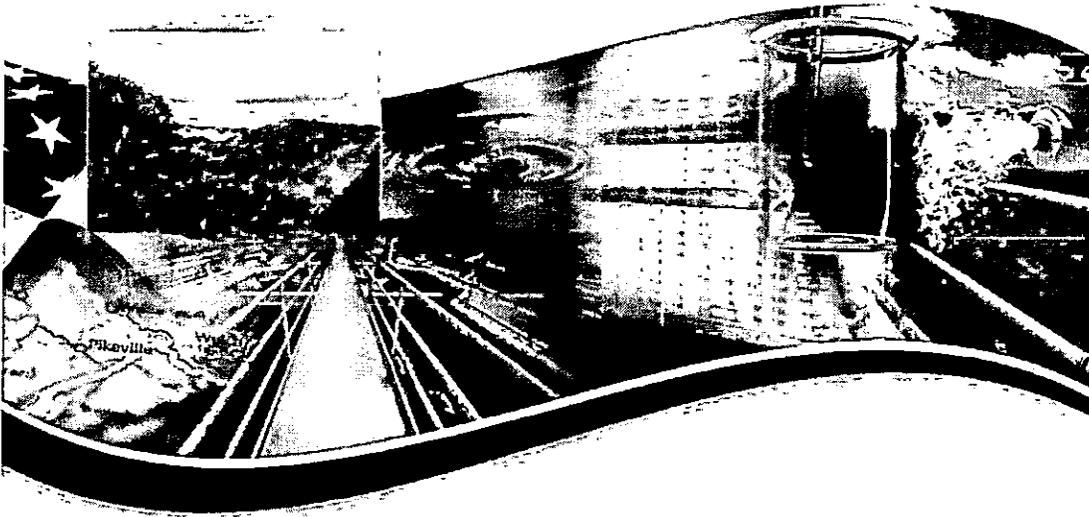
We sincerely thank you for your consideration of ESG Operations, Inc. as your potential utility operations partner. We welcome the opportunity to answer any questions and further refine our approach. Please feel free to contact me directly with any questions at 678-938-2739.

Respectfully,



John F. Eddlemon, P.E.

Senior Vice President and Partner



STATEMENT OF QUALIFICATIONS
FOR THE

**Operation, Maintenance and Management
of All Facilities**

OWNED BY THE MOUNTAIN WATER DISTRICT
PIKE COUNTY, KENTUCKY

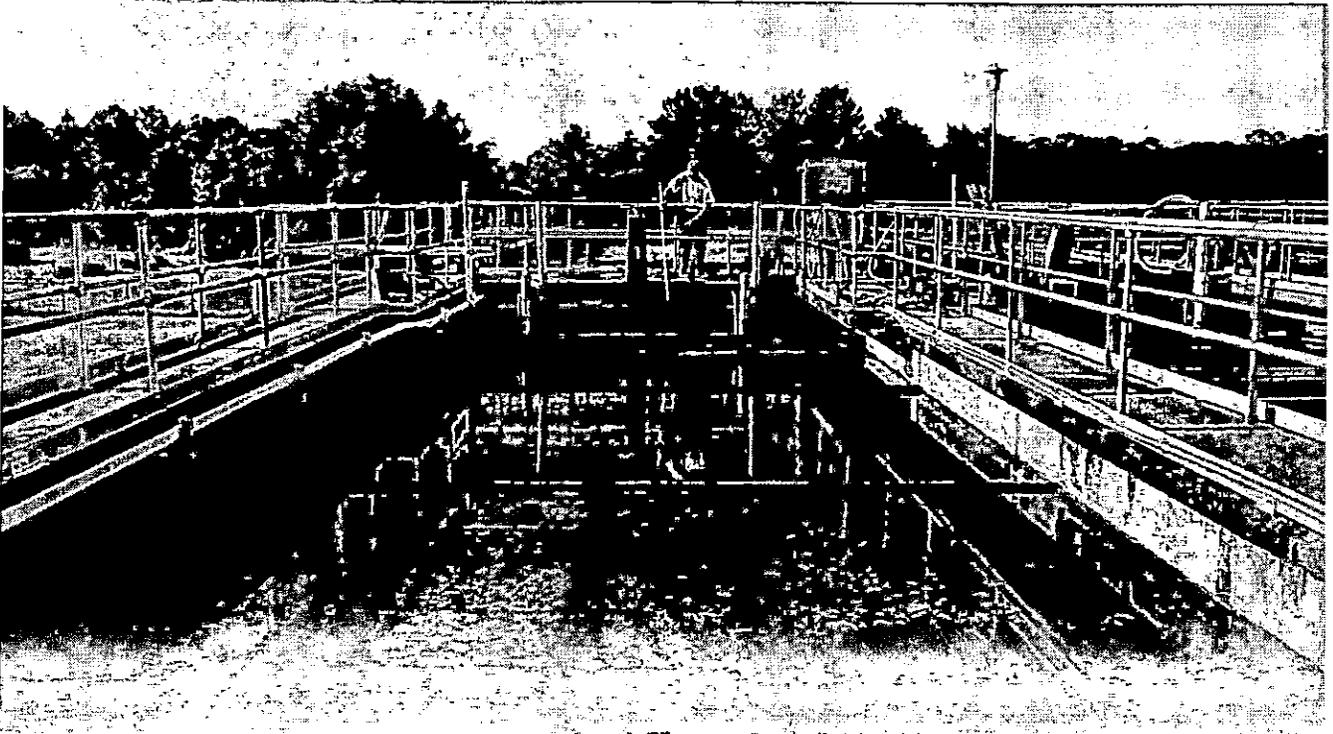


Partnering to Meet the Demands of Today
and the Challenges of Tomorrow

BACKGROUND INFORMATION AND COMPANY HISTORY

BACKGROUND INFORMATION
AND COMPANY HISTORY

BACKGROUND INFORMATION AND COMPANY HISTORY



ESG Operations, Inc. was established on June 1, 2003, and is a Georgia C-Corporation that is 100% employee owned. ESG is in the full-time business of providing operations, maintenance and management to public and private utility systems. ESG currently provides full service operation, maintenance and management services to 19 government and private sector entities across the Southeast. ESG is fully authorized to do business in the Commonwealth of Kentucky.

- ➔ Clearly identify the Contractor, providing the full corporate name, address, phone and fax numbers, and the name and date of organization or incorporation (if a joint venture (JV), provide information for all JV partners.

ESG Operations, Inc.
6400 Peake Road
Macon, Georgia 31210

Phone—478-474-5025
Fax—478-474-5045
Website—www.esginc.net

ESG Operations, Inc. was incorporated in **2003**.

- ➔ Indicate whether the entity is a corporation, partnership, unit of government or other.

ESG Operations, Inc. was established in 2003 in the State of Georgia and is organized as a **Georgia C-Corporation**.





- Provide the names of the board members, principal stock holders, or partners as appropriate.

Mr. J. Clay Sykes P.E.
Co-founder and Principal

Mr. Daniel E. Groselle, P.E.
Co-founder and Principal

Mr. John F. Eddlemon P.E.
Senior Vice President and Partner

- Note the state and/or country of registration of the corporation and Federal Employee identification number.

ESG Operations, Inc. is registered as a C-Corporation in the **State of Georgia.**
Federal Tax Identification Number – 01-0772919

As per the requirements of the RFP, ESG Operations, Inc. is also registered to do business in the **Commonwealth of Kentucky** (Franklin County • A116 PG628 – 0952711.09)

- Provide a brief history of the organization.

ESG Operations, Inc. is a privately held company recognized in the utility operations industry as being the fastest growing water and wastewater service provider—and the largest in the Southeast. ESG has received more awards for operations excellence over the past 13 years than all of our competitors combined. ESG has unmatched corporate and technical support resources located throughout the southeastern U.S. ESG is uniquely poised to deliver outstanding service to facilities owned by the Mountain Water District. All of ESG's support resources are centrally located in Georgia which gives our clients the assurance of knowing that our resources are readily available to support their unique needs. ESG Operations, Inc. is a very stable company, having grown significantly over the past 13 years. A few additional points of interest regarding our ownership structure and financial health:

- No outside ownership, company is 100% employee owned.
- Zero debt (except for short-term vehicle loans). ESG was started without any outside investment.
- ESG has been 100% cash positive from the first month of incorporation. ESG has never had to take out a loan to cover operating capital. ESG's growth strategy is one that minimizes bureaucracy and excessive overhead.





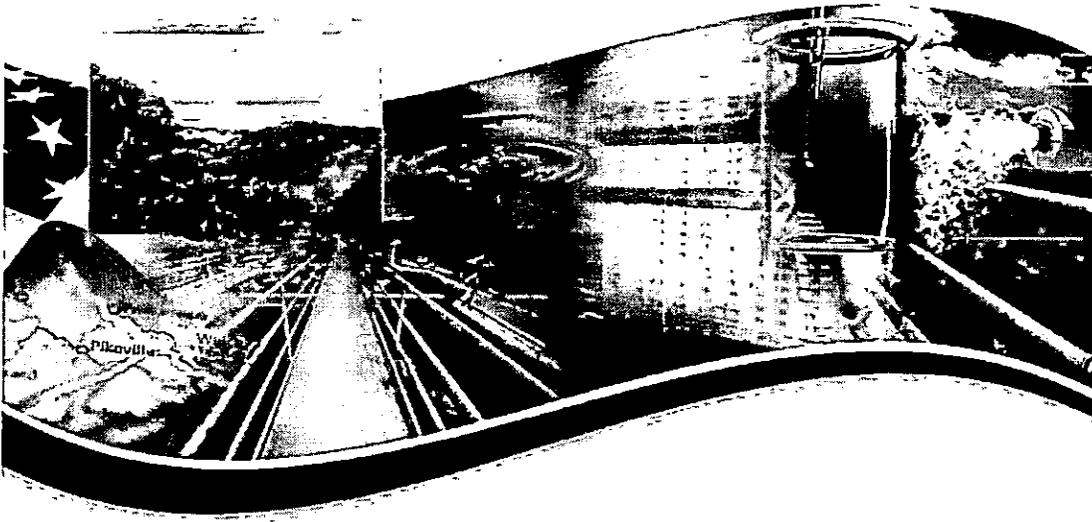
- In order to sustain our growth, ESG has re-invested the majority of our earnings to have significant equity on hand. This cash equity reserve was established to equalize short-term cash flow demands.
- ESG has enjoyed a steady and realistic growth in quarterly income since the first month of operations.
- ESG has been in business for 13 years, and has established over \$518,000,000 in contracted backlog and this backlog of work is a great indicator of the current and future financial health of our company.

THE FINANCIAL STRENGTH OF ESG OPERATIONS, INC.		
Year	Annual Revenue/Contracted Work	Contracted Backlog
2003	\$680,167	\$11,939,090
2004	\$1,830,618	\$18,920,981
2005	\$4,689,400	\$35,925,912
2006	\$11,060,300	\$100,200,000
2007	\$17,354,600	\$164,473,000
2008	\$19,955,968	\$181,855,625
2009	\$21,603,463	\$177,018,948
2010	\$30,021,552	\$225,000,000
2011	\$31,300,000	\$255,000,000
2012	\$36,586,500	\$308,000,000
2013	\$38,186,500	\$329,000,000
2014	\$44,186,000	\$410,430,000
2015	\$56,000,000	\$518,570,000

➔ Include the names of any proposed subcontractor firms, and indicate their role on the team.

No subcontractors will be used by ESG Operations, Inc. for the operations, maintenance and management of the facilities owned by the Mountain Water District.





STATEMENT OF QUALIFICATIONS
FOR THE

**Operation, Maintenance and Management
of All Facilities**

OWNED BY THE MOUNTAIN WATER DISTRICT
PIKE COUNTY, KENTUCKY

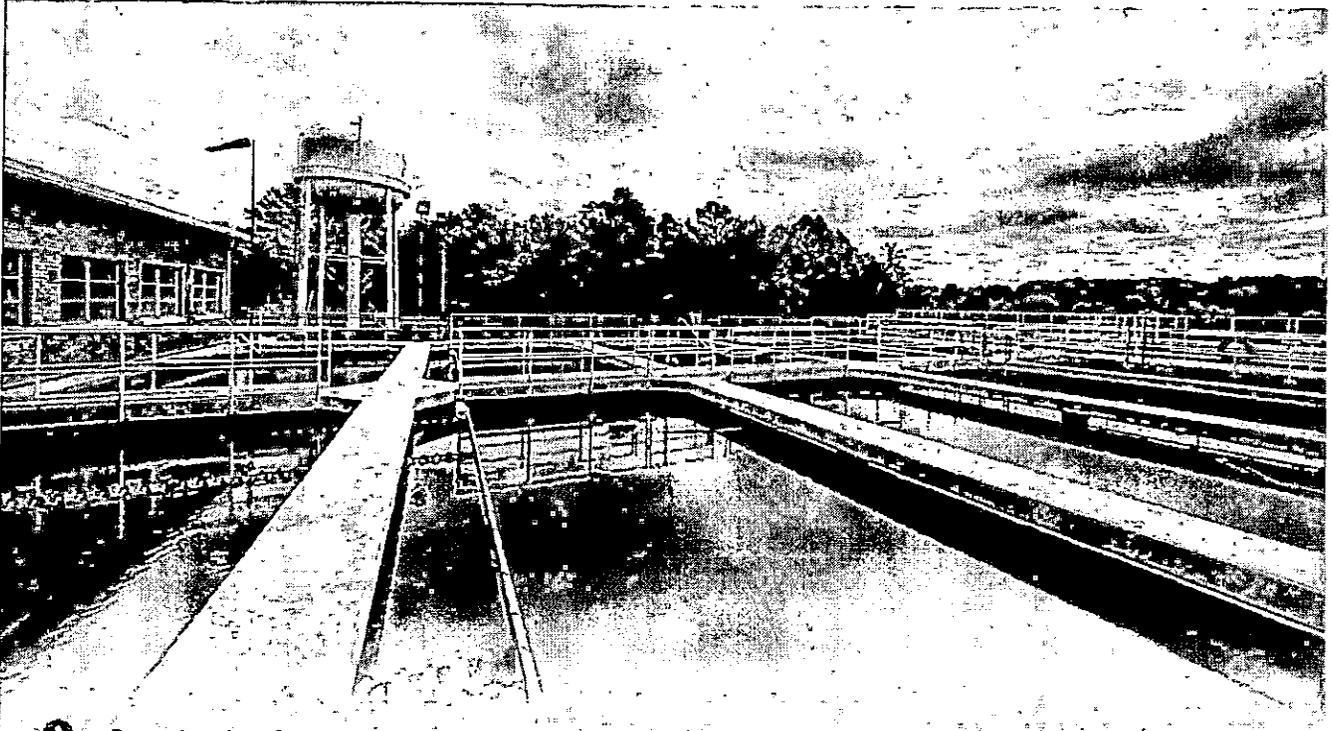


Partnering to Meet the Demands of Today
and the Challenges of Tomorrow

FIRM AND KEY PERSONNEL EXPERIENCE

FIRM AND KEY PERSONNEL
EXPERIENCE

FIRM AND KEY PERSONNEL EXPERIENCE



- Provide a brief outline of the firm's experience with similar water and wastewater operations and maintenance contracts, including systems under Kentucky or other state PSC regulation.

See **Table 1** on page 2.

- Provide a detailed project description for at least three (3) contracts similar in size and complexity to the District, with particular emphasis on rural, low-density systems.

See **Project Profiles** for Wakulla County, FL, Douglas, GA and Moultrie, GA on pages 3-5.

- Provide a table listing all relevant water and/or wastewater systems that the firm has managed, operated or maintained over the past ten (10) years. Include:
- Name of client and location of system
 - System service area and number of customers
 - Whether water, wastewater or both
 - Basic description of assets managed, including size and type of treatment facilities, miles of pipe, and number and size of storage tanks and pump stations
 - Basic description and annual cost of services provided
 - Dates of contract initiation and completion

See **Table 2** on pages 6-7.





TABLE 1

ESG Operations, Inc.
Experience with Similar Water and Wastewater Systems

Client	Water Treatment System Capacity	Wastewater System Design Capacity	Water Distribution and Sewer Collection Systems
Augusta, GA		65 MGD	Sewer Line Assessments
Barnesville, GA	6 MGD	2 MGD	
Commerce, GA	4.5 MGD		
Douglas, GA	6 MGD	6 MGD	Full C/D
Forsyth County, GA	28 MGD	10 MGD	
Moultrie, GA	5.5 MGD	6 MGD	Full C/D
Ni Pacolet Milliken, LLC South Carolina		8.3 MGD	Sewer Collection System and Lift Stations
Opelika, AL		9 MGD	Lift Station O&M *
Perry, GA	5 MGD	6.1 MGD	Full C/D
Rockdale County, GA		8.2 MGD	Lift Station O&M *
St. Joe Summer Camp Tallahassee, FL	0.25 MGD		Water Distribution System
Tifton, GA	15 MGD	10 MGD	Full C/D
Tupelo, MS		12 MGD	Lift Station O&M *
Vidalia, GA	7.5 MGD	6 MGD	Full C/D
Wakulla County, FL	0.5 MGD	1.5 MGD	Full C/D
Warner Robins, GA	17 MGD	12 MGD	Lift Station O&M *
Waycross, GA	5 MGD	6.7 MGD	Full C/D
Winder, GA	6.2 MGD	5.5 MGD	Sewer Collection System and Lift Stations

* O&M = Operations and Maintenance



Making a Difference in Wakulla County since 2007

WAKULLA COUNTY, FLORIDA



Water Treatment /Distribution • Wastewater Collection/Treatment • Full Public Works

Facility Location

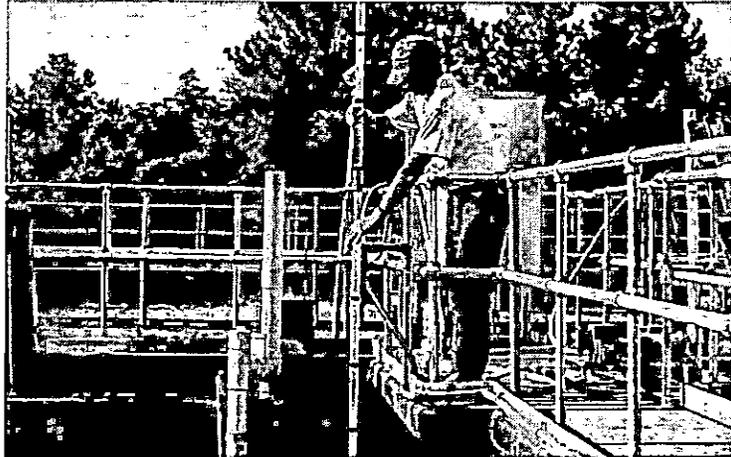
Wakulla County, Florida
 340 Trice Lane
 Crawfordville, Florida 32327
 850-926-7616

Municipal Contact

Mr. David Edwards • County Administrator
 850-926-7616 • dedwards@mywakulla.com

Facility Contact

Mr. Cleve Fleming • Project Director
 850-926-7616



Term of Contract		Start Date/Completion Date	
20 Years		1/1/2007 through 1/1/2027	
Contract Amount		Number of Employees	
\$2,300,000		40	
Capacity			
1.5 MGD • Wastewater		0.5 MGD • Water	
76 Lift Stations		170 Miles of Piping	
Contract Services			
Wastewater Treatment		Full Public Works	
Water Treatment		Lift Station O&M	



Making a Difference in the City of Douglas since 2015

DOUGLAS, GEORGIA



Water Treatment • Water Distribution • Wastewater Treatment • Wastewater Collection • Meter Reading

Facility Location

Douglas, Georgia
320 S. Pearl Avenue
Douglas, Georgia 31533
912-389-3444

Municipal Contact

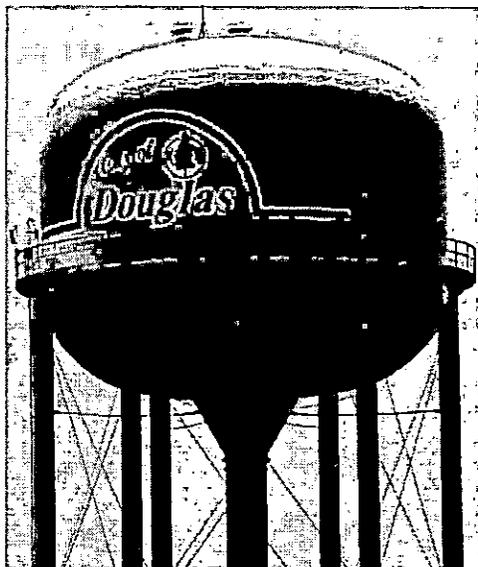
Mike Hudson • Utilities Director
912-389-3447
MHudson@cityofdouglas.com

Facility Contact

Kevin Davis • Project Manager
912-389-3444

Awards and Recognitions

2015 Biosolids Award Program of the Year



Term of Contract	Start Date/Completion Date
10 Years	1/1/2015 through 1/1/2025
Contract Amount	Number of Employees
\$2,800,000	27
Capacity	
6 MGD • Wastewater	6 MGD Water
18 Lift Stations	250 Miles of Piping
Contract Services	
Water Treatment	Collection and Distribution Systems
Water Distribution	Meter Reading
Wastewater Treatment	Lift Station O&M



Making a Difference in the City of Moultrie since 2015

MOULTRIE, GEORGIA

Moultrie
City of Southern Living

Water Treatment • Water Distribution • Wastewater Treatment • Wastewater Collection • Tank Maintenance

Facility Location

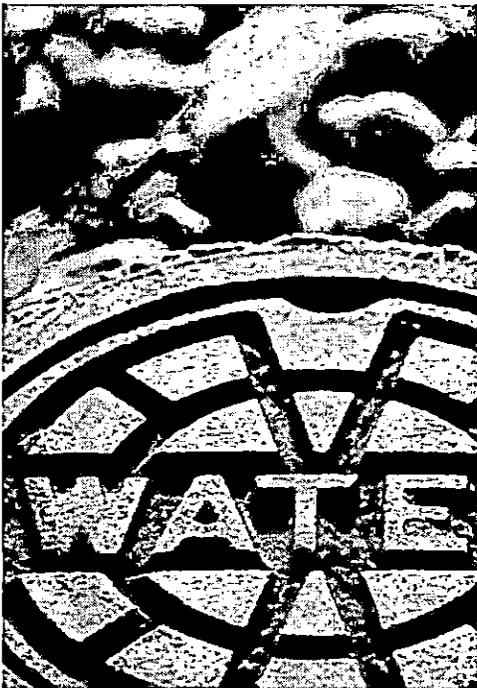
Moultrie, Georgia
2710 First Avenue, S.E.
Moultrie, Georgia 31775
229-668-6000

Municipal Contact

Mike Scott, City Manager
229-668-0022 • mike.scott@moultriega.com

Facility Contact

Ann Shepard • Project Manager
229-272-2494



Term of Contract	Start Date/Completion Date
10 Years	5/1/2015 through 7/1/2025
Contract Amount	Number of Employees
\$1,750,000	23
Capacity	
5.5 MGD Water	0.2 MGD Wastewater
5.0 MGD Wastewater	344 Miles of Piping
5 Storage Tanks (100,000-500,000 gallons)	
Contract Services	
Water Treatment	Wastewater Collection
Water Distribution	Tank Maintenance
Wastewater Treatment	





TABLE 2

Client and Location of Systems	System Service Area	Number of Customers	Contract Services	Description of Assets	Annual Contract	Start Date/ Completion Date
Augusta, GA 1820 Doug Bernard Pkwy. Augusta GA 30906 706-793-1691	307 square miles	197,900	Wastewater Treatment Wetlands Treatment System Biosolids Land Application Industrial Pretreatment Program Sewer Line Assessments	65.0 MGD Wastewater	\$6,030,000	1/1/2010 thru 1/1/2030
Barnesville, GA 706 Gordon Rd. Barnesville GA 30204 770-358-0314	191 square miles	6,532	Wastewater Treatment Water Treatment	2.4 MGD Wastewater 6.0 MGD Water	\$841,000	10/1/2012 thru 9/30/2022
Commerce, GA 265 Water Plant Rd. Commerce, GA 30529 706-335-6330	39 square miles	8,000	Water Treatment	4.5 MGD Water	\$600,000	1/1/2014 thru 1/1/2034
Douglas, GA 320 S. Pearl Ave. Douglas, GA 31503 912-389-3444	14 square miles	12,900	Water Treatment Water Distribution Wastewater Treatment Wastewater Collection Meter Reading	6.0 MGD Water 6.0 MGD Wastewater 18 Lift Stations 250 Miles of Piping	\$2,800,000	1/1/2015 thru 1/1/2025
Forsyth County, GA 1222 Swallowtail Dr. Suwanee GA 30024 770-886-1225	413 square miles	195,405	Wastewater Treatment Water Treatment	0.125 MGD Wastewater 0.50 MGD Wastewater 0.55 MGD Wastewater 0.76 MGD Wastewater 1.0 MGD Wastewater 1.25 MGD Wastewater 28.0 MGD Water	\$3,317,600	1/1/2010 thru 1/1/2026
Lockheed Martin 86 S. Cobb Drive, S.E. Marietta, GA 30063 770-494-4411	N/A	N/A	Laboratory Services	N/A	\$286,000	5/1/2014 thru 5/1/2019
Moultrie, GA 2701 1st Avenue, S.E. Moultrie, GA 31776 229-668-6000	16.5 square miles	17,500	Water Treatment Water Distribution Wastewater Treatment Wastewater Collection Tank Maintenance	5.5 MGD Water 5.0 MGD Wastewater 0.2 MGD Wastewater 344 Miles of Piping 5 Storage Tanks (100,000-500,000 gallons)	\$1,750,000	7/1/2015 thru 7/1/2025
Ni Paolet Milliken, LLC Columbia, SC	295 square miles	13,600	Wastewater Treatment Wastewater Collection	6.0 MGD Wastewater 2.0 MGD Wastewater 0.288 MGD Wastewater 80 Lift Stations 621 Miles of Piping	\$2,300,000	2/1/2016 thru 2/1/2020 (Automatic 5 Year Renewal)
Opelika, AL 700 Fox Trail Opelika, AL 36801 334-705-5413	59 square miles	29,000	Full Public Works Wastewater Treatment Lift Station O&M Fleet Maintenance	9.0 MGD WW 24 Lift Stations	\$5,280,000	11/1/2005 thru 11/1/2015 Early Renewal 4/1/2014 thru 4/1/2024





City/County Location of System	System Service Area	Number of Customers	Contract Services	Description of Assets	Annual Contract	Start/End Completion Date
Putney, GA 138 Tracy Street Rd Putney, GA 31729 919-979-2627	104 square miles	11,500	Wastewater Treatment Water Treatment Collection & Sanitation Systems	6" WSD Waterline 5" WSD Waterline 12" WSD Sewerline 271 Miles of Piping	\$2,760,000	3/1/2016 thru 3/31/2016
Rockdale County, GA 2840 Shum Rd Conley, GA 30142 770-272-2910	172 square miles	60,000	Wastewater Treatment Collection System Maintenance LID Station O&M	62" WSD Waterline 28,000' Sewerline	\$4,440,000	8/1/2005 thru 8/31/2017 Renewed 8/1/2017 thru 8/31/2018
St. Joe Paper The St. Joe Company 1251 Hanoverway Blvd Blountsville, TN 37317 615-842-9140	80 square miles	32	Water Treatment Water Distribution Customer Service	625" WSD Waterline 20 Miles of Piping 1 Storage Tank (150,000 gal)	\$226,000	1/1/2005 thru 12/31/2016
Tifton, GA 66 Old Brookside Rd Tifton, GA 31794 229-251-2897	270 square miles	41,200	Public Works Wastewater Treatment Water Treatment Collection & Sanitation Tank Maintenance Sewerline Repairs	100" WSD Waterline 150" WSD Waterline 25,000' Sewerline 250 Miles of Piping 9 Storage Tanks (52,000' 2Mlg gal)	\$4,100,000	11/15/2012 thru 10/31/2022
Tupelo, MS 2053 International Dr. Tupelo, MS 38804 662-844-9121	514 square miles	10,000	Wastewater Treatment LID Station O&M Collection System Maintenance	120" WSD Waterline 80,000' Sewerline	\$1,450,000	1/1/2005 thru 11/30/2015
Waynes, GA 1111 Briarwood Rd Waynes, GA 30476 912-537-7029	174 square miles	19,222	Public Works Wastewater Treatment Water Treatment Collection & Sanitation Systems Tank Maintenance Fleet Administration	60" WSD Waterline 70" WSD Waterline 30,000' Sewerline 700 Miles of Piping 9 Storage Tanks (52,000' 2Mlg gal)	\$2,065,000	6/1/2010 thru 6/30/2023
Wakulla County, FL 340 West Ln Crawford, FL 32327 904-924-7016	706 square miles	11,000	Public Works Wastewater Treatment Water Treatment Collection & Sanitation Systems	12" WSD Waterline 60" WSD Waterline 70,000' Sewerline 150 Miles of Piping 1 Storage Tank (50,000 gal)	\$2,100,000	1/1/2008 thru 11/30/2017
Warner Robins, GA 230 Industrial Park Blvd. Warner Robins, GA 31088 478-323-4000	754 square miles	50,247	Wastewater Treatment Water Treatment LID Station O&M Industrial Land Application Industrial Wastewater Program	120" WSD Waterline 120" WSD Waterline 32,000' Sewerline	\$3,080,000	7/1/2016 thru 6/30/2023
Waycross, GA 722 Alford Waycross, GA 32187 912-977-3040	11.7 square miles	10,000	Wastewater Treatment Water Treatment Collection & Sanitation Systems Sewer Projecting	6" WSD Waterline 32,000' Sewerline 15,000' Sewerline 125 Miles of Piping	\$2,500,000	3/1/2014 thru 3/31/2019
Winder, GA 411 W. Main Street Rd Winder, GA 30690 770-833-0663	17.9 square miles	20,000	Public Works Wastewater Treatment Water Treatment Sewer Collection System Industrial Wastewater Program	15" WSD Waterline 42" WSD Waterline 62" WSD Waterline 17,000' Sewerline 84 Miles of Piping	\$4,175,000	6/1/2012 thru 6/30/2017

50 Years of Experience in the Water Industry - AECOM



- Outline the firm's experience with customer service operations, call centers, billing systems, and meter reading.

ESG has significant experience in utility system **customer service** operations. As described throughout the proposal, ESG's Computerized Maintenance Management System (CMMS) serves as the foundation for not only our field services, but also our customer service operations. Calls come into our call centers and the operator will enter the call into the work order system. The work order is immediately dispatched to the appropriate field crews who will then prioritize the work order and schedule the repair. We also have a policy that all work orders must be verified by a supervisor before being closed. Our CMMS system will easily tie into the District's current financial management and customer service program.

Our detailed **Customer Service Plan** is included in our Operations Plan.

We operate numerous **meter reading** departments and are familiar with all types of metering systems. One of the priorities of ESG in the first 90 days will be to ascertain the status of the batteries in your current meters. It has been brought to our attention that the batteries may be approaching the end of their service life. If these meters are allowed to fail, it could be disastrous to the District's revenue as well as create an operational nightmare. We will evaluate the meters and determine the most cost effective path forward to mitigate the problem.

- Outline the firm's experience with water loss and leak detection, water line repair and replacement, gravity sewer and lift station rehabilitation.

In all of our discussions with the District, and the review of relevant PSC data, it is evident that reducing **water loss** is very important. As you will see outlined in our Operations Plan, we have a well thought out approach to dealing with the water loss. As you well understand, it is very easy to get into a mode of just fixing broken lines as opposed to holistically evaluating the system and developing a system wide approach that covers all potential sources of water loss. With labor, power and chemical costs increasing, ESG will make it a priority to reduce the water loss and lower the overall cost of system ownership for the MWD.

- Describe the experience and qualifications of key management team personnel who will be assigned to the contract, including both full-time and part-time commitments to the District. Include two-page resumes for each individual identified in Appendix A.





We are very proud of the success we have achieved at ESG. Prior to forming ESG, our Senior Managers were all fortunate to be a part of the senior management team of two of the largest utility management companies in the world.

The direct result of this experience is a utility management company that has all of the technical sophistication and resources of the larger companies, while maintaining the understanding that the only way to succeed is to be **100% dedicated to our employees and clients**. Part of our mutual, long-term success hinges on the experience, capabilities, and commitment of the on-site management team and the depth of resources and engagement of the off-site technical support team. We have assigned some of our most capable and talented staff to ensure the District's project is successful.

During our site visits we had the opportunity to meet and talk with some of the capable and talented existing staff we look forward to working with this project team in the days ahead.

OUR COMMITMENT

To demonstrate our commitment to providing exemplary service to the Mountain Water District, ESG is proposing **Mr. Scott Murphy** as your **Project Manager**.

SCOTT MURPHY

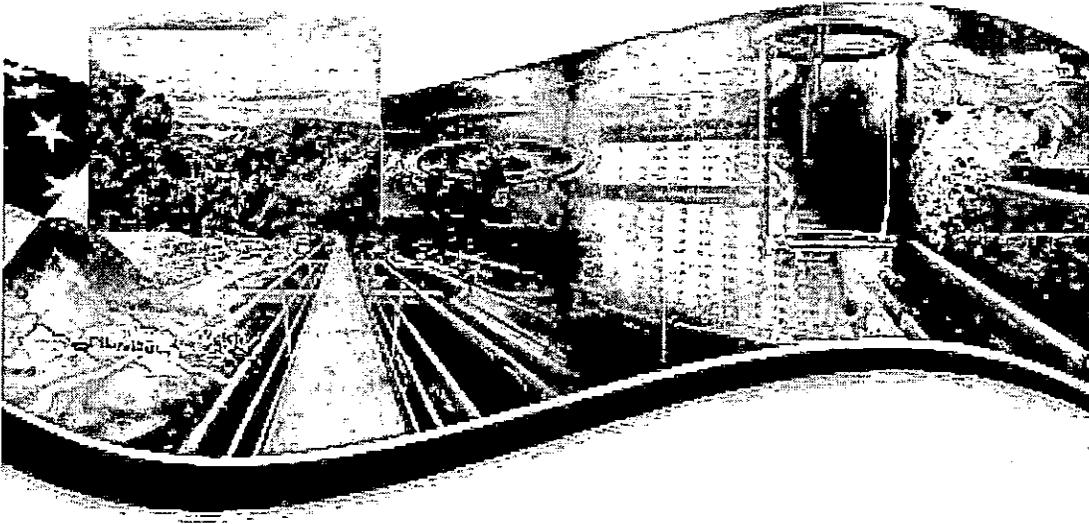
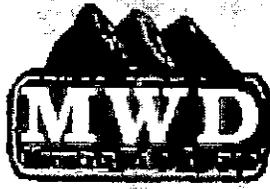
ROLE Proposed Project Manager

Mr. Murphy has over 20 years of experience in the water and wastewater industry. He has worked at the management level in the public and private sectors operating water and wastewater systems ranging in capacity from 6.1 mgd-20 mgd. Mr. Murphy has also developed solid experience in analyzing treatment process procedures, land application systems, biosolids, preparing regulatory reports, personnel and subcontractor supervision, and implementing O&M budgets with financial controls. Mr. Murphy holds Georgia Class I Water and Georgia Class I Wastewater operations licenses. In addition, Scott has already applied for reciprocity for the following Kentucky licenses: Grade 4 Wastewater Treatment, Grade 4 Surface Water, Grade 4 Ground Water, Grade 4 Wastewater Collections and Grade 4 Water Distribution. Mr. Murphy also holds a B.S. in Biology with a minor in Chemistry from the University of Tennessee.

ESG's CORPORATE AND TECHNICAL RESOURCES

The chart on the following page is an overview of ESG's corporate and technical resources that will be committed to this project and available to the Mountain Water District and our on-site team.





STATEMENT OF QUALIFICATIONS
FOR THE

**Operation, Maintenance and Management
of All Facilities**

OWNED BY THE MOUNTAIN WATER DISTRICT
PIKE COUNTY, KENTUCKY



Partnering to Meet the Demands of Today
and the Challenges of Tomorrow

PROFESSIONAL REFERENCES

PROFESSIONAL REFERENCES

PROFESSIONAL REFERENCES

Facility	Contract Amount	Start Date / Contract Dates	Principal Contact	ES&E Facility Contact	Term (Years)	Capacity	Number of Employees	Contract Services
Tupelo, MS 206 International Dr. Tupelo, MS 38804 662-344-4131	\$1,400,000	11/2006 thru 11/2015	Greg Reed Inventor 662-341-6990 gareed@tupelo.org	Chris Holberg 662-344-6111	20	7.5 MGD WW	72	Wastewater Treatment LID Station CSW Collection System Maintenance
Opelika, AL JCO Facility Opelika, AL 36801 334-723-5475	\$5,200,000	11/2015 thru 11/2015 Early Renewal 01/2016 thru 01/2017	Greg Hester Mayor 334-723-5150 ghester@opelika.org	W. J. Hester 334-705-5715	20	4.0 MGD WW	67	Full Public Works Wastewater Treatment LID Station CSW Facilities Maintenance
Vienna, GA 111 Dillard Rd Vienna, GA 30294 912-382-7000	\$2,254,000	01/2008 thru 01/2017	Ed Kinnick City Manager 912-382-7000 edkinnick@vienna.org	Jeff West 912-382-7000	10	2.0 MGD WW 2.5 MGD Water	35	Full Public Works Wastewater Treatment Water Treatment Collection & Distribution Systems Eradication of Invasive Species
Waynes, GA 514 A Ave SW Waynes, GA 31701 912-757-1900	\$2,130,000	01/2008 thru 01/2019	Richard Wade City Manager 912-757-2900 rwade@wayne-county.com	Larry Beckwith 912-757-2900	15	2.7 MGD WW 5 MGD Water	26	Wastewater Treatment Water Treatment Collection & Distribution Systems Asset Tracking
Permy, GA 1131 Park Gate Field Rd Permy, GA 31090 478-866-2827	\$2,340,000	01/2016 thru 07/2018	Lee Sumner City Manager 478-866-2710 lee@permy-city.com	Chris Williams 229-567-7624	10	1.1 MGD WW 5.0 MGD Water	32	Wastewater Treatment Water Treatment Collection & Distribution Systems
Rockdale County, GA 2540 Ingram Rd Clermont, GA 30009 770-275-2510	\$1,410,000	01/2006 thru 01/2011 Renewed 01/2011 thru 01/2016	Dwight Hill Inventor 770-275-2411 Dhill@rockdalecounty.com	L. B. Hill 770-275-2510	10	2.2 MGD WW	26	Wastewater Treatment Collection System Maintenance LID Station CSW
Warner Robins, GA 210 Industrial Park Blvd Warner Robins, GA 31808 478-875-2200	\$2,240,000	01/2008 thru 01/2018	Charlie Waters Utility Director 478-875-1905 charlie@warner.org	Dickie Watts 478-875-1718	20	2.5 MGD WW 7.0 MGD Water	77	Wastewater Treatment Water Treatment LID Station CSW Street & Land Application Industrial Pre-treatment Program
Augusta, GA 1800 Doug Burton Hwy Augusta, GA 30606 706-725-1601	\$6,300,000	11/2010 thru 11/2018	Tom Wiseman SUNYS Director 706-725-2100 twiseman@augusta.org	Paul Hester 706-725-2766	20	35.0 MGD WW	31	Wastewater Treatment Advanced Treatment System Roadside Land Application Industrial Pre-treatment Program Street Treatment
Fourth County, GA 2222 Westgate Dr Lawrenceville, GA 30046 770-962-1225	\$2,210,000	11/2010 thru 11/2016	Tim Patrick Inventor Mike Strawn 770-962-2100 tim.p@fourthcounty.com	Patry Hester 770-962-2000	10	3.125 MGD WW 3.50 MGD WW 1.00 MGD WW 2.00 MGD WW 2.00 MGD WW 2.00 MGD WW	21	Wastewater Treatment Water Treatment

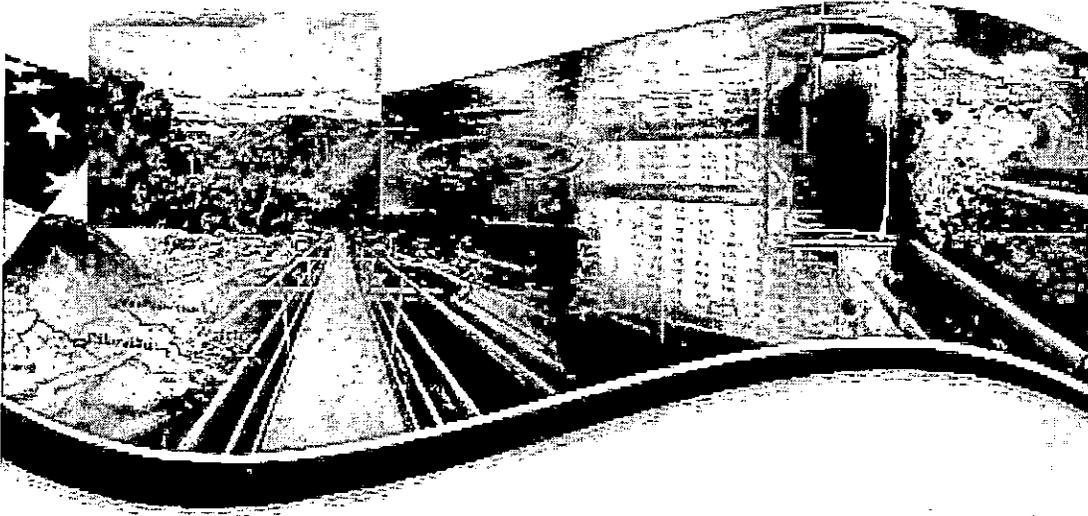




Facility	Contract Amount	Start Date/Completion Date	Assigned Contact	City/Town (County)	Term (Years)	Capacity	Number of Employees	Contract Services
Windsor, GA 421 W. Main St. Windsor, GA 30380 770-358-0000	\$1,475,000	2/1/2013 thru 2/1/2017	De-Michael Kaye 770-357-1103 de@windsorwater.com	Lacey Hill 501-361-5134	5	1.0 MGD WW 4.0 MGD WW 6.7 MG Water	29	All Public Works Wastewater Treatment Water Treatment Water Collection System Industrial Treatment Program
Barnesville, GA 706 Gordon Rd. Barnesville, GA 30004 770-356-0111	\$2,100,000	10/1/2012 thru 9/30/2018	Samuel Roberts City Manager 770-358-0101 ks@cityofbarnesville.com	Barnesville 706-821-1174	10	2.4 MGD 6.7 MG Water	6	Wastewater Treatment Water Treatment
Tifton, GA 2210 Proctor Rd. Tifton, GA 31794 770-391-3836	\$5,150,000	11/1/2013 thru 11/01/2022	Don R. Lee City Manager 770-391-3837 lee@cityof-tifton.com	Scott Mapple 334-391-3559	10	10.0 MGD WW 15.0 MGD Water	25	All Public Works Wastewater Treatment Water Treatment Collection & Distribution Park Maintenance Sewerage Services
Commerce, GA 265 W. Main St. Commerce, GA 30529 706-383-6130	\$600,000	1/1/2014 thru 1/1/2014	Pete Howard City Manager 706-376-3700 pete@commercega.com	John E. Galt 578-042-8388	10	4.0 MGD Water	2	Water Treatment
Douglas, GA 3185 Peach Ave. Douglas, GA 31523 912-359-1444	\$2,833,000	1/1/2011 thru 7/1/2023	Mike Hodges Utility Director 912-359-3444 mh@cityof-douglas.com	Gregory S. 516-280-3444	10	6.0 MGD Water 6.0 MGD WW	27	Water Treatment Water Distribution Wastewater Treatment Water Collection Water Billing
Newark, GA 7011-11 Avenue SE Newark, GA 31776 770-358-6000	\$1,550,000	7/1/2015 thru 7/1/2025	Mike Soren City Manager 770-368-0022 ms@cityofnewark.com	Ann Stewart 229-372-3499	10	1.0 MGD Water 5.0 MGD WW 0.7 MGD WW	20	Water Treatment Water Distribution Wastewater Treatment Water Collection Park Maintenance
Lockwood Martin 21300 Dwyer Rd. Warrenton, OR 97146 503-864-3411	\$290,000	1/1/2014 thru 9/1/2019	Scott Freeman 773-494-4411 scott@lockwoodmartin.com	John Fulton 578-042-8388	5	MG	2	Laboratory Services
Waltham County, FL 3407 W. 1st St. Gainesville, FL 32607 889-326-7616	\$2,150,000	1/1/2013 thru 1/1/2023	Eric Lewis County Administrator 889-326-7616 eric@walthamcounty.com	Greg Hamling 530-626-7816	10	1.5 MGD WW 0.5 MGD Water	20	All Public Works Wastewater Treatment Water Treatment Collection & Distribution Systems
St. Joe Paper The St. Joe Company 775 Hemingway Ave. Tomball, TX 77311 832-412-5149	\$756,000	1/1/2015 thru 12/31/2015	Nathan Prater Director 832-412-5149 nprater@stjoe.com	Dick Pelt 530-526-5014	10	0.75 MGD Water	7	Water Treatment Water Distribution Customer Service
El Paraiso Milliken, LLC Columbia, SC	\$2,150,000	2/1/2016 thru 2/1/2024 5 Year Contract	Paul Tolbert Project Manager 706-228-7364 ptolbert@milliken.com		5	6.0 MGD WW 2.0 MGD WW 6.0 MGD WW	20	Wastewater Treatment Wastewater Collection



Multiple copies of the contract documents are available for review at the following address:



STATEMENT OF QUALIFICATIONS
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Partnering to Meet the Demands of Today
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OPERATIONS PLAN

OPERATIONS PLAN

OPERATIONS PLAN

- ➔ Provide a brief description of your firm's overall philosophy and approach to system management, operations and maintenance.

The partnership between ESG and the Mountain Water District (District) will be designed to meet the needs of the District's utility system as well as the needs of the citizens served. ESG realizes that the scope of work outlined in the RFP involves providing critical services for both the District and the community—so customer satisfaction is the highest priority. We will benchmark current performance parameters while building on past success and developing new strategies to address problem areas. The benchmarking process will involve a collaborative effort between the District and ESG, ultimately allowing the District to accurately and definitively measure ESG's performance. A summary of our overall philosophy and approach to system management, operations and maintenance is outlined on the following pages.

Professional Management Team—The cornerstone of ESG's service delivery plan is to provide the District with an experienced, on-site project management team who is supported by ESG's industry-leading off-site support team who have extensive, real-world, relevant experience in both facility design and utility operations. Our off-site support team includes individuals who have backgrounds in hands-on operations and maintenance, operations consulting, construction, finance, human resources, legal and safety. The backgrounds, skills, educational credentials, and real-world expertise of ESG's off-site support team rival those of the largest companies in our industry. Our off-site support team will be engaged and committed to this project, since we view the District as a valued client rather than just another dot on the map. ESG recognizes that what really matters are the individuals committed to a project coupled with the level of engagement of the company's off-site resources. ESG Senior Managers and off-site staff will be visible, active and fully engaged to support the on site project team.

Cost Efficient Service Delivery—The District has numerous demands on its financial resources. As with most rapidly expanding public utilities, there are a seemingly unlimited number of potential improvements competing for a limited pool of fiscal resources. Recognizing this, it is imperative that your utility system is operated, maintained and managed with an emphasis on cost effectiveness.

In-Sourcing—ESG has a proven record of "in-sourcing" major repairs and capital projects. This is in stark contrast to how most utilities are managed and maintained. We have the in-house equipment, tools, staff and knowledge to complete major repair/replacement and capital projects at a fraction of the cost of bringing in outside engineers and contractors. More importantly, we guarantee performance!

Integration of Operations and Engineering for Enhanced Service Delivery—The overall value of the service will be increased by having the project supported by a team of registered professional engineers. Three members of ESG's senior management team have graduate degrees in various engineering disciplines and





are registered professional engineers, and each principal has over 30 years of design and operations experience. The resources that ESG brings to support this project eclipse those provided by many of the largest firms in our industry. The Mountain Water District will benefit from ESG's professional approach to problem solving, team building, coordination with DEP, and working in synergy with the District's consultants.

Technology Based Solutions—ESG's core business is providing technology-based solutions to our clients. The old model in the contract operations industry utilized reductions in manpower to cut project costs, without ever addressing the technology associated with water and wastewater treatment. This model was necessitated by the fact that few engineers or staff with technology based degrees were involved in the contract operations business. Therefore, in many cases the on-site project manager was unable to fully utilize available technology. This is in contrast to the ESG service delivery model where every project manager has the full support and access to the knowledge, expertise and experience of ESG's off-site corporate and technical resources and support staff.

Protect the District's Investment—ESG will focus on utilizing state-of-the-art maintenance equipment to determine hidden problems associated with mission-critical equipment. As part of our start-up plan, ESG will perform an equipment condition assessment on all mission-critical equipment within the District's facilities. The initial assessment will have several objectives:

- Determine baseline operating characteristics for all major equipment.
- Detect existing problems—such as misalignment, excessive vibration or bearing temperature, unbalanced electrical loading on three phase power, worn windings, and loose electrical connections at the motor or in the control panels.
- Set maintenance, repair, and replacement priorities for the coming year.
- For all newly-installed, mission-critical equipment, ESG will conduct a similar initial analysis to give the District confidence that equipment has been correctly installed and properly aligned.
- In addition, for major equipment items, we will schedule a similar analysis approximately one month prior to the end of the Contractor's warranty period to ensure that the District isn't "inheriting" any undetected issues with the expiration of the warranty period.

Quality Systems and Processes—ESG's focus will be the development and utilization of a portfolio of systems and processes that derive measurable value for the District. These systems and processes include:

- **Maintenance Measures**—This is a graphical representation of the maintenance tasks performed each month. This allows the impacts of predictive and preventative maintenance to be accurately measured.





- **Equipment Protection Plan**—ESG will implement a series of checklists and procedures that will be used to document the condition of equipment and vehicles. The forms include a pre-work checklist, an end-of-day “repair needs” sign-in list, and annual predictive maintenance reviews.
- **Monthly Report and Annual Report**—ESG will meet with the District to ensure that we are providing the necessary information on a timely basis in a user-friendly format. Every effort will be made to provide the information in a condensed format so that the District’s representative can extract needed information “at a glance” as opposed to having to read endless pages of irrelevant text.
- **Tracking/Trending of Annual Predictive Maintenance Parameters**—ESG proposes to develop and maintain trend analyses for the predictive maintenance tests that will be performed annually on mission-critical equipment. This should allow us to assess and possibly predict the useful service life of equipment which will allow more accurate capital planning and more targeted repair and replacement investment.

⑤ Outline a specific plan for transitioning from the current contractor to your team.

ESG has successfully transitioned 22 water and wastewater utilities over the past 13 years without incurring any technical, regulatory or human resource problems. Nearly half of these transitions were from an existing operations contractor—similar to the transition ESG would face with the District’s system. In each of our transitions, we offered opportunities to all existing staff and retained the vast majority of these individuals. By leveraging the institutional knowledge of existing staff along with the application of ESG’s systematic approaches, we immediately improve operations, produce significant cost savings, complete the backlog of repairs, and implement our computerized maintenance management system while improving employee morale and productivity. If we earn the privilege to partner with the Mountain Water District, we will offer opportunities to the existing staff at their current pay or better, with comparable or better benefits.

ESG is committed to hiring all existing staff. We are very excited about the possibility of working with the talented on-site project team and look forward to helping these dedicated employees to advance by utilizing ESG’s state-of-the-art training, tools and technologies.

“ZERO-DEFECT” TRANSITION PLAN

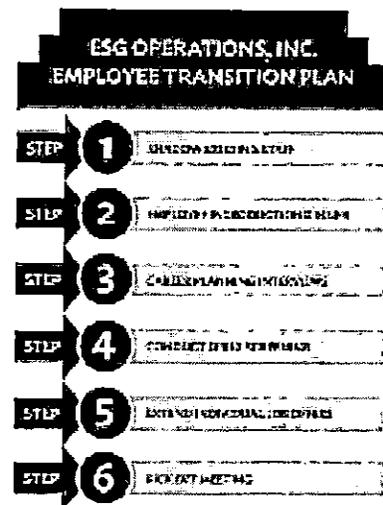
ESG has developed a very systematic and seamless phased **Transition Plan**, one that is designed to bring our proven “zero-defect” transition to the District’s facilities. This plan ensures that the employees and their families are comfortable with the transition and fully informed. This transition also applies to all assets and facilities.





The three phases of ESG's Transition Plan include:

- **PHASE I – ADMINISTRATIVE TRANSITION**—The administrative transition will address the overall project mobilization schedule, communications plan, records transfer, and other administrative functions. ESG's Transition Center will be established along with all communication, management and administrative support required to manage the overall transition.
- **PHASE II – EMPLOYEE TRANSITION**—The employee transition will follow ESG's six step employee transition process which will minimize the employees' anxiety and concern over the process. It is proven to reduce the potential for staffing upsets.
- **PHASE III – FACILITY TRANSITION**—The facility transition will address the changeover of the actual physical facilities and document their condition at time of transfer. Other items such as chemical and equipment inventory will also be documented.



- ➔ Provide a staffing plan for the contract, utilizing all existing staff and augmenting with key management and/or supervisory personnel as needed.

See Staffing Plan/Organizational Chart on Page 5.

- ➔ Provide detailed operational plans for the various system components, including:
 - Water treatment plants
 - Wastewater treatment plants
 - Water distribution system, including booster pump stations and storage tanks
 - Wastewater collection system, including gravity, force main and lift station operations
 - Residuals management, including biosolids treatment and disposal

ESG's Minimum Standards of Practice at Water and Wastewater Treatment Plants

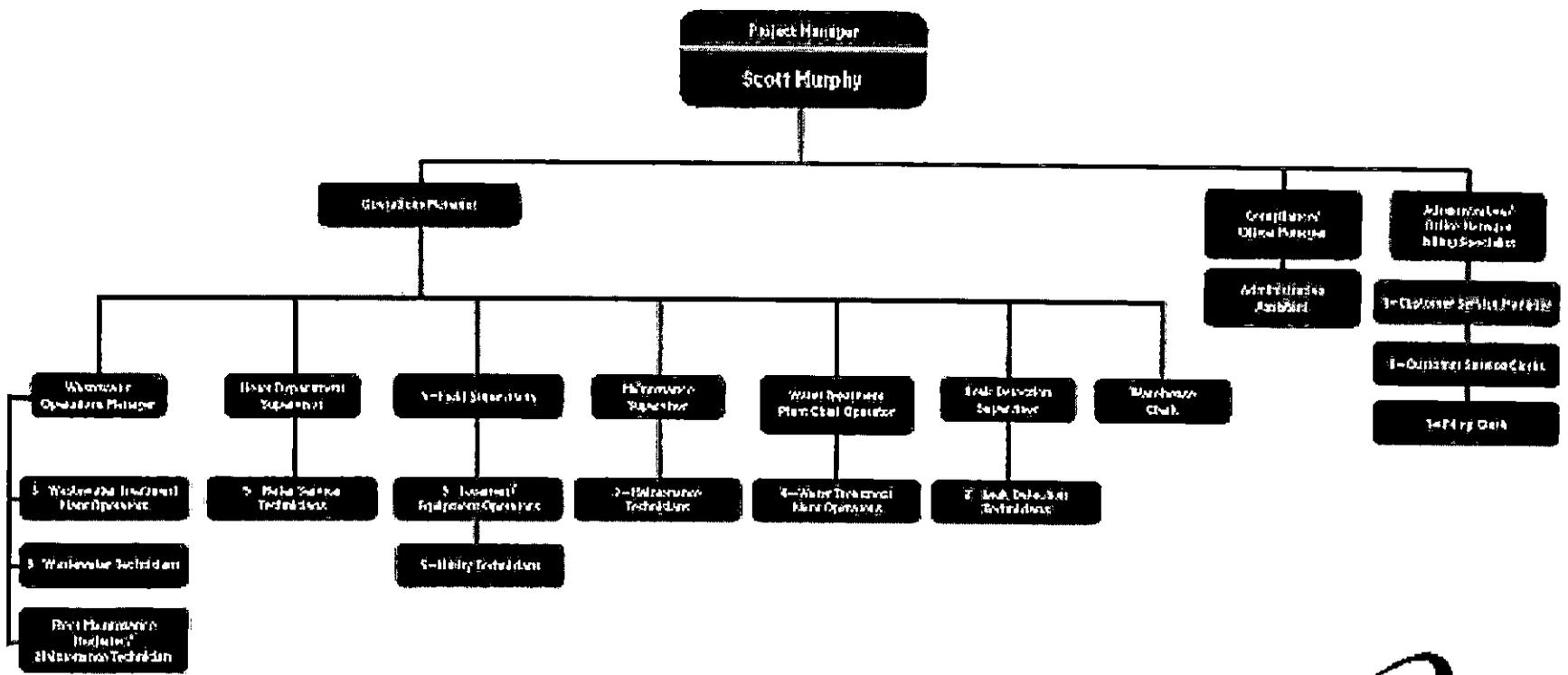
Plant Operations Checklist

Checklists serve as a guide to compare targets established for various components of the facility's operation. Any deviation from the "norm" dictates an expectation of the operator to take corrective action. Control limits are identified on the checklists to provide operators with a clear threshold to initiate investigative or corrective action. Corrective actions are identified in ESG's standard operating procedures (SOPs).





STAFFING PLAN/ORGANIZATIONAL CHART



ESG's Staffing Plan proposes 56 full-time employees



Sampling and Testing

All process decisions are based upon lab data. The integrity of lab data can be severely compromised if the sample is not representative or contaminated. Incorrect data leads to misguided and poor decision making. A master sampling plan is created whereby all sample locations are identified on the document and in the field. Chain of custody protocol is put in place to document those responsible for the sample and its transport to the proper location.

Standard Operating Procedures

During start-up, ESG will develop a formal operating plan to act as a guidance tool for making day to day process control decisions. ESG uses this strategy as a working document and updates operational approaches as decisions are made to change processes. Process targets for the operators are clearly established and posted in multiple locations to ensure compliance with the current course of operations. Overall operational strategies will be codified in Standard Operating Procedures (SOPs) for each unit process and task related to operations. Standard Operating Procedures are required for all physical, chemical, and biological processes at the facility.

Trend Charts

All plant operators are required to trend the plant process and permit parameters on a daily basis. The most common type are computer generated blank graphs that are posted on the wall and filled out daily with a color pencil or marker. Ranges are indicated in another color along with an SOP identifying the steps to take when parameters are found to be outside of the set ranges.

Weekly Process Meetings are required for all departments to discuss the status of the facility's compliance. Maintenance aspects will be taken into account during these meetings and work will be scheduled to ensure permit compliance for the current period and into the next week. **Monthly Project Wide Meetings** are required to bring all departments together and discuss any issues that might be carrying over from department to department. They are also a good way to keep everyone in stay contact with each other when employees are separated by different facilities.

Training to Insure Proper Instruction /Direction

ESG's approach involves developing specific instruction codified through standard operating procedures and process strategies. These are reviewed and revised in process control strategy meetings and the necessary training conducted.

On-Going Training. The success of ESG is directly related to the expertise of our associates. Expertise is achieved two ways; experience gained over time in the form of on-the-job training and formal organized classroom sessions. ESG's approach to training revolves around an "Expectations Matrix".





The "Expectations Matrix" identifies specific criteria an operator must comprehend to be considered for promotional opportunities, with a focus of demonstrated performance in completing the tasks. Initially, the manager interviews staff members to determine their strengths and weaknesses and they complete the "Expectations Matrix" form. Upon review of the matrix an individual action plan is established to move the operator forward with his/her desired objectives. The operator works at his/her pace to insure full comprehension of identified requirements.

In-House Training. ESG's focus is to have the staff develop standard operating procedures (SOP) and be active participants in developing the process control plan as guidelines for the operation of the facility. These SOPs are then reviewed and discussed in process strategy meetings as a training tool prior to implementation as guidelines. The process strategy meetings are specific training events focused on day-to-day aspects of operator duties and typically correspond to challenges recently encountered in the facility. The next step is to develop a training schedule that discusses general water principles with a review of how these principles are applied on the ESG location. Every associate has the responsibility to prepare and present the training, on a monthly basis, for his or her fellow associates. It is ESG's experience that a person training others must put forth additional effort to be competent about the subject matter therefore, increased knowledge is gained by the instructor. The trainer is not left alone because a manager familiar with the topic is always present to enhance the presentation or provide support.

Outside Training. Several outside resources are used to provide training to ESG staff. The classes instructed by the Member Association meet the need for recertification points and provide the basic training necessary for advancing the associates certification level. Periodically, operators will self teach the Sacramento Manuals as a correspondence course. Other training afforded ESG comes through vendors of equipment and chemicals. The partnerships established with vendors creates an environment whereby the vendors offer training on their particular products to further enhance the operation and maintenance of their equipment. In particular, specific flocculation and coagulation courses are in-place, packing and mechanical seal courses are established, and pump rebuild classes are available.

Summary

Implementation of ESG's standard portfolio of process control, standard operations procedures and training programs will correct long standing training deficits. This will provide the necessary improvements and tools to allow plant operations and maintenance staff to function in a manner that will protect the public health and safety.





➔ **Provide a detailed field maintenance plan, outlining how your firm proposes to coordinate operations and maintenance functions and personnel.**

A critical improvement that ESG will deliver is an enhanced Preventive Maintenance Plan that integrates computerized maintenance management, predictive maintenance, and other preventive maintenance strategies into a seamless asset management program. Our enhanced approach will generate greater efficiencies and cost savings strategies for your facilities along with long-term protection of your utility system assets.

Another crucial component of our maintenance plan is our deep stable of experts available to the District. ESG's Maintenance Team will be an integral part of the project and they will be equipped with the latest state-of-the-art tools and technologies to perform all of the required repairs and equipment assessments. All of the costs associated with implementing our plan are included in our base fee. **There won't be any extra charges when we bring in our experts to help the District.**

ESG's principals and managers have worked for, worked with, and consulted with the largest firms in the contract operations industry. Repeatedly, we recognized a dramatic need for improving the industry's approach to utility maintenance but were not in a position to execute those changes until we founded ESG. Historically, companies would take over a utility system and could easily show dramatic maintenance/repair improvement simply through minimal implementation of an "entry level" CMMS (Computerized Maintenance Management System). This typically gave communities the first window into measuring maintenance and repair activities through computer-generated data manipulation. For instance, it could provide instant production of preventative maintenance activities that were completed versus scheduled, and provided increased accountability of individuals and work teams. Since this was such a novel improvement over "card-based" maintenance systems, few clients asked or expected much more.

ESG's approach, though, combines the entire maintenance concept with the implementation of a true multi-year asset management approach. The key concepts of ESG's approach includes:

- Prioritize equipment focus based on evaluating and understanding the risks and costs associated with failure.
- Fully populate the CMMS database loading the equipment nameplate information and the manufacturer's standard routine preventative and predictive maintenance schedules.
- Implement predictive maintenance technology and tools to perform, track and trend the actual condition of the District's mechanical and electrical equipment.
- Develop a Repair/Replacement Plan to anticipate large expenditures so the District can budget for O&M expenses over the next 12 years.





- Schedule the frequency and number of conditions assessment tests based on the risk and cost of failure. Critical and expensive equipment items such as high service pumps will have more frequent and extensive testing, whereas polymer feed pumps for sludge processing (with multiple redundant units and off-the-shelf availability of parts) may have a reduced frequency and less extensive testing. In fact, this type analysis will show that for a certain threshold of smaller, less expensive low risk equipment (such as submersible drain pumps), it may be more cost effective to run the equipment to failure than expend the maintenance labor associated with a full spectrum preventive or predictive maintenance activities.
- Develop a multi-year repair/replacement equipment schedule to document where each equipment item is within its life cycle. This is a function of the original installation date, the original longevity, operating environment, and appropriateness of the specific equipment type for the installation. This is all weighted against the actual condition of the equipment as measured by the various applicable condition assessment tools.

Based on the above, we will develop general recommendations for repair/replacement investment through the creation of a capital forecast which will stabilize the overall "value" of the District's utility system.

➤ Provide a detailed plan for reducing water loss in accordance with the requirements of PSC Order No. 2014-00342.

While Non-Revenue Water (NRW) management has been receiving higher press coverage in the U.S., practical ways to reduce NRW have been harder to find and achieve due to the many complexities that result from how water systems were developed. This is true for the MWD system as well with a widely dispersed system (numerous pressure districts, booster stations, storage tanks etc) developed over the past four-plus decades. It is our understanding that the current assessment of NRW for the MWD is approximately 30% and that the MWD wishes to reduce the NRW.

What measures and timeframes for NRW that are possible will entirely depend on the type, frequency and accuracy of system metrics, level of detail of information collected in the CMMS, and communication frequency of radio-read metered customers. Another factor that will affect NRW reduction implementation is the level of detail available in the existing customer database (meter information, account usage history). Areas that ESG would focus on include the following (details in following sections):

- Operational Data Analyses Review and Analyses
- Sustainable Metering Implementation
- Main and service leakage - Review and Investigation (including break history)





Existing Operational Data Analyses

The current NRW (30% as provided to ESG) is not very far from the national average estimated by the EPA at 25%. The first step to reducing the current NRW levels will largely depend on the quantity and quality of operational data (including customer usage/meter details etc). The better the data, the more refined approach can be implemented to reduce NRW. Steps to this analyses include:

1. Reviewing in detail an electronic copy of existing customer and meter database. Ideally, the database would have at least three years usage/consumption information along with all key elements of the individual meter (manufacturer, serial number, size, technology, date installed etc).
2. Reviewing meter testing data including test facilities, meter testing protocols used and findings for both master meters and customer accounts.
3. Reviewing current asset management system including asset attributes (sizes, materials, age, work history etc) and break/leak/repair histories (work order/CMMS).
4. Tank levels, booster pump station and other system pressure records.
5. Determining what impacts the frequency of meter data collection may have on NRW reduction efforts (daily/hourly vs. monthly).

Sustainable Metering

Sustainable metering is a comprehensive approach that incorporates the results of analyses of operational data (items 1, 2 and 5 from the prior section) along with the following elements:

- Key Account Management
- Statistically-Based Meter Testing
- Meter technology/size matching to customer usage

The essential fundamental basis for sustainable metering is a combination of the above but can only be accomplished through the collection of accurate and pertinent data on meter testing and customer consumption. In 2011 AWWA published an independent review of meter accuracy that showed (among many other things) that meter accuracy could not be predicted by age or throughput and that many meter manufactures were not achieving even AWWA M6 "recommendations." A goal of sustainable metering is the concept of Yield (combines meter accuracy with how water is consumed).

Yield is a sustainable metering concept that determines the bottom line losses to a utility through statistical weighting of meter accuracies to how water is actually used. The figure to the left shows how water was actually used (for same community) for the same meter size. Percent water used per gallons per minute range is shown in this figure.





Key Account Management

It is important to annually review and test the largest water users in each utility as even smaller drifts in metering accuracy can have measurable impacts on collected revenues.

Statistical-Based Meter Testing

For the remainder of the customers (non-key accounts), a randomized and detailed testing of their meters can provide a targeted (ROI based) meter replacement program. This effort starts with a well-populated meter/customer database as foundation for a more strategic replacement program (just replacing the oldest meters does not mean you will achieve better results).

Leakage and Waterline Break Management

The capture and statistical analyses of waterline breaks are the first steps to managing and reducing the impact of waterline breaks. Ensuring collection of key break details (location, which line/asset, type of break, month/year of break) is the first step to a more robust statistical evaluation that will help MWD manage the overall risk and adverse consequences of main breaks through targeted main replacement strategies. Water main leakage on PVC pipe has numerous challenges in that the audio spectrum of the "noise" is more lower (hertz) and in a much more narrow band. Cast iron leakage noise ranges between 600 and 800 hertz and is much easier to hear with acoustic correlators than PVC which is often in the 60-80 hertz range for leakage noise. There are some options that can be explored if these challenges are being encountered by MWD and its current operations contractor including helium gas insertion leakage investigational approach.

NRW and the Bottom Line

Only through a comprehensive asset and operational management approach that starts with timely collection and analyses of key operational metrics, sustainable metering program development and the implementation of a risk-based main replacement program can NRW reduction be accomplished and maintained over the long run. These system assets have long lives and the methods employed to optimize them (and the resulting revenues) must be comprehensive, sustainable and ultimately built into how MWD maintains a lower NRW in the future (especially given that it purchases some water from neighboring utilities).

- ② **Provide a detailed plan for customer service, including customer service information system, call center, field offices, interface with the billing contractor, and collections.**

ESG has a systematic and proven approach to customer service. Due to the page limitation specified in the RFP, provided on page 12 is a brief overview of our approach. We look forward to sharing in greater detail with the District the additional details of our Customer Service Plan.





Customer Bill of Rights	
	Guaranteed Water Quality
	Prompt and Professional Service with Guaranteed Response Time
	Documented and Enhanced Service Based on Customer Feedback
	Resolves as Many Customer Matters as Possible During the Initial Contact
	Open and Honest Communications
	24 Hour Emergency Hotline
Detailed Work Plan Addressing Every Aspect of Utility Services	
	Streamlined Work Order system that Integrates with your Customer Service Center
	Computerized Maintenance Management System (CMMS) and Work Order System
	Weekly and Monthly Project Meetings
	Evaluate Performance Measures and Adjust Plan on a Monthly Basis
ESG's Professional Appearance and Conduct Standards	
	Clearly Marked Service Vehicles
	Professional Uniforms
	Customer Interaction and Conflict Resolution Training
Proposed Water Service Line Protection Plan	
	Available for Both Water and Sewer Laterals
	Revenue Enhancement Opportunity
	Service Enhancement
	24 Hour Emergency Response
	Unlimited Service Calls
	Quality Repairs
Community Stewardship	
	Resident Workshops and Community Education
	• Programming for irrigation systems
	• Water Conservation

➡ **Identify software deficiencies or upgrades required within the three year initial contract period.**

ESG will install and implement **4 key software programs** within the first 120 days of Operations.

1 — The first and most important is our **HiperWeb Computerized Maintenance Management System (CMMS)**. The CMMS will provide the backbone to ESG's industry leading asset management approach. We will load all of the District's assets into this system and identify the manufacturers required maintenance





for each piece of equipment. ESG's Mechanical Engineering Team will also perform a detailed annual assessment of all the mission critical equipment in the system. This condition assessment will also be loaded into the CMMS and allows us to track and trend maintenance activities as well as develop a historical trend for each piece of equipment. We will also include within the system all of the District's water storage tanks. Once populated, the system will generate work orders on a daily basis to track and trend all preventative maintenance activities. The CMMS will also provide the District with detailed accounting information for all system-wide maintenance costs. The cost to supply and populate the CMMS is over \$300,000. The District will have 24/7 access to the data from any smart phone or computer. ESG will supply the CMMS, design the interface, populate the assets and input the required maintenance activities **AT NO COST** to the District.

2 — The second software system that we will implement is **Operator 10 (OP10)**. OP10 is a water and wastewater process modeling and tracking program. We will build the systems for each of your wastewater treatment facilities and your water treatment plant. OP10 will house all of the required permit data as well as process control points for each treatment process. The system allows the operator to track and trend relevant data to determine required process revisions as well as to trend potential problems. The OP10 data is reviewed on a daily basis by one of our corporate water/wastewater experts to provide an extra layer of QA/QC. The cost to supply OP10 and develop each process model for the plants is in excess of \$100,000. As with the CMMS, there will be **no additional fee** for ESG to supply and implement this program.

3 — The third program that ESG will supply and implement is the **UltiPro Human Resources** tracking and management tool. UltiPro is a comprehensive, easy to use, human resources, payroll, benefits administration, and performance management system designed to give employees one location for all of their human resources and benefit needs. Employees are able to electronically record their time, access pay stubs, review annual performance evaluations, and download multiple documents on their UltiPro "dashboard." UltiPro is ESG's central gateway to human resources activities and keeps all employees in the organization informed of critical information. This system greatly reduces the time required to fill out paperwork, which results in a more efficient workforce.

4 — The fourth program we will implement is ESG's **See Click Fix** mobile application. This program is a component to our CMMS system. We will develop the program and place a link on the District's website home page. Any citizen with a mobile device or computer can self-report conditions in the system such as water leaks, sewer odors or any other utility related issue. Citizens will have a very simple drop down menu that will allow ESG to pinpoint the issue and develop the appropriate work order. If accessed through a mobile device, the user can use the location services in his/her mobile device to geographically locate the issue. This program is currently implemented in several of our rural systems and we have found it to be a great way to expedite response to issues within the system.





5— During our site visit we also noticed that many of the plc's and SCADA systems were either not functioning at all or functioning in a diminished capacity. We will identify these deficiencies in our condition assessment and propose upgrades needed.

➡ **Identify innovative approaches to system management that will reduce costs or improve operational efficiency or environmental stewardship.**

The implementation of the above described systems will greatly increase the mechanical, operational and human capital components of the MWD system. Another major offering in our proposal is the development of a comprehensive Hydraulic Model. Kristen Courson, P.E., ESG's Hydraulic Engineer, will develop the model to include all pressure zones, tanks and service lines. Our in-house engineers will then calibrate the model and begin using the model to identify problem areas as well as help design future improvements to alleviate the loss water issues currently plaguing the District.

ENVIRONMENTAL STEWARDSHIP

ESG Operations, Inc. (ESG) is committed to conducting its business in a manner that will preserve and protect the environment for its clients, citizens, and communities we proudly serve. This commitment includes:

- Continual improvement in our environmental performance
- Prevention of pollution in performing our work
- Compliance with environmental legislation, regulations and other relevant requirements
- Conserving natural resources
- Reducing waste
- Recycling materials

➡ **Specifically identify additional services that exceed the services requested herein.**

As outlined in our Transmittal Letter and detailed here within this Section 4 (Operations Plan), ESG's offering to the MWD is a **significant improvement** over your current plan/approach. Managing a utility of the size and complexity of the District's requires not only a well-trained, efficient staff but also a dedication to technology and cutting-edge utility management. The following table represents some of the **added value offerings** that are included in our proposal to the MWD.

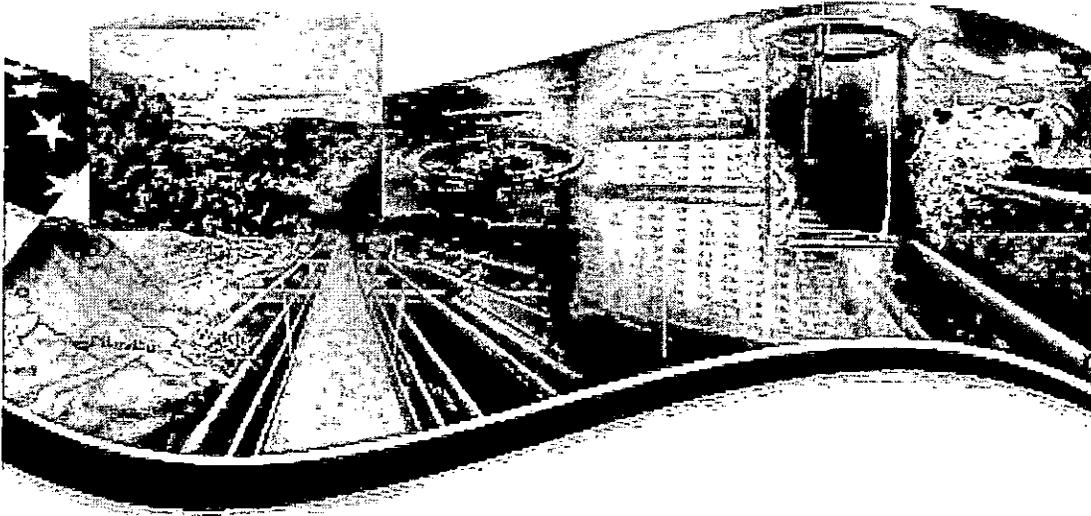




Added Value	Benefit to the Mountain Water District (MWD)	Cost
Off-site Corporate and Technical Resources	Over 2000 corporate and technical experts will be available to assist and support the on-site project team. ESG's corporate and technical experts work exclusively to create value for our clients and project teams and have saved our clients millions of dollars. See page 15 for examples of our "real world" savings.	
CMMS Implementation	Asset Management/Work Order Tracking/Repair Cost Tracking and Trending	\$300,000
QPIO Implementation	Water and Wastewater Process Control Daily check of data to ensure permit compliance.	\$100,000
Ultimeo Implementation	Human Resource Tracking – already reduces time spent doing employee paperwork	\$100,000
See Click Fix	Allows citizens to self-report system issues Decrease response time.	\$40,000
Annual Tank Inspections	ESG owns its own tank maintenance company. We will provide 3rd party inspections of your tanks to guarantee that the contract with Southern Corrosion is being fulfilled.	\$60,000
Condition Assessment	A complete condition assessment will be performed annually on all mission critical pieces of equipment.	\$75,000
Hydraulic Model	ESG's in-house hydraulic engineers will develop a system-wide hydraulic model to accurately represent system conditions. This model will be instrumental in reducing the loss of water in the system.	\$50,000

As you can see from the above table, ESG's offering to the MWD includes over \$690,000 of systems and services that are included in our base fee.





STATEMENT OF QUALIFICATIONS
FOR THE

**Operation, Maintenance and Management
of All Facilities**

OWNED BY THE MOUNTAIN WATER DISTRICT
PIKE COUNTY, KENTUCKY



Partnering to Meet the Demands of Today
and the Challenges of Tomorrow

RESUMES



SCOTT MURPHY

Proposed Project Manager

PROFILE

EDUCATION

Bachelor of Science Biology and Chemistry
University of Tennessee
American Red Cross Professional Rescuer

CERTIFICATIONS

Georgia Wastewater Operator - Class I
Georgia Water Operator - Class I

PROFESSIONAL AFFILIATIONS

International Union of Pure and
Applied Chemists

Mr. Murphy has over 20 years of experience in the water and wastewater industry, including over 10 years of experience in supervisory positions.

Mr. Murphy also has solid expertise in treatment process analysis, solids handling, industrial pretreatment, land application systems, regulatory reporting, preparing/managing budgets, and personnel and subcontractor supervision. Mr. Murphy holds a Georgia Class I water operator's license and Class I wastewater operator's license. Mr. Murphy joined the ESG team at the inception of the Waycross, Georgia wastewater treatment plant rehabilitation and operations project. He worked alongside other ESG corporate and technical resources to quickly design and implement several significant construction and process changes, aimed at allowing the Waycross plant to fully comply with a recent EPD consent order for the City. After just 45 days, the Waycross facility achieved 100% permit compliance and continues to improve in both service and efficiency. Scott has become an integral part of the ESG Operations, Inc. support network.

EXPERIENCE

Project Director
ESG Operations, Inc.
Tifton, Georgia

Mr. Murphy is responsible for managing the day to day operations of the City's water treatment system and wastewater treatment system, including the physical plants, lift stations and distribution systems. He is also responsible for overseeing and directing ESG's operating staff, project activities, construction projects, and employee performance. Mr. Murphy serves as the liaison between ESG and the various departments of the local city and county governments.

Project Manager
ESG Operations, Inc.
Waycross, Georgia

Mr. Murphy was responsible for managing the day to day operations of the City of Waycross, Georgia wastewater treatment system, including the physical plants, lift stations and distribution systems. He was also responsible for overseeing and directing ESG's operating staff, project activities, construction projects, and employee performance. Mr. Murphy served as liaison between ESG and the various departments of the local city and county governments.

SCOTT MURPHY

*Assistant Director of Maintenance and Engineering
Premium Standard Farms/Continental Grain
Princeton, Missouri*

Mr. Murphy served as the daily operations manager of the Repair and Maintenance Department of Continental Grain's 68,000 acre commercial agriculture complex in North Missouri. His duties and accomplishments included: Immediate oversight and responsibility for the 6.9 million dollar annual operations budget; direct responsibility for 77 direct employees through four superintendents and nine team leaders; managed 4.1 million dollar facility upgrade project to replace all nursery flooring in the 3 million head confined hog facilities; developed chemical cleaning system for the maintenance of the 440 miles of sewer lines serviced by the department; developed rebuilding program to service the 288 Gormann Rupp U3/U4 pumps in the system and implemented numerous upgrades to both the wastewater treatment systems and the fresh water treatment systems.

*Environmental, Safety, and Maintenance Manager
H & H Oil Recovery
Nashville, Tennessee*

- **Environmental Manager:** Responsible for the permitting of new facilities for applicable environmental permits including; groundwater, stormwater, air, solid waste and transportation.
- **Safety Manager:** Responsible for the design and implementation of programs to ensure employee safety and to comply with all applicable state and federal requirements.
- **Maintenance Manager:** Responsible for supervising the activities of both the plant and fleet maintenance personnel. Also responsible for oversight of all capital projects including building additions and equipment purchases.

D I S T I N G U I S H E D Q U A L I F I C A T I O N S

- More than 13 years of experience in the construction, operation, and maintenance of municipal water and wastewater treatment systems including; ground and surface water facilities, activated sludge, trickling filters, and sequencing batch reactors.
- More than 13 years of experience in the construction, operation, and maintenance of industrial wastewater treatment systems including; DAF, IAF, clarifiers, sludge presses, ultra-filtration, and reverse osmosis.
- More than 6 years of experience as a Director of Maintenance for a large commercial agricultural company overseeing a staff of 77 personnel.
- More than 13 years of experience in field and laboratory analytical sampling and testing for water and wastewater facilities.



JOHN F. EDDLEMON, P.E.

PROFILE

EDUCATION

M.B.A. Management
University of Georgia

M.S. Water Resources Engineering
University of Connecticut

B.S. Natural Resources Engineering
University of Connecticut

CERTIFICATIONS

Professional Engineer

PROFESSIONAL AFFILIATIONS

American Society of Civil Engineers
Water Environment Federation
American Water Resources Association

PUBLICATIONS

*Design and Implementation of Nutrient
Transport Model for a Constructed
Wastewater Wetland*
University of Connecticut - Master's Thesis

*Field Calibration of CYSDRNET Hydraulic
Distribution System Model* American Water
Works Association

*Design of Stormwater Treatment System
for PCB Removal*
Alabama Water Pollution Control
Association

*Design and Implementation of Large Scale
Hydraulic Distribution System Model*
Georgia Water Pollution Control Association

Unaccounted For Water Analysis
Alabama Rural Water

Mr. Eddlemon's background includes a unique blend of management, engineering, construction, and operations experience for Fortune 500 companies. He brings a bottom-line perspective to daily operations and overall strategy, merging sound technology development with strong financial management and oversight. He has been involved in the planning, design, construction, and operation of more than 200 utility systems throughout the United States for over 19 years.

Mr. Eddlemon has in-depth knowledge of many aspects of water and wastewater treatment, and is recognized as an expert in the fields of hydraulic design, modeling and analysis. He holds a B.S. degree in Natural Resources Engineering and a M.S. degree in Water Resources Engineering from the University of Connecticut. He also holds an MBA from the University of Georgia. Mr. Eddlemon is active in numerous professional organizations and is a registered professional engineer.

EXPERIENCE

ESG Operations, Inc.
Senior Vice President and Partner
Macon, Georgia

- As a member of the ESG Executive Management Team, Mr. Eddlemon is responsible for the overall management of the firm's Business Development and Marketing functions. His focus includes expanding the company's business base with existing clients, building long-term relationships with new clients, and maintaining a focus on quality of service and value for ESG's clients.
- Mr. Eddlemon also serves as Chief Technology Manager for the company, directing and implementing the firm's use of technology, project controls, and IT systems company-wide.

JOHN F. EDDLEMON, P.E.

USWater Operating Services, Inc.
Vice President
Atlanta, Georgia

- Senior executive responsible for all project development activities in a dozen states throughout the Southeastern U.S. Managed over \$250 million in annual new business growth. Specialized in identifying prospective clients' objectives and working with them to address their water and wastewater needs ranging from facility operations and maintenance to comprehensive utility planning.
- Managed the financial, human resources and technical aspects of the Region's business development group, and was actively involved in project delivery, working with more than 70 municipal and industrial clients in the Southeast.

Operations Management International, Inc. (OMI)
Project Manager
Atlanta, Georgia

- Managed and coordinated the business development activities for the company in the Southeast region. Identify and work with potential clients to address their long-term utility needs.
- Responsible for the overall management and administration of a 16 mgd advanced surface water treatment facility. Mr. Eddlemon managed all of the financial, operational and human resource components of the project.

CH2M HILL, Inc.
Project Engineer/Project Manager
Atlanta, Georgia

- As a Project Manager and Process Engineer in the Water Business Group at CH2M Hill's Atlanta office, Mr. Eddlemon specialized in the design and evaluation of water conveyance and water/wastewater treatment systems.
- Project experience included biological nutrient removal in constructed wastewater wetland treatment systems, effluent reuse, conventional activated sludge, effluent filtration, aerobic and anaerobic digestion, belt sludge thickening and belt filter press dewatering.
- Responsible for hydrologic and hydraulic analysis, water distribution system analysis, storm drainage analysis and design, and water supply development and management.



DANIEL E. GROSELLE, P.E.

PROFILE

EDUCATION

M.S., Agricultural Engineering
University of Georgia
B.S., Agricultural Engineering
University of Georgia

CERTIFICATIONS

Registered Professional Engineer

PROFESSIONAL AFFILIATIONS

American Water Works Association
Water Environment Federation
National Society of Professional Engineers
Florida Engineering Society

PUBLICATIONS

With J.R. Stansell and J.R. Young, *Droplet Size of Oil Formulated Insecticides Generated in Irrigation Water During Chemigation*, ASAE Paper No.84-2098, ASAE, St. Joseph, Michigan, 1984

With J.R. Stansell and J.R. Young, *Droplet Size of Oil Formulated Insecticides Generated in Irrigation Water During Chemigation*, ASAE Transactions 79(4):1065-1069, ASAE, St. Joseph, Michigan, 1986

With J.G. Hall, *Complying With the New Part 503 Sludge Regulations*, Florida Water Resources Conference, Program and Proceedings, Orlando, Florida, November 1993

Mr. Groselle's background includes a unique blend of engineering, construction, and operations. He has been involved in the planning, design, construction, and operation of more than 150 water and wastewater facilities. Mr. Groselle has 30 years of hands-on experience in Utility design, operations, and management, in addition to extensive experience in the planning, designing, implementing, and operating effluent and biosolids reuse and disposal systems for municipal and industrial treatment and processing facilities.

Mr. Groselle received his M.S. and B.S. in agricultural engineering from the University of Georgia. He is a member of several professional organizations, including the Georgia Water and Pollution Control Association, American Water Works Association, the Water Environment Federation and the National Society of Professional Engineers.

EXPERIENCE

ESG Operations, Inc.
Principal and Co-founder
Macon, Georgia

- As Principal of ESG Operations, Inc., (ESG), Mr. Groselle is responsible for managing the daily functions of ESG. Mr. Groselle also serves as the Project Coordinator/Manager for the Utility Development Division, overseeing the development of utility systems.
- Mr. Groselle is also managing an effort to review operations and maintenance at numerous facilities across Georgia. Mr. Groselle's extensive experience in engineering, operations, and maintenance provides a unique perspective of utility management.

Operations Management International, Inc.
Regional Vice President of Project Development
Atlanta, Georgia

- As a Regional Vice President for Project Development, Mr. Groselle was responsible for all of OMI's project development activities in a dozen states throughout the Southeastern U.S. He specialized in identifying prospective clients' objectives and working with them to address water and wastewater needs ranging from facility operations and maintenance to comprehensive utility planning. Mr. Groselle also played an active role in project delivery by working with more than 50 municipal and industrial clients in the Southeast. He also provided technical assistance in the area of biosolids and effluent management for projects throughout the country.

Operations Management International, Inc.
Reuse Coordinator
Atlanta, Georgia

- As OMI's reuse coordinator, Mr. Groselle was responsible for providing sludge and effluent management support to more than 100 OMI-operated municipal and industrial facilities. In addition to providing technical consulting, Mr. Groselle assisted with ongoing operations of land application facilities.

CH2M HILL, Inc.
Project Manager/Engineer
Gainesville, Florida

- As a Project Manager and Lead Engineer in the Agricultural Development Department of CH2M HILL's Water Resources Discipline, Mr. Groselle provided planning, design, investigative, and resident engineering and operations services on numerous wastewater and sludge land treatment projects. He specialized in the study and design of effluent and sludge disposal systems for municipal and industrial treatment and processing facilities. He served in several key positions on CH2M HILL projects in the Southeast.



J. CLAY SYKES, P.E.

PROFILE

EDUCATION

B.S. Civil Engineering
Mississippi State University
M.S. Civil Engineering
Mississippi State University

CERTIFICATION

Professional Engineer
Georgia and Florida

PROFESSIONAL AFFILIATIONS

American Society of Civil Engineers
Water Environment Federation
Greater Gainesville Rotary Club
Leadership Gainesville,
Gainesville Chamber of Commerce

PUBLICATIONS AND PRESENTATIONS

"Activated Sludge Process Control Strategies,"
Presented at the Florida Water and Pollution
Control Operators Association
Annual Short School
West Palm Beach, Florida, March 1994

"An Overview of Privatization,"
Presented at the Georgia Water and
Pollution Control Annual Conference,
Columbus, Georgia, August 1993

*Biological Selector to Minimize
Sludge Bulking, Waterworld Review*
September 1993

"Sludge Bulking Control"
Presented at the 58th Florida Water and
Pollution Control Operators Association
Annual Short School, TREEO Center/
Santa Fe Community College,
Gainesville, Florida, August 1989

With over 30 years of experience in the master planning, design, startup, operation, and maintenance of water and wastewater treatment facilities, Mr. Sykes has in-depth knowledge of many aspects of water and wastewater treatment, and has been responsible for the operations and maintenance of more than 150 municipal and industrial water and wastewater treatment facilities. He has been involved in the design, construction, startup, operation & maintenance, and process troubleshooting of numerous facilities using a variety of treatment processes. Mr. Sykes also is active in professional and technical societies. He holds B.S. and M.S. degrees in civil engineering and is a registered professional engineer.

EXPERIENCE

ESG Operations, Inc.
Co-founder and Principal
Marion, Georgia

- As Chief Operations Officer for ESG Operations Inc., Mr. Sykes is responsible for the development and implementation of company wide systems and processes. He also takes a hands-on approach with each ESG client providing quality assurance. Mr. Sykes is responsible for overseeing and directing project activities and performance at all ESG facilities.

Operations Management International, Inc. (OMI)
Regional Vice President of Project Delivery
Atlanta, Georgia

- Mr. Sykes' responsibilities included overseeing and directing the project activities and performance at all facilities in OMI's Southeastern Region. He supported all projects and clients in the areas of staff recruitment and training, project administration, and all aspects of technical and financial performance. Mr. Sykes was instrumental in the development and implementation of OMI's overall project support infrastructure, including development and implementation of management programs such as: process control, safety, computerized maintenance management, laboratory services, solids disposal, and client, community, and regulatory relations. He was responsible for all facility startups, plant evaluations, personnel training development, emergency response procedures, and business development activities.

PUBLICATIONS AND PRESENTATIONS

"Anoxic Selectors for Denitrification and Bulking Control." Presented at the Biological Nitrogen and Phosphorus Removal, The Florida Experience II Conference, TRFFO Center, Gainesville, Florida, March 1989

"Biological Nutrient Removal." Presented at the Florida Water and Pollution Control Operators Association Region IX Short School, Gainesville, Florida, February and June 1989

Operations Management International, Inc. (OMI)
District Manager
Atlanta, Georgia

- Mr. Sykes served as OMI's Southeast District Manager of Project Development for OMI's Southeast District. His primary responsibility was to work with new and prospective clients to identify solutions for their utility operation and maintenance challenges. In addition, Mr. Sykes coordinated and served on plant evaluation teams, developed preliminary operations budgets, and coordinated directly with new OMI projects and clients to ensure that their needs and expectations were addressed.

CH2M HILL, Inc.
Project Manager
Gainesville, Florida and Montgomery, Alabama

- As a Project Manager and Process Engineer in the Municipal Water and Wastewater Division at CH2M HILL's Gainesville and Montgomery offices, Mr. Sykes specialized in the design and evaluation of municipal water and wastewater treatment plants. His project experience included biological nutrient removal, conventional activated sludge, effluent filtration, aerobic and anaerobic digestion, centrifugal and belt sludge thickening, and belt filter press sludge dewatering.
- Mr. Sykes also provided engineering services during construction, performed on-site pilot testing, managed a comprehensive sludge management plan, wrote operational guidance manuals for various treatment processes, designed a wide variety of wastewater treatment and biological processes, and performed engineering evaluations of existing wastewater treatment facilities.



PAUL TICKERHOOF

PROFILE

EDUCATION

B.A. Business Administration
Major in Computer Information Systems
Georgia State University, 1990

REGISTRATIONS AND CERTIFICATIONS

Georgia Wastewater Treatment Plant
Operator—Class
Georgia Water Treatment Plant
Operator—Class II

Mississippi Pollution Control
Operator—Class IV

Alabama Wastewater Operator—Class IV

Alabama Water Operator—Class IV

Florida Wastewater Operator
Class A

PROFESSIONAL AFFILIATIONS

Georgia Water & Pollution Control Association
Water Environment Federation

Mr. Tickerhoof has 30 years experience in the water and wastewater treatment industry, including 20 years in supervisory positions. He has been responsible for managing activated sludge facilities ranging in size from 0.02 mgd to 46.2 mgd, and his background encompasses treating wastewater that has heavy industrial loading from a denim mill and textile finishing plant waste streams.

Mr. Tickerhoof's areas of expertise include land application of sewage sludge (under 40 CFR, Part 503 regulations), computerized process control, supervision and management, compliance monitoring, personnel training, budgeting and cost savings, solids processing, pumping station operation, and interfacing with regulatory agencies. He has been involved with a variety of wastewater construction activities from the design phase through project completion.

EXPERIENCE

ESG Operations, Inc.
Vice President and Partner
Augusta, Georgia

- Responsible for overseeing and directing project activities that include: supporting projects in the areas of staff recruitment, training, project administration, and all aspects of technical and financial performance.
- Work with new and prospective clients to identify solutions for their utility operation and maintenance challenges.
- Provides technical support in the start up and troubleshooting of water and wastewater treatment facilities.
- Assists in developing procedures and protocol to optimize facility efficiencies.

PAUL TICKERHOOF

SPECIAL RECOGNITION

EPA Region IV Wastewater Facility
O&M Excellence
(Secondary Treatment 1.0-10.0 mgd)
1996

GW&PCA Wastewater Facility
O&M Excellence
(Secondary Treatment 1.0-3.0 mgd)
1996, 1997, and 1998

GW&PCA Wastewater Laboratory QA
Award (1.0-10.0 mgd) 1995, 1996, and
1998

SPECIAL RECOGNITION

GW&PCA Water Laboratory QA Award
(1.0-10.0 mgd) 1995, 1996, and 1998

GW&PCA Wastewater Laboratory QA
Award (>10.0 mgd) 2000

PUBLICATIONS AND PRESENTATIONS

*"Missions for Wastewater Treatment:
Augusta, Georgia Case Study"*
Presented at the Georgia Water and
Pollution Control Association
Fall Conference
Athens, Georgia • November 1999

"Effects of Chlorine on Wastewater"
Presented at the Georgia Water and
Pollution Control Association
Laboratory Symposium
Macon, Georgia • May 1997

*"Pilot Testing Ozone for
Color Removal in Wastewater"*
Presented at the Georgia Water and
Pollution Control Association
Annual Conference
Savannah, Georgia • August 1995

*"Impact of Phosphorus Removal at the
Crocket Creek WRF in
Gwinnett County Georgia"*
Presented at the Georgia Water and
Pollution Control Association
Annual Conference
Savannah, Georgia • August 1990.

Malcolm Pirnie, Inc.
Associate
White Plains, New York

- Member of the Southern Region's Performance Enhancement Consulting practice, which is primarily focused on optimizing various utilities' approach to business through identifying opportunities for improvement and assisting with implementation.

Operations Management International, Inc. (OMI)
Regional Business Manager
Augusta, Georgia

- Regional responsibilities for the management of \$11 million in O&M business and \$7 million in design/build services in OMI's southeast region, including project scheduling, budget control, quality assurance, and public and client relations at six locations in Georgia.

Operations Management International, Inc. (OMI)
Project Manager
Warner Robins, Georgia

- Managed Warner Robins' wastewater system, including a 9.0 mgd activated sludge/aerobic digestion wastewater facility and 3.0 mgd trickling filter plant, with belt filter press dewatering and 18 lift stations.
- Assisted the Mayor of Warner Robins in developing a partnership with an electrical cogeneration facility whereby the city sold natural gas for power generation; the steam was sold to Friso-Lay, and the wastewater was treated at the publicly owned treatment works.

Team of Trien
Water Pollution Control Superintendent
Trien, Georgia

- Responsible for the entire wastewater system at this activated sludge, belt filter press dewatering facility, with a wasteload that is 97 percent industrial with two wastestreams that are chemically different, one originating from a denim mill and the other from a textile finishing plant with a combined COD of 2,400 mg/L and BOD₅ of 1,000 mg/L.
- Spearheaded a \$12 million plant expansion for improved liquid process reliability and increased solids handling including sludge drying and ozonation for color removal.



DAVID MOORE

PROFILE

EDUCATION

B.S., Mathematics
Augusta State University

MBA
Georgia State University

CERTIFICATIONS

Georgia Wastewater Treatment
Plant Operator - Class I

Georgia Water Treatment
Plant Operator - Class III

AWARDS AND RECOGNITIONS

William D. Hatfield Award
Water Environmental Federation

SS Honorary Society

PROFESSIONAL AFFILIATIONS

Georgia Association of
Water Professionals (GAWP)
Program Chairman
and Safety Committee Chairman

Water Environment Federation

American Public Works
Association (APWA)

Mr. Moore has over 40 years experience working in the water and wastewater industry. He has served as supervisor of treatment facilities, manager over several facilities and provided start up, and operational troubleshooting of facilities as a consultant. He established the largest land application program in Georgia, developed maintenance management systems for several facilities, provided operational and certification training, established industrial pretreatment programs, and worked with facility design from conceptualization to commissioning. Facilities that he managed twice received the Burke Safety Award from the Water Environment Federation.

EXPERIENCE

Senior Operations Specialist
ESG Operations, Inc.
Macon, Georgia

Mr. Moore is responsible for assisting projects with: optimizing overall performance—including working with projects to meet new and existing permit limits, providing operational troubleshooting, and implementing solutions for permit excursions. He is also responsible for assisting projects with optimizing process performance particularly in the areas of power, chemical and solids handling. Mr. Moore establishes operational protocols at new and existing projects, including: preparation of procedures for operation, operator training, and working with clients to identify solutions for their utility system challenges.

Regional Business Manager
OMI
Lawrenceville, Georgia

As a Regional Manager, Mr. Moore was responsible for overall operation of several contract operations projects in the South east. This included hiring and training managers, transition of staff from municipal to private operations, technical assistance, design review and facility start up, preparing procedures for project operations, preparing and meeting annual budgets and insuring overall project operation and client satisfaction. Projects managed varied in size and

DAVID MOORE

complexity with the region totaling up to 8 locations with an annual budget of \$14 million. He also worked on several company-wide improvement teams and provided quality training for projects in the eastern United States.

OSM Discipline Manager
Jordan, Jones & Goulding, Inc.
Atlanta, Georgia

Mr. Moore provided operational consulting services for municipal and industrial clients in the Southeast including preparation of O&M manuals, facility commissioning, operator training, troubleshooting and process assessments, industrial pretreatment program development, pilot and full scale process trials, odor surveys, developed staffing plans, and served as interim manager for several facilities ranging from 1-45 MGD.

Chief Operator
Gwinnett County
Lawrenceville, Georgia

Mr. Moore was responsible for the management of 11 wastewater plants with a staff of approximately 60. He recruited and trained managers and staff, conducted state approved certification training programs, worked with engineers on design of new or upgraded facilities and placed new plants and processes in service. He coordinated efforts between facilities to improve operations and reduce costs, established a preventive maintenance program, and converted the facilities from drying beds to mechanical dewatering.

Supervisor of Water Pollution Control
City of Augusta
Augusta, Georgia

Mr. Moore managed the Augusta Wastewater Treatment Department, including the preparation of budgets for approval by the City Council, staffing operations, lab and maintenance departments, developing operational procedures, writing and compiling the facility O&M manual, establishing a preventive maintenance program and parts/equipment requirements for facility reliability, establishing an industrial pretreatment program, converting the solids handling system to beneficial reuse, and establishing standard procedures for laboratory operations.



DONALD L. NORTH

EDUCATION

Georgia Institute of Technology
Atlanta, Georgia
Civil Engineering

PROFESSIONAL CERTIFICATIONS

Georgia Water Operator Class 1
Georgia Wastewater Operator Class 1
Mississippi Water Operator Class A
Florida Water Operator Class A
American Water Works Association
Georgia Association of Water Professionals
Georgia Rural Water Association

PROFESSIONAL TRAINING

Basic Wastewater
Basic Water
Advanced Wastewater
Advanced Water
Water Laboratory
Activated Sludge
Workshop
Supervisory Training
UGA Supervision Workshops—
Levels 1, 2 and 3
EPA Basic Inspector
EPA Sanitary Survey
EPA Comprehensive
Performance Evaluation (CPE)
EPA Performance Based
Training (PBT)
Membrane Workshops
Ultra-violet Workshops
2012 CSUS Course - Management
for Success
2013 CSUS Course - Water Treatment
Plant Operation Volumes 1 and 2

OTHER TRAINING AND CERTIFICATIONS

CPR
First Aid
Basic Fire Fighter
Scuba Diver
Mediator

EXPERIENCE

Senior Operations Specialist
ESG Operations, Inc.
Macon, Georgia

As a Senior Operations Specialist, Mr. North insures that all water systems managed by ESG are operated in accordance with the requirements of the Safe Drinking Water Act. His responsibilities include monitoring the operation of water treatment systems, providing technical assistance, troubleshooting, and process optimization. He also provides direct leadership to ESG's program to benchmark all water facility operations. Having served as a Water System Environmental Regulator with the State of Georgia for 12 years, Mr. North's knowledge and expertise in working with regulators on both the state and federal levels provides invaluable assistance to all ESG clients. Mr. North possesses a deep passion for the water industry and finds great satisfaction in assisting clients to optimize their treatment processes, reduce their power consumption, enhance revenue by reducing water loss and developing new treatment options when deemed necessary.

Water Plant Superintendent
City of Carmichael, Georgia

Responsible for the day-to-day operations and maintenance of a 12 MGD surface water conventional treatment plant and membrane plant. Supervised 11 employees, provided in-house training program for staff, maintained inventory control, prepared annual budget. Responsible for coordinating 4 capital improvement projects simultaneously with 4 different contractors.

Water Specialist
CRS Environmental and Backflow
Newman, Georgia

Consulted with clients concerning water issues, studied and participated in forums and advisory councils, supervised one employee and performed other duties as requested by upper management.

DONALD L. NORTH

*Environmental Specialist IV
State of Georgia Environmental Protection Division*

Performed sanitary surveys and inspections, provided technical assistance to water systems, engineers and other water professionals as needed. Reviewed plans, started up new water plants, implemented and enforced new federal and state rules. Trained new EPD employees as requested.

*Assistant Superintendent Water Department
City of LaGrange, Georgia*

Responsible for the day-to-day operations and maintenance of a 12 MGD surface water treatment plant and distribution system. Also responsible for in-house training program, maintaining inventory control, preparing annual budget, performing two high rate studies, and one major plant expansion.

*Superintendent of Water and Wastewater Plants
City of Manchester, Georgia*

Responsible for the day-to-day operations and maintenance of a 1 MGD surface water plant and 1 MGD trickling filter plant. Supervised 5 employees, prepared annual budget and provided in-house training program for staff.

*Superintendent of Water and Wastewater Plants
City of Monetta, Georgia*

Responsible for the day-to-day operations and maintenance of two 1 MGD groundwater iron removal plants and two 1 MGD extended aeration waste water plants. Supervised 4 employees, provided in-house training program and assisted with annual budget preparation.



BECKY ALEXANDER

PROFILE

CONTINUING EDUCATION
George Butler Association
Master Series (GBA)
Red Prairie Warehouse
Management System
ISO Quality Management System
Kaizen Time Based Management
AS400 System
Automation and Bar Coding

Ms. Alexander has over 25 years of experience running complex business systems, including over 16 years in management positions. She has been responsible for managing operations with over 100 employees and supervised the inventory fulfillment for up to 450 sales representatives. Ms. Alexander has provided supervision and management of accounts payable and receivable, production/fulfillment, inventory control, order processing and quality assurance. Ms. Alexander's areas of expertise include process control and improvement, performance tracking, quality assurance inspection, inventory control, customer relations, and dealing with complex account issues.

EXPERIENCE

Assistant Project Manager
ESG Operations, Inc.
Rockdale County, Georgia

- Provides management of the day-to-day operations of the Rockdale County Wastewater System asset management program, financials, work order routing, and document control.
- Developed and implemented processes to effectively manage all office functions and was integral in the implementation of ESG's Computerized Maintenance Management Software, the George Butler Association Master Series.
- Provides data collection and field analysis support on ESG's condition assessments team for all projects. Assists in developing maintenance and multi-year capital improvement forecast reports.

BECKY ALEXANDER

Client Account Manager
EDS/QSP Distribution Services
Conyers, Georgia

- Served as the direct liaison with clients and EDS operations, provided expertise and support to the Client Delivery Executive and various departments within the organization, to ensure contractual obligations and service levels were met.
- Interacted and provided expertise to the customer support center, sales and marketing, IT, and the inventory and purchasing departments to forecast fulfillment needs, develop product and program launches and provide best practice solutions in order to ensure exceptional Client service.

Quality, Production and Fulfillment Manager
EDS/QSP Distribution Services
Conyers, Georgia

- Supervised and managed a full time staff of 9 employees and a part time staff of over 100 employees in EDS's production and fulfillment, warehouse, and shipping and receiving departments.
- Implemented process improvements and standard operating procedures which resulted in a reduction of 90% of redundant processes, an increase of 30% in production rates and improved inventory control to over 99% accuracy.
- Ms. Alexander maintained excellent customer relations on a daily basis by providing thorough quality investigations, resolving complex account issues, accurately reconciling inventory, providing for continuous follow up and the completion of objectives to satisfy multiple external customers and clients.



KRISTEN A. COURSON, P.E.

EDUCATION

Bachelor of Science
in Environmental Engineering
Mercer University, 2001

PROFESSIONAL REGISTRATIONS AND CERTIFICATIONS

Registered Professional Engineer
State of Georgia

Level II Certified Design Professional
Georgia Soil and Water
Conservation Commission

National/Georgia Society of
Professional Engineers
Middle Georgia Chapter

Tau Beta Pi Engineering Honor Society
Graduate Member

Georgia Association of Water Professionals

AWARDS AND HONORS

2008 Young Engineer of the Year
Georgia Society of Professional Engineers

2009 Young Engineer of the Year
Georgia Engineering Alliance

2006 Employee of the Year
Stantec Consulting, Inc.

EXPERIENCE

Corporate Project Engineer
ESG Operations, Inc.
Macon, Georgia

- Work as part of the corporate team to support all company project managers with in-house engineering services
- Provide assistance to projects for troubleshooting problems and working to approach solutions from an engineering perspective
- Complete Repair and Replacement forecasts for projects outlining capital and repair needs over a 7 year planning period. These forecasts are provided to municipal clients to aid budgeting efforts.
- Provide engineering services on a contract basis for existing contract operations clients. Typical projects may include plans and specs or reporting on any of the following: feed chemical system addition, WWTP water reuse system design, water or sewer system hydraulic evaluations, water auditing and pump/process equipment selection.
- Perform hydraulic modeling of water distribution systems to aid in-house operational decision making and for evaluation of future growth and master planning
- Provide as-needed assistance to projects for environmental permitting renewals

Stantec Consulting, Inc.
Macon, Georgia

- Responsible for management of multiple concurrent water and sewer projects from the proposal stage through design, bid, and construction.
- Supervised a team of designers, CAD operators and administrative staff in the preparation of contract and construction documents.
- Maintain responsibility for ensuring construction success and client satisfaction for projects up to \$350,000.
- Provide clients with written monthly updates including scheduling and budgetary information for on-going projects.
- Responsible for monthly client billing and oversight of engineering fee usage by design group.

Starter Consulting, Inc.
Macon, Georgia

- Worked as the primary process engineer on a 13 MGD upgrade of an existing Water Treatment Facility including coordination with civil, architectural, structural, mechanical, and electrical disciplines.
- Extensive experience with all phases of municipal water and sewer line design including preliminary design reports, funding acquisition, preparation of plan and profile sheets, erosion and sedimentation design, obtaining required local and/or state permits, aiding the municipality in acquisition of easements, creation of design detail sheets, preparation of contract documents and specifications, bidding, and construction administration services.
- Provided elevated tank site evaluation for client to locate acceptable properties within target areas identified during Master Planning. Properties were evaluated for elevation, acreage, proximity to housing, and distance to existing water main(s).
- Experience with water modeling using WaterCAD and WaterGEMS software including GIS and AutoCAD interfaces.
- Provided Master Planning services utilizing calibrated water models to simulate future water system scenarios. Future water demands were projected out 30 years by analyzing population growth data, per capita water usage rates, and land use planning maps.
- Supplied on-site construction administration/observation services for construction of a new 13 MGD Water Treatment Facility from February 2005 through September 2006.
- Worked with fellow engineers on design of a 14 mile transmission main from a Water Treatment Facility. Aided team in developing plan and profile sheets, design details, and easement preparation. Performed limited construction administration and construction observation services.
- Experience with design of both elevated tank and ground storage/pump station sites. Tasks include site design, permitting, erosion and sedimentation design, and preparation of contract drawings and specifications.



ROGER DODD, JR., PHR

PROFILE

EDUCATION

Bachelor of Arts
University of Georgia
Athens, Georgia
1999

CERTIFICATIONS

Professional in Human Resources (PHR)
Certification • 2010

SKILLS

Bilingual English/Spanish
Limited conversational Japanese
Microsoft Office Suite
and Minitab statistical software
Sage Accpac/SBT accounting
and HRIS software
Timeforce/Pyment payroll
and HRIS software

Mr. Dodd brings over 20 years of experience in the area of Human Resources. His areas of expertise include oversight of all HR functions including compensation, benefits, payroll, hiring and retention, employee training and evaluation, and legal compliance. He also has extensive experience with safety and environmental compliance, workers' compensation, and standard cost accounting.

EXPERIENCE

ESG Operations, Inc.
Human Resources Director

Mr. Dodd provides oversight of all HR functions for all ESG projects— including compensation, benefits, payroll, hiring and retention, employee training and evaluation, and legal compliance.

YKK (USA) Inc.
Senior Manager, Human Resources

- Led Human Resources department for YKK's 650 employee National Manufacturing Center.
- Prepared manpower plans and HR budget to support business goals and strategy.
- Created data driven "HR Dashboard" to deliver all relevant HR metrics to management, eliminating six individual, largely redundant reports.
- Resolved personnel and compliance issues including unemployment, workers' compensation, EEOC, OFCCP, insurance, payroll, employee complaints and other HR matters.
- Ensured compliance with applicable laws and internal company policies. Provide guidance to employees regarding benefits and company policy.
- Prepared and presented briefings for YKK senior management regarding major HR activities.

ROGER DODD, JR., PHR

R.L.C. Hardwood Flooring, LLC

Vice President

Human Resources and Safety Director

- Managed all HR functions for a hardwood flooring manufacturing company with over 200 employees and \$25 million annual revenue.
- Initiated a comprehensive safety program resulting in a 90% decrease in recordable injuries from 2007 to 2010.
- Developed proprietary inventory control system using existing accounting software to track materials from receipt of raw lumber, through the manufacturing process to final sale.
- Launched company-wide quality control program in 2009 to address increasing customer quality claims. Continued to grow program until it was handed-off in 2010 to newly created VP of Quality Control. Claims ratio with largest customer fell to less than .1% of sales.
- Worked with accounting consultant to convert accounting method to a standard cost system, resulting in more accurate inventory valuations, improved cost tracking and lower volatility in monthly P&L statements.

Piedmont Hardwood Flooring, LLC

Human Resources Manager

- Responsible for all hiring and HR administrative functions including payroll and benefits.



NANNETTE HOLDER

PROFILE

EDUCATION

Diploma in Medical Laboratory Technology,
Macon Technical Institute, Macon, Georgia

Advanced Water and Wastewater Analyses,
West Georgia College, Carrollton, Georgia

CERTIFICATIONS

Georgia Wastewater Laboratory Analyst
Georgia Water Laboratory Analyst
Georgia Class III Wastewater Operator
Georgia Class III Water Operator

AWARDS

1993 Georgia Laboratory
Quality Assurance Award

1994 Georgia Laboratory
Quality Assurance Award

1995 Georgia Laboratory
Quality Assurance Award

1996 Georgia Laboratory
Quality Assurance Award

1999 Georgia Laboratory
Quality Assurance Award

As Corporate Laboratory Director for ESG Operations, Inc., Ms. Holder is responsible for creating and implementing strategies, policies, procedures and best practices to support the optimal performance of ESG Operations, Inc. laboratories. Ms. Holder has over 25 years of experience in laboratory analyses and water and wastewater treatment, including 13 years supervisory experience. Her experience establishing standard operating procedures for process control and laboratory analyses, and development and implementation of a preventative maintenance program is vital. Ms. Holder is certified in the State of Georgia as a Wastewater Analyst, Water Analyst, Class III Wastewater Operator, Class III Water Operator, and Medical Lab Technologist.

EXPERIENCE

ESG Operations, Inc.
Corporate Laboratory Director
Macon, Georgia

Responsibilities include creating and implementing strategies, policies, procedures and best practices to support the optimal performance of ESG Operations, Inc. laboratories. Responsibilities also include recruiting, training, and technically assisting all ESG facilities, as well as ensuring that ESG facilities are in compliance with all regulatory guidelines and meeting all sampling, reporting, and regulatory compliance issues in regards to laboratory analyses. Ms. Holder also prepares equipment specifications lists, determines analysis frequencies, and budget expectations for project delivery and is involved in the network and synergizing of ESG's laboratory facilities for exchanging ideas that is advantageous to the success of ESG laboratories company-wide.

NANNETTE HOLDER

*Macon Water Authority
Lab Supervisor
Macon, Georgia*

Responsibilities included supervision and management of laboratory and industrial pretreatment sampling personnel; interpreted analytical data regarding compliance with local, state and federal regulations. Duties also included coordinating sampling events and interrelating with operations personnel to identify problems associated with treatment process.

*University of Georgia
Administrative Specialist
Athens, Georgia*

Responsibilities included providing administrative support to managers, directors, and department heads for the University of Georgia and the USDA.

*Operations Management International, Inc. (OMI)
Permit Specialist
Denver, Colorado*

Provided compliance training presentations, scheduled and organized corporate wide project reviews, selected team members based on areas of expertise and coordinated all travel arrangements and itineraries for review team participants, tracked and reported responses to project self-assessments.

*Operations Management International, Inc. (OMI)
Laboratory Director/Regional Lab Coordinator
Warner Robins, Georgia*

As Laboratory Director/Regional Coordinator, Ms. Holder was responsible for supervision and management of laboratory personnel. Ms. Holder maintained records and inventory control, prepared reports and budgets, including capital expenditures; interpreted analytical data regarding compliance with local, state and federal regulations



ANTHONY R. JOHNSON

PROFILE

EDUCATION

B. A., Political Science, 1989
Claremont McKenna College
Claremont, California

PROFESSIONAL AFFILIATIONS

100 Black Men of Atlanta, Inc.
Leadership DeKalb

Mr. Johnson is a proven business development professional with over 18 years of experience in the engineering and construction industry. He has strong expertise in project delivery, proposal development, presentations, and community/political affairs. Mr. Johnson's ability to build consensus with elected officials and client staff has produced measurable results in the engineering and construction industry.

EXPERIENCE

ESG Operations, Inc.

*Vice President/Government Relations and Community Development
Atlanta, Georgia*

As a member of ESG's Management Team, Mr. Johnson is responsible for developing new clients, expanding the company's business with existing clients, and assisting ESG's project managers in project delivery. Another core part of Mr. Johnson's responsibilities includes working with ESG's clients in developing meaningful community affairs programs that support education, seniors, low-income families, non-profit organizations, and churches.

AECOM

Business Development Director

Mr. Johnson was responsible for developing business in AECOM's Southern States division. During his 2-year tenure, he developed over \$4 million in new business for AECOM by leading and working with AECOM's client service management teams. Mr. Johnson was also directly responsible for leading the firm's community affairs initiatives and he established scholarship programs with local high schools, and provided support to various non-profit organizations.

ANTHONY R. JOHNSON

DMI, Inc.

Regional Business Manager

Started with the firm as a Business Development Manager and was promoted to Regional Manager within 3 years. During his 9-year tenure, Mr. Johnson played a key role in generating \$60 million in revenue and successfully worked across several business groups – Water, Transportation and Contract Operations. Responsibilities included: Securing support from client staff and elected officials for the firm's business objectives; community affairs; business development; contract renewals; amendments and scope expansions; project delivery; proposal development; and sales presentations. Mr. Johnson worked in key roles with the firm's large Georgia clients such as the cities of Atlanta and Augusta, MARTA, as well as Fulton and DeKalb counties.



SHARON KELLY

EDUCATION

Diploma in Medical Laboratory Technology
Macon Technical Institute
Macon, Georgia

Advanced Water and Wastewater Analyses
West Georgia College
Carrollton, Georgia

Advanced Water and Wastewater Treatment
West Georgia College
Carrollton, Georgia

PROFESSIONAL CERTIFICATIONS

Georgia Wastewater Laboratory Analyst
Georgia Water Laboratory Analyst
Georgia Class I Wastewater Operator
Georgia Class I Water Operator
Georgia Distribution System Operator
Georgia Collection System Operator
Georgia Erosion Control and
Sediment-Level 1A

AWARDS

1996 EPA Region IV Plant of the Year
2000 EPA Region IV Plant of the Year
2000 EPA National Plant of the Year

2000 Groundwater Safety

2000 District V Best Drinking Water

2001 Outstanding Water Operation
Plant of the Year

PROFILE

Ms. Kelly has over 28 years of experience in laboratory analyses and water and wastewater treatment, including 21 years supervisory experience. During her tenure, projects under her management have won several prestigious Georgia Water and Pollution Control Association Awards. She has established standard operating procedures for process control and laboratory analyses, and developed and implemented a preventative maintenance and parts inventory program. Ms. Kelly demonstrates expertise in the principles of supervision, training, budget preparation, and expenditure control. Ms. Kelly is certified in the State of Georgia as a Wastewater Analyst, Water Analyst, Distribution System Operator, Collection System Operator, Erosion and Sediment Control, Class I Wastewater Operator, and Class I Water Operator.

EXPERIENCE

Project Manager
ESG Operations, Inc.
Perry, Georgia

As Project Manager, Ms. Kelly is responsible for planning, organizing, and directing the operation and maintenance of the City of Perry's water, wastewater, line maintenance, pump stations, natural gas, meter reading, and watershed protection program. Ms. Kelly supervises a staff of 38 employees; maintains permit compliance; handles client and customer issues; prepares related reports; attends City Council and Public Works committee meetings; prepares annual operating budget and capital expenditure lists for City's approval; prepares monthly client reports, annual sludge management reports, consumer confidence reports, monthly operating reports, water audit and discharge monitoring reports.

SHARON KELLY

AWARDS (continued)

<p>2001 Outstanding Wastewater Operation Plant of the Year</p>	<p><i>Area Manager</i> <i>Operations Management International, Inc. (OMI)</i> <i>Southeast, Georgia</i></p>
<p>2001 Wastewater Safety Award</p>	<p>As Area Manager, Ms. Kelly was responsible for planning, organizing, and directing the operation and maintenance of Jones County, City of Barnesville, and City of Forsyth's water, wastewater, and solids disposal facilities. Her goal was to achieve full compliance with local, state, and federal regulatory agencies. Ms. Kelly provided services and maintained effective communication with client and regulatory agencies as outlined in contract to ensure business information was disseminated and customer needs were met. She was also responsible for future growth and development in the Southeast area. She prepared operating budgets and related reports, contracts, and scheduled services. She attended council and commissioner meetings, and prepared annual business plans, annual client and financial reports.</p>
<p>2001 Groundwater Safety Award</p>	
<p>2001 Laboratory Quality Assurance Award</p>	
<p>2001 District V Operator of the Year</p>	
<p>2001 Small Business of the Year</p>	<p><i>Assistant Project Manager</i> <i>Operations Management International, Inc. (OMI)</i> <i>Vienna, Georgia</i></p>
<p>2002 Outstanding Wastewater Operations</p>	<p>As Assistant Project Manager, Ms. Kelly was responsible for planning, organizing, and directing the operation and maintenance of Vienna's water, wastewater, and solids disposal facilities. Her goal was to achieve full compliance with local, state, and federal regulatory agencies. Ms. Kelly provided services and maintained effective communication with client and regulatory agencies as outlined in contract, to ensure business information was disseminated and customer needs met. She was also responsible for all personnel related functions including staffing, training, managing workflow, and conducting staff meetings.</p>
<p>2002 District V Best Drinking Water</p>	
<p>2008 WEF Safety Award - Wastewater</p>	
<p>2009 Gold Award - Drinking Water</p>	
<p>2010 Gold Award - Drinking Water</p>	<p><i>Operations Supervisor</i> <i>Operations Management International, Inc. (OMI)</i> <i>Werner Robins, Georgia</i></p>
<p>2011 Gold Award - Drinking Water</p>	<p>Job duties entailed instituting process control changes to achieve full permit compliance, maintaining accurate operational records and preparing related reports for water and wastewater treatment, and solids disposal. Additional responsibilities included administering and monitoring budget performance, conducting staff meetings and training sessions, preparing work schedules, and completing performance appraisals and objectives for employees.</p>
<p>2011 District V Best Drinking Water</p>	
<p>2011 Gold Award - Wastewater</p>	
<p>2011 Outstanding Wastewater Operation Plant of the Year</p>	<p>2011 Outstanding Wastewater Operation Collection System of the Year</p>



BRIAN KELLY

PROFILE

EDUCATION

Electrical Maintenance and
Construction Degree

Griffin Technical College
Griffin, Georgia

CERTIFICATIONS

Georgia Wastewater Treatment
Plant Operator - Class I

Georgia Collections System Operator

Georgia Distribution System Operator

Georgia Maintenance Technologist

Vibration Analysis - Level I

Infrared Thermography - Level II

Mr. Kelly has over 12 years of experience in the water and wastewater industry gained from working in the public and private sectors. He has served in supervisory positions managing staff and he has strong expertise in utility system maintenance – electrical, mechanical, hydraulics, dewatering, elevated storage tanks, and lift stations. Mr. Kelly also holds numerous Georgia licenses and certifications including: Class I Wastewater Operations license; Collection and Distribution System Operations license; Maintenance Technologist certification; Level I Vibration Analysis certification; and a Level II Infrared Thermography certification. Mr. Kelly also attended Griffin Technical College and received a degree in Electrical Maintenance and Construction.

EXPERIENCE

Maintenance Manager
ESG Operations, Inc.
Augusta, Georgia

- Responsible for managing 5 mechanics and 3 utility technicians.
- Proficient in all aspects of predictive, corrective, and preventative maintenance.
- Familiar with maintenance and repair of multiple pump systems to include centrifugal, positive displacement, and peristaltic.
- Maintains electrical systems to include 13,800 KV, instrumentation and numerical controls, programmable logic controllers and SCADA.

BRIAN KELLY

*Chief Lead Maintenance Mechanic
Clifton County Water Authority
Morrow, Georgia*

- Responsible for corrective and preventative maintenance on all equipment throughout plant.
- Budgeted for Capital items.
- Managed maintenance personnel.
- Recommended and executed design upgrades.
- Participated with the Safety Committee and Hazmat Committee.

*Maintenance Mechanic
Kraussert an Alcoa Company
Jonesboro, Georgia*

- Repaired industrial equipment down during shift.
- Maintained water treatment facility.
- Performed preventative maintenance tasks.



SEAN V. MEYER

PROFILE

EDUCATION

BDA, Mercer University
Major in Business Organization Leadership
Minors in Finance and Accounting

CERTIFICATIONS

Georgia Class I Wastewater
Georgia Class II Water Operator
Georgia Water Laboratory Certified
Georgia Module I of Basic Firefighter
First Aid/CPR Certified
Serve as a GWPCA
Plant of the Year Inspector,
and on the GWPCA Safety Committee

SOFTWARE EXPERIENCE

Microsoft Windows XP, Word, Excel,
PowerPoint, Access, Outlook, and Project.
Internet Explorer, Operator 10,
BIMODLL-Budgeting and Accounting,
GBA, MP2, SCADA, GIS.

AWARDS

2008 Georgia EPA Plant of the Year
2008 Georgia EPD Region 4
Plant of the Year
2000 OMI: Malcolm Baldrige National
Quality Award
2000 Small Business of the Year
in Dooly County
2000 Georgia Water Pollution and Control
Association Top Operator of the Year
2000 Georgia EPA Plant of the Year
2000 Georgia EPD Region 4
Plant of the Year
2000 GWPCA Plant of the Year
1999 GWPCA Wastewater Lab of the Year
1999 GWPCA Wastewater and Water Plants
Safety of the Year
1999 GWPCA Land Application Treatment
Facility of the Year

As Senior Technical Services Manager with ESG Operations, Inc., Mr. Meyer is responsible for supporting all aspects of the industry at each project, providing technical and management support during startup and throughout the life of the contract.

Mr. Meyer is a member and actively involved with the GAWP, GRWA, GWER, WER, and AWWA. He is both a Safety and Site Inspector for the annual "Plant of the Year" awards program in the State of Georgia.

EXPERIENCE

ESG Operations, Inc.
Senior Technical Services Manager
Macon, Georgia

Responsibilities entail implementing and managing project controls and regulatory functions for all of ESG's projects. Another core part of Mr. Meyer's responsibilities includes supporting the condition assessment team in implementing maintenance programs and capital improvements at all ESG facilities.

Operations Management International, Inc. (OMI)
Operations Director
Atlanta, Georgia

Responsibilities entailed overseeing the operations and maintenance of a 24 mgd BNR Facility operating at flows exceeding 50 mgd, a 5 mgd Chemical Phosphorus Removal Facility exceeding 14 mgd, two 1 mgd Package Plants and a 1 mgd Barbanpho Facility exceeding 3 mgd. Directed personnel, process control changes to achieve full permit compliance, supervised 38 associates, operated in the highest level of security, developed SOPS and UTCs, maintained accurate operational records, prepared EPA reports, monitored budget performance, and projected future expenses while operating facilities that were exceeding their capacity.

Operations Management International, Inc. (OMI)
Project Manager
Americus, Georgia

Job duties entailed handling process control changes to achieve full permit compliance of the water system and Orfal wastewater facility, supervised 10 associates, operated in the highest level of security, maintained accurate operational records, prepared EPA reports, monitored budget performance, and projected future expenses.

Operations Management International, Inc. (OMI)
Assistant Project Manager
Marietta, Georgia

Job duties entailed handling process control changes to achieve full permit compliance of the entire water system and SBR wastewater facility, supervised three associates, operated in the highest level of security, maintained accurate operational records, prepared EPA reports, monitored budget performance, and projected future expenses.



RAY P. RICHARD, P.E.

PROFILE

EDUCATION

Bachelor of Science in
Civil Engineering
University of Southwestern Louisiana
1982
Graduated Cum Laude

Completed over 600 hours of
Continuing Education on
engineering topics since 1982

CERTIFICATIONS

Professional Engineer
State of Louisiana
License #22833

Professional Engineer
State of Georgia
License #18326

Professional Engineer
State of Alabama
License #32092-E

Level II
Erosion and Sedimentation
Control Program Certified
(Georgia)

Mr. Richard's background includes a unique blend of engineering, construction, and contract operations experience. Mr. Richard has over 25 years in the water and wastewater industry and has worked in key technical roles for municipal and private organizations. He has solid expertise in managing engineering and construction management functions on residential and commercial developments, roads and drainage projects, and municipal operations. Mr. Richard holds a B.S. degree in Civil Engineering from University of Southwestern Louisiana and he is a registered professional engineer in Georgia, Louisiana and Alabama.

EXPERIENCE

ESG Operations, Inc.
Corporate Engineer
Macon, Georgia

- As the Corporate Project Engineer, Mr. Richard is directly responsible for supporting all of ESG's project managers and on-site staff with engineering and construction phase services, with an emphasis on drainage and stormwater management. Mr. Richard also works with ESG's project managers on preparing various O&M manuals for water and wastewater clients, and work plans for ESG's public works clients.

Golden Isles Engineering Consultants, P.C.
Principal/Owner

- Consulting engineering firm specializing in design and local/state permitting of municipal, institutional and development projects. Major client 2009-2011: Brantley County, Georgia.
- Design, construction monitoring and construction administration of personal investments in residential and commercial developments; projects totaling over \$12M in construction costs from planning/design to clearing and grubbing to water/sewer and road construction.

RAY P. RICHARD, P.E.

*Richard Enterprises
Owner/Sole Proprietor*

- Consulting engineering specializing in design and local/state permitting of municipal and development projects.

*Operations Management International, Inc. (OMI)
Regional Business Manager*

- Managed 6-8 projects in many locations in Southeast Georgia (approximately 150 employees). Management included operations of water, wastewater and public works operations services contracts with local governments and industry.

*Glynn County, Georgia
County Engineer/Public Works Director*

- Management, permitting and design of streets, drainage, and sidewalk projects; management of road, drainage and vehicle maintenance and mosquito control operations.

*City of Lafayette, Louisiana
Project Engineer*

- Contract administration for streets and drainage consulting and construction projects.

*Gerald Reaux & Associates
Design Engineer
Lafayette, Louisiana*

- Designed streets/drainage/water/sewer systems for residential and commercial developments.



JOSH WAID

EDUCATION

Baldwin County High school
Milledgeville, Georgia

AREAS OF SPECIALIZATION

Water Tank Inspections

Tank Maintenance

NACE Level 2 Coating Inspector

YEARS OF EXPERIENCE

10

CERTIFICATIONS

NACE Level 2 Coating Inspector

OSHA 10 Hour Certificate

MSHA Experienced Miner Certificate

EXPERIENCE

Field Service Supervisor

ESG Operations, Inc. (Utilisation, Inc.)

Macon, Georgia

- Responsible for management of day-to-day field operations including QA/QC requirements, safety compliance and client relations during the inspection/renovation process. Responsible for documentation of daily operations including asset inspections, recording environmental conditions and data, and specification compliance for all tank projects.

Lead Inspector

Utility Service Company, Inc.

Mary, Georgia

- Coordinated the inspection efforts of 5 inspectors throughout the Southeastern United States while managing client service needs along with daily operational challenges. Observed and documented daily inspections for paint renovation projects of water storage tanks and communicated with the owner in regards to the progress and estimated completion of the project. Coordinated the field efforts between subcontractors and Service Center to provide an uninterrupted project work flow.

Foreman

Jones Construction

Dublin, Georgia

- Managed the day-to-day field operations of an 8 man building crew including coordination of material, time, and equipment needed to complete job. Erected pre-manufactured and structural steel buildings including airplane hangars, church buildings, and industrial manufacturing facilities while following detailed diagrams and blueprints.

Supervisor, Exterior Structural Department

Horton Homes, Inc.

Durham, Georgia

- Lead supervisor for 15 peers for the production of exterior structures for mobile homes. Duties included QA/QC, production requirements, manpower adjustments, and specification requirements, while continually maintaining an efficient and safe working environment.



DARREL M. WEST

PROFILE

CERTIFICATIONS

Chemical Engineering Technology,
Loyalist College, Belleville, Ontario, 1990

U.S. Department of Labor,
Authorized Excavation Trenching and
Soil Mechanics Outreach Trainer, 2008

U.S. Department of Labor, Authorized
Occupational Safety and Health
Administration Construction Industry
Outreach Trainer, 2008

Certified Process Hazard
Analysis Leader, 2007

U.S. Department of Labor,
Authorized Occupational Safety and
Health Administration General Industry
Outreach Trainer, 2000

U.S. Department of Labor,
Certified Hazardous Waste
Site Worker—Supervisor Level, 2000

PROFESSIONAL AFFILIATIONS

Member, City of Indianapolis
Indiana Local Emergency Planning
Committee (2004 - 2007)

Member, Delaware Chapter of Industrial
Hygienist and Safety Professional Society
(2000-2004)

International Karate Association Certified
Black Belt Instructor (1999-present)

Mr. West serves as the Corporate Safety Director for the ESG Operations, Inc. His current position includes direct responsibility for the safety of over 400 employees at multiple locations across the southeastern United States. In addition to his role as Safety Director he also served for three months as the Project Director of ESG's Warner Robins, Georgia Project, overseeing the water and wastewater utilities until a full time Project Director was hired.

Mr. West is skilled in developing and implementing health and safety plans, emergency response plans and incident investigation. His vast health and safety knowledge and expertise have helped numerous facilities achieve multiple-year records with no lost time accidents. He has participated in due diligence studies for corporate acquisitions, process hazard analyses, and project proposal estimations for numerous projects in a multitude of states.

EXPERIENCE

ESG Operations, Inc.
Corporate Safety Director
Macon, Georgia

- Responsible for company-wide safety training, support and assistance for over 300 employees located at ESG projects across the Southeast.

Veolia Water Indianapolis
Director of Environmental, Health, Safety and Security
Indianapolis, Indiana

- Provided direct responsibility for over 400 employees encompassing production, distribution, construction, restoration, warehousing and field services.

DARREL M. WEST

*Corporate Environmental Health and Safety Manager
Veolia Water North America
Chicago, Illinois*

- Provided direction and oversight to multiple business units within the organization.
- These units included US Filter Process Water, Wallace & Tiernan, US Filter Industrial Equipment Group, US Filter Surface Preparation and US Filter Consumers divisions in Canada, New York, Pennsylvania, Delaware, Maryland and New Jersey.

SAFETY AND HEALTH PROJECTS

- Managed installation of security upgrade for Indianapolis Water.
- Developed and delivered numerous safety and environmental training programs including Risk Management Programs, Process Safety Management Plans, Asbestos, Trenching & Shoring, Hazardous Waste Operations, Confined Space, Lockout/Tagout/Tryout, RCRA Compliance, Hazardous Material Shipping, WHMIS and Hazard Communication, Respiratory Protection, Personal Protective Equipment, Machine Guarding, Walking/Working Surface and Electrical Safety.
- Implemented program with several states to allow OSHA 10 Hour certification class to count toward operator Continuing Education Units (CEUs)

ENVIRONMENTAL PROJECTS

- Managed the preparation of numerous Spill Prevention Control and Countermeasure and Storm Water Pollution Prevention Plans.
- Managed permitting renewal applications for NPDES permits and solid waste transportation permits.
- Managed preparation and implemented Process Hazard Analysis Reviews.
- Managed preparation of Risk Management Plans.
- Interface with state regulatory agencies relating to environmental program implementation requirements.



JEFF WEST

PROFILE

EDUCATION AND TRAINING

7 Year Business Management
Diploma from Central Georgia Tech

Wastewater Collection System
Georgia State License

Water Distribution System
Georgia State License

Public Works Officials Development
Carl Vinson Institute of Government UGA

Georgia DOT Supervisory
Development Training

Interpersonal Management Skills

Soil and Erosion Level 1b Certified

Mr. West has over 21 years experience in the water and wastewater industry, with an emphasis in operating and maintaining collection and distribution systems. Mr. West has strong experience in implementing maintenance plans, managing subcontractors, and performing mapping, utility locates, and GIS database updates. He is a certified Wastewater Collection System and Water Distribution System Operator.

EXPERIENCE

Project Director
ESG Operations, Inc.

Manage the day to day operations for ESG's City of Vidalia, Georgia Project. This project includes a staff of 30. Wastewater Operations, Collections and Distribution, Water Operations, Street Department and Meter Reading. The types of facilities operated and maintained include: wastewater facilities with a capacity of 6 mgd; 7.5 mgd groundwater plant; 19 lift stations; over 200 miles of collection and distribution systems; 4 elevated storage tanks; 213 miles of streets and utility right of ways; 751 fire hydrants; and 1,710 manholes.

Assistant Road Department Director
Fayette County, Georgia

Managed the day to day Road Department Operations which included: Paving Crew (30 miles per year Paved), Road Side Maintenance, Storm Water Operations and Sign Shop Operations.

JEFF WEST

Public Works Director
City of Perry, Georgia

Managed the operations of the following departments:

- Line Maintenance Department (Water and Sewer)
- Waste Water Plant Operations
- Water Plant Operations
- Gas Department
- Street Department
- Vehicle Maintenance Department
- Engineering Department
- Sanitation Department

OTHER EXPERIENCE AND ACCOMPLISHMENTS

Program Coordination

- Developed and managed Grease Trap Maintenance Program.
- Managed numerous Capital Improvement projects. (Including traffic engineering projects, water and sewer rehab projects and facility maintenance projects).
- Managed and balanced \$18 million budget.
- Successfully obtained LRP Funding annually for Street Resurfacing.
- Reorganized the Public Works Department to improve its effectiveness and efficiency.
- Formulated, wrote, and implemented employee job descriptions and was involved with the City of Perry's career track program.

Management/Supervision

- Directed recruitment and retention of supervisors and staff of 60 employees.
- Trained, supervised and evaluated staff.



NATHAN WEST

EDUCATION

Middle Georgia Technical College
Warner Robins, Georgia

Perry High School
Perry, Georgia

AREAS OF SPECIALIZATION

Management of Water Tank
Maintenance Projects

NACE Level 3 Certified
Coatings Inspector

C-3 Certified for Deleading
Industrial Structures

YEARS OF EXPERIENCE

15

CERTIFICATIONS

NACE Level 3
Certified Coating Inspector
#24346

C-3 Supervisor/Competent Person
Training for Deleading
of Industrial Structures

OSHA 30 Hour Certificate

OSHA 10 Hour Certificate

MSHA Experienced Miner Certificate

ASSOCIATIONS

NACE International—
The Corrosion Society

Georgia Mining Association

EXPERIENCE

Project Manager
ESG Operations, Inc. (Utilisation, Inc.)
Macon, Georgia

- Manages and provides on-site coordination of all aspects of water storage tank maintenance including communicating with owners, engineers, inspectors, employees and specialty tradesmen to ensure the highest level of quality, safety, and service to water tank clients.

Service Center Manager
Utility Service Company, Inc.
Perry, Georgia

- Managed the painting and repairing of water storage tanks in the southeast United States, including communicating with owners, engineers, inspectors, employees, and specialty tradesmen. Responsibilities included coordinating all aspects to successfully complete projects within the allowed budgets, and in a timely manner.

Maintenance Manager
Utility Service Company, Inc.
Perry, Georgia

- Scheduled and supported the activities of live washout and repair crews including material procurement and deliveries, labor utilization and safety management to maintain water tanks. Coordinated welder certification and new hire employee training, as well as climbing training and respirator fit testing.

Supervisor, Chassis Line
Wanderlodge, Blue Bird Body Company
Ft. Valley, Georgia

- Managed activities and production of the RV Chassis line to maintain and meet daily requirements for production, employee utilization, safety and quality control. Assembly sign off sheets, inspection reports, and order conformities were managed to assure a quality product meeting Wanderlodge's requirements.

NATHAN B. WEST

Manufacturing Engineer

*Winderidge, Blue Bird Body Company
Ft. Valley, Georgia*

- Served as liaison between Design Engineering and Production for all new products and manufacturing design changes. Coordinated design changes to minimize re-tooling and implementation costs to reduce the time for production. Detailed instructions and drawings were modified to facilitate the implementation and to provide a smooth transition minimizing disruption to the production process.

CAU Operator

*Blue Bird Body Company
Ft. Valley, Georgia*

- Responsibilities included modification and revision of existing design drawings to improve production and to reduce cost of manufacturing. Revised drawings, production schedules, instructions and training for production personnel were provided to maintain seamless transitions in production schedules.



LARRY YOCKACHONIS

PROFILE

EDUCATION AND TRAINING

2 Year Business Management
Diploma from Central Georgia Tech

Wastewater Collection System
Georgia State License

Water Distribution System
Georgia State License

Public Works Officials Development
Carl Vinson Institute of Government UGA

Georgia DOT Supervisory
Development Training

Interpersonal Management Skills

Soil and Erosion Level 1b Certified

GEORGIA CERTIFICATIONS

Class I Water Operator
Class I Wastewater Operator
Certified Laboratory Analyst

Mr. Yockachonis has over 25 years experience in the water and wastewater industry. He has managed the day to day operations of groundwater treatment systems ranging in capacity from 3 mgd-10 mgd and surface water systems ranging in capacity from 10 mgd-60 mgd. Mr. Yockachonis has also managed the operations of wastewater systems ranging in capacity from 0.5 mgd-6.7 mgd. He has solid experience in managing the operations of collection and distribution systems and holds a Class I Water and Class I Wastewater Operator's license, in addition to being a certified Laboratory Analyst.

EXPERIENCE

Project Manager
ESG Operations, Inc.

Directly responsible for managing the day to day operations of ESG's Waycross Project. This project is composed of 26 personnel and the scope of services includes: Maintenance; Laboratory; Meter Reading; Collections and Distribution Systems; Elevated Tanks; 5 MGD Ground Water Treatment Facility; 6.7 MGD Extended Aeration Wastewater Treatment Facility; and the City of Waycross' parts warehouse and inventory control.

Deputy Project Manager
Perry, Georgia

Assisted the Project Director in managing 25 personnel along with all day to day operations of the Collections and Distribution Systems, Elevated Tanks, 5 MGD Ground Water Treatment Facility and 6.1 MGD Activated Sludge Wastewater Treatment Facility.

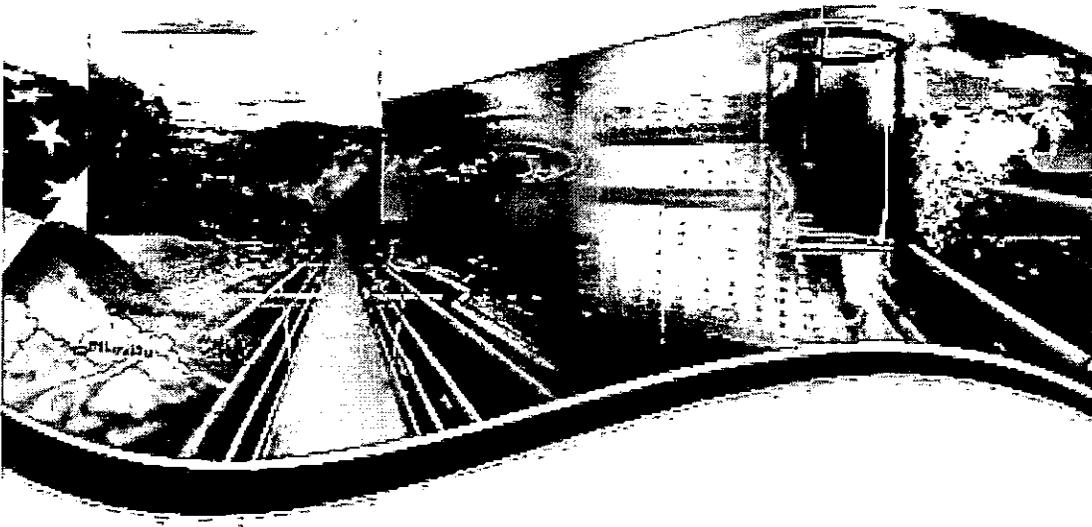
LARRY YOCKACHONIS

*Surface Water Department Superintendent
Spartanburg Water Works
Spartanburg, South Carolina*

Responsible for all day to day activities of 60 MGD surface water facility which included maintenance and laboratory functions, and all regulatory aspects of the facility. The City's water system was served by one reservoir and Lake Blalock. Mr. Yockachonis also successfully operated and maintained the facilities during a Corps of Engineers "lake expansion" project and dam reconstruction effort.

*Surface Water Department Plant Superintendent
City of Myrtle Beach
Myrtle Beach, South Carolina*

Accepted the challenge of correcting plant issues in the United States first ozone applied treatment scheme. This plant was advanced surface water treatment which included distribution system oversight to reduce biological activity that inhibits pathogenic destruction. Responsible for all day to day activities of managing the 20 MGD high rate filtration water treatment facility. The scope of work also included maintenance and laboratory functions and all regulatory aspects of the system. Experienced operation of this facility during three hurricanes. Managed facility in conjunction with local and state authorities in emergency management and operations.



STATEMENT OF QUALIFICATIONS
FOR THE

**Operation, Maintenance and Management
of All Facilities**

OWNED BY THE MOUNTAIN WATER DISTRICT
PIKE COUNTY, KENTUCKY



Partnering to Meet the Demands of Today
and the Challenges of Tomorrow

CONTRACTOR'S CERTIFICATION TO DO BUSINESS IN KENTUCKY

CONTRACTOR'S CERTIFICATION
FOR THE COMMONWEALTH
OF KENTUCKY

CONTRACTOR'S CERTIFICATION TO DO BUSINESS IN KENTUCKY

0952711.09 registration ADD

Allison Lundorgan Grimes
Kentucky Secretary of State
Received and Filed:
5/13/2016 1:25 PM
Fee Receipt: \$90.00



COMMONWEALTH OF KENTUCKY
ALLISON LUNDORGAN GRIMES, SECRETARY OF STATE

OFFICE OF BUSINESS FEES 500 Centre Plaza PO Box 710 Frankfort, KY 40602 (502) 324-3400 WWW.BUSFEES.KY	Certificate of Authority (Foreign Business Entity)	FRANKLIN COUNTY A116 PG628
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Pursuant to the provisions of KRS 14A and KRS 272A, 271, 272, 002 and 003 the undersigned hereby certifies that the entity to be listed hereon is the entity on behalf of which the services listed below will be performed in Kentucky in the following categories:

1. The entity is a: foreign corporation (KRS 272A) foreign corporation (KRS 272) partnership (KRS 272) limited liability company (LLC) (KRS 272) limited liability partnership (LLP) (KRS 272) limited partnership (KRS 272)

2. The name of the entity is: ESG Operations, Inc.
(The name shall be identical to that of the entity as it appears on the public records of the state of the entity's jurisdiction.)

3. The name of the entity as it appears in Kentucky is: ESG Operations, Inc.
(The name shall be identical to that of the entity as it appears on the public records of the state of the entity's jurisdiction.)

4. The state or country under which the entity is organized is: Georgia

5. The date of organization is: March 12, 2003 (Date shall be the date of the entity's formation as recorded in the public records of the state of the entity's jurisdiction.)

6. The address of the entity's principal office is:

<u>8400 Peach Road</u>	<u>Macon</u>	<u>Georgia</u>	<u>31210</u>
Street Address	City	State	Zip Code

7. The street address of the entity's principal office in Kentucky is:

<u>306 W. Main Street</u>	<u>Frankfort</u>	<u>KY</u>	<u>40601</u>
Street Address (to be identical to that of the entity's jurisdiction)	City	State	Zip Code

8. The name of the registered agent of the entity is: CT Corporation System

9. The current business address of the entity's registered agent, officer, director, manager, or other principal person is:

<u>J. Clay Sykes</u>	<u>8400 Peach Road</u>	<u>Macon</u>	<u>Georgia</u>	<u>31210</u>
Name	Street Address	City	State	Zip Code
<u>Daniel E. Groves, Jr.</u>	<u>8400 Peach Road</u>	<u>Macon</u>	<u>Georgia</u>	<u>31210</u>
Name	Street Address	City	State	Zip Code

10. If the entity is a corporation, it shall be organized under the laws of the state of the entity's jurisdiction and shall be a corporation as defined in the Kentucky Revised Statutes.

11. If the entity is a partnership, it shall be organized under the laws of the state of the entity's jurisdiction and shall be a partnership as defined in the Kentucky Revised Statutes.

12. If the entity is a limited liability company, it shall be organized under the laws of the state of the entity's jurisdiction and shall be a limited liability company as defined in the Kentucky Revised Statutes.

13. All information provided on this form shall be true and correct to the best of the undersigned's knowledge and belief. The date and/or time is: _____

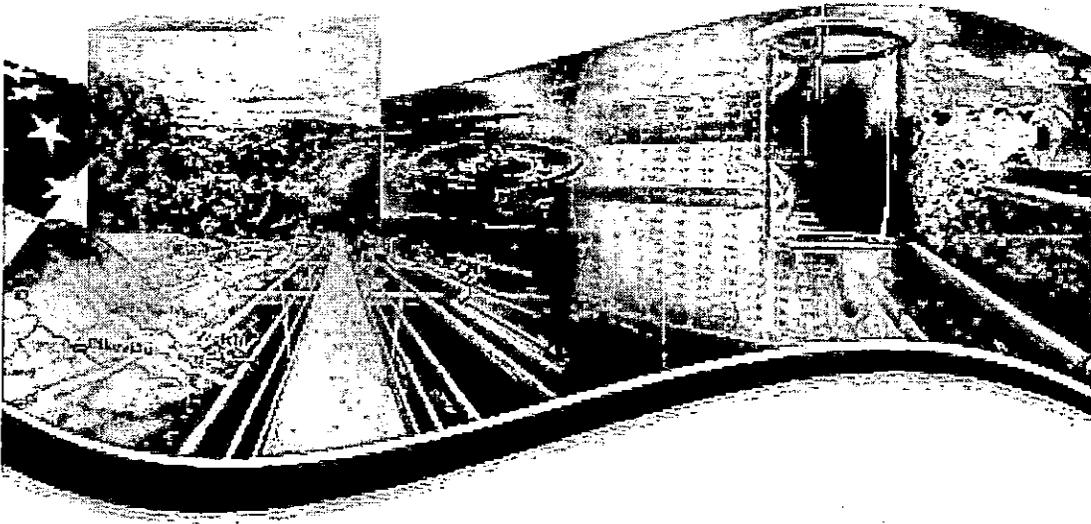
Daniel E. Groves, Jr. Secretary May 13, 2016
Print Name & Title

CT Corporation System (Name of the registered agent on behalf of the business entity)
Agent Name & Signature

April W. Hargrett, Asst. Secretary
Agent Name & Signature

REGISTRATION NO: 645189 05/13/2016
 RECORDED: May 16, 2016 04:09:08 PM
 TOTAL FEES: \$11.00
 COUNTY CLERK: JEFF HIRSHOCK
 DEPUTY CLERK: STANSLA EBERHARDT
 COUNTY: FRANKLIN COUNTY
 BOOK: A116 PAGES: 628 - 628





STATEMENT OF QUALIFICATIONS
FOR THE

**Operation, Maintenance and Management
of All Facilities**

OWNED BY THE MOUNTAIN WATER DISTRICT
PIKE COUNTY, KENTUCKY



Partnering to Meet the Demands of Today
and the Challenges of Tomorrow

THREE YEARS OF AUDITED FINANCIAL STATEMENTS

THREE YEARS OF
AUDITED FINANCIAL
STATEMENTS



HERRING CPA GROUP, P.C.

Certified Public Accountants & Consultants

ERIK K. BERRY, C.P.A.
DANIEL BERRY, II, C.P.A.
TOM ELLIOTT, C.P.A.
JAMES H. HENKES, C.P.A.
JAY L. ORWELL, C.P.A.
ELEANOR H. THOMPSON, C.P.A.
STUART W. WAIN, C.P.A.

MEMBER FIRM OF ACCOUNTANTS
SERVICES PUBLIC ACCOUNTANTS
THE BERRY GROUP, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ATTORNEYS
NATHAN G. BERRY
KATHLEEN M. BERRY

To the Board of Directors
ESG Operations, Inc.
Atlanta, Georgia

Management is responsible for the accompanying financial statements of ESG Operations, Inc. (a corporation), which comprises the balance sheet as of December 31, 2015, and the related statement of income for the year then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Standards on Standards for Accounting and Review Services provided by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to audit substantially all of the disclosures and the statements of cash flows and related earnings reported by accounting principles generally accepted in the United States of America. It has elected disclosures and the statements of cash flows and related earnings were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to ESG Operations, Inc.

Henry CPA Group, P.C.
Henry CPA Group, P.C.
Tifton, Georgia
April 21, 2016

212 W. ANDERSON STREET TIFTON, GEORGIA 31793-7228 PHONE (229) 382-2338 FAX (229) 382-1763 WWW.HERRINGCPAGROUP.COM



ESG Operations, Inc.
Balance Sheet
As of December 31, 2015

<u>ASSETS</u>	
Current Assets	
Checking/Savings	\$ (227,018.00)
Receivables	4,518,745.00
Total Current Assets	<u>4,291,726.99</u>
Fixed Assets	
Machinery and Equipment	5,143,754.58
Land	114,254.89
Accumulated Depreciation	(5,287,752.08)
Net Fixed Assets	<u>1,690,256.99</u>
TOTAL ASSETS	<u>\$ 5,981,983.98</u>
<u>LIABILITIES & EQUITY</u>	
Current Liabilities	
Payables	\$ 1,251,165.25
Accrued Expenses	1,203,872.56
Notes Payable	218,605.55
Total Current Liabilities	<u>2,673,643.36</u>
Long Term Liabilities	
Notes Payable (municipal bonds)	501,234.50
Total Long Term Liabilities	<u>501,234.50</u>
Total Liabilities	<u>3,174,877.86</u>
Equity	
Capital Stock	3,000.00
Retained Earnings	2,458,880.47
Net Income	650,231.52
Total Equity	<u>3,121,901.99</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 6,296,779.85</u>

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 See Accountant's Compilation Report





ESG Operations, Inc.
Statement of Income
January through December 31, 2015

Income	
Contract Operations Services	\$ 45,962,819.44
Out of Scope Projects	1,503,756.14
Other Income	72,825.44
Total Income	<u>47,439,391.02</u>
Expense	
Payroll Expenses	24,503,243.46
Client Reimbursable Expense	12,200,241.63
Outside Services	5,446,681.22
Insurance	204,423.28
Auto Expenses	220,031.85
General and Administrative	721,854.75
Laboratory & Testing	705,981.29
Supplies	544,404.23
Depreciation Expense	120,847.55
Community Development	156,733.74
Rent	322,003.00
Telephone/Radio/Pagers	352,221.24
Office Expense	331,553.44
Computer Costs	225,677.78
Safety Supplies	237,072.24
Utilities	183,019.26
Training	108,673.26
Repair and Maintenance	128,032.01
Total Expense	<u>45,071,005.50</u>
Net Income before Taxes	2,368,385.52
Income Tax	204,072.63
Net Income	<u>\$ 2,164,312.89</u>

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 See Accountant's Compilation Report





HERRING CPA GROUP, P.C.

Certified Public Accountants & Consultants

BERNARD N. HERRING, JR., CPA
D. HARLES W. FOWLER, II, CPA
DAVID L. HUNTER, CPA
JIMMY CUNNINGHAM, CPA
JAMES H. HERRING, CPA
JANE L. GIBB, CPA
BRANDON N. MONTEVERDE, CPA
SETH B. FREEMAN, CPA

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
THE GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS
OFFICES
TIFTON, GEORGIA
SYLVESTER, GEORGIA

To the Board of Directors
ESG Operations, Inc.
Macon, Georgia

Management is responsible for the accompanying financial statements of ESG Operations, Inc. (a corporation), which comprise the balance sheet as of December 31, 2014, and the related statement of income for the year then ended in accordance with the accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures and the statements of cash flows and retained earnings required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows and retained earnings were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to ESG Operations, Inc.

Herring CPA Group, P.C.
Tifton, Georgia
May 25, 2016





ESG Operations, Inc.
Balance Sheet
As of December 31, 2014

<u>ASSETS</u>	
Current Assets	
Checking/Savings	\$ 5,710.03
Receivables	2,609,692.43
Prepaid Taxes	65,779.03
Total Current Assets	<u>2,681,181.49</u>
Fixed Assets	
Machinery and Equipment	4,729,237.22
Land	114,204.63
Accumulated Depreciation	<u>(2,621,669.02)</u>
Net Fixed Assets	<u>2,221,772.83</u>
TOTAL ASSETS	<u>\$ 4,902,954.32</u>
<u>LIABILITIES & EQUITY</u>	
Current Liabilities	
Payables	\$ 1,825,790.37
Accrued Expenses	228,672.55
Notes Payable	60,561.43
Total Current Liabilities	<u>2,115,024.35</u>
Long Term Liabilities	
Equipment Loans	57,342.35
Vehicle Loans	57,341.56
Total Long Term Liabilities	<u>114,683.91</u>
Total Liabilities	<u>2,229,708.26</u>
Equity	
Capital Stock	1,000.00
Retained Earnings	2,401,921.54
Net Income	62,475.51
Total Equity	<u>2,467,256.55</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 4,696,964.81</u>

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 See Accountant's Completion Report





ESG Operations, Inc.
Statement of Income
January through December 31, 2014

Income	
Contract Operations Services	\$ 41,450,477.23
Out of Scope Projects	2,947,801.25
Other Income	5,777.03
Total Income	<u>43,764,105.51</u>
Expense	
Payroll Expenses	28,576,023.51
Client Reimbursable Expense	10,820,764.87
Outside Services	4,557,428.72
Auto Expenses	833,812.58
Insurance	750,054.33
Laboratory & Testing	584,522.29
Depreciation Expense	538,182.03
General and Administrative	521,724.03
Supplies	457,550.28
Repair and Maintenance	409,472.64
Rent	377,003.03
Community Involvement	268,833.29
Telephones/Radio/Pagers	276,493.56
Utilities	215,893.34
Computer Costs	180,802.58
Safety Supplies	165,763.12
Taxes	128,124.48
Office Expense	113,257.54
Training	110,925.20
Total Expense	<u>43,505,226.54</u>
Net Income before Taxes	63,878.97
Income Tax	6,410.00
Net Income	<u>\$ 57,468.97</u>

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 See Accountant's Compilation Report





ESG Operations, Inc.
Balance Sheet
As of December 31, 2013

<u>ASSETS</u>		<u>LIABILITIES & EQUITY</u>	
Current Assets		Current Liabilities	
Checking/Debits	422,408.23	Payables	654,518.82
Receivables	1,102,200.81	Accrued Expenses	642,852.10
Prepaid Taxes	25,000.00	Notes Payable	14,142.85
Total Current Assets	1,650,137.83	Total Current Liabilities	1,309,513.77
Fixed Assets		Long Term Liabilities	
Land	4,504,215.17	Vehicle Loans	42,521.20
Buildings and Equipment	114,204.65	Total Long Term Liabilities	42,521.20
Accumulated Depreciation	(2,538,852.70)	Total Liabilities	1,352,035.15
Net Fixed Assets	2,089,567.12	Equity	
Total Assets	3,739,704.95	Capital Stock	3,050.00
		Retained Earnings	2,016,145.00
		Net Income	585,775.94
		Total Equity	2,604,971.94
		TOTAL LIABILITIES & EQUITY	\$ 3,739,704.95

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ESG OPERATIONS, INC. 2013 FINANCIAL STATEMENTS

APPENDIX C • Three Years of Audited Financial Statements | 8

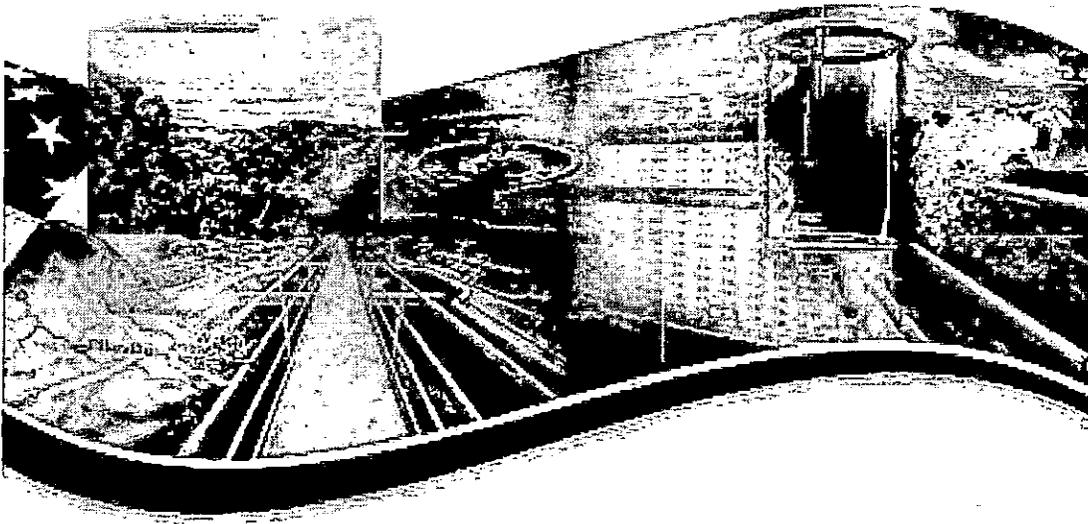


ESG Operations, Inc.
Statement of Income
January through December 31, 2013

Income	
Contract Operations Services	\$ 34,750,823.81
Out of Scope Projects	2,370,973.74
Total Income	<u>37,121,797.55</u>
Expense	
Payroll Expense	12,022,083.08
Client Reimbursable Expense	5,310,223.37
Outside Services	3,250,001.01
Auto Expenses	708,157.53
Insurance	731,542.13
Depreciation Expense	514,807.00
Laboratory & Testing	312,769.62
Supplies	406,431.03
General and Administrative	400,525.65
Rent	304,242.17
Utilities	247,003.74
Telephone/Facility/Fuel	222,575.75
Community Involvement	257,648.27
Training	122,271.20
Computer Costs	121,076.22
Safety Supplies	107,122.40
Repair and Maintenance	25,001.00
Total Expense	<u>31,524,575.12</u>
Net Income before Taxes	5,597,222.43
Income Tax	175,045.28
Net Income	<u>\$ 5,422,177.15</u>

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STATEMENT OF QUALIFICATIONS
FOR THE

**Operation, Maintenance and Management
of All Facilities**

OWNED BY THE MOUNTAIN WATER DISTRICT
PIKE COUNTY, KENTUCKY



Partnering to Meet the Demands of Today
and the Challenges of Tomorrow

STATEMENT FROM INSURANCE CARRIER

STATEMENT FROM
INSURANCE CARRIER

STATEMENT FROM INSURANCE CARRIER



J. Smith Lanier & Co.
Insuring People and Business Since 1868

May 25, 2016

Mountain Water District
Pike County, Kentucky

RE: ESG Operations, Inc.

To Whom it May Concern:

Please be advised that J. Smith Lanier & Co., as agent for the above referenced insured, hereby confirms that ESG Operations, Inc. is presently insured to the limits established in the RFP and Draft Service Contract for the Operation, Maintenance and Management of all Facilities.

Please let us know if any questions or anything further is needed.

Best Regards,

A handwritten signature in black ink, appearing to read 'K. Thomas', is written over a horizontal line.

Kristine M. Thomas, CPCL, CIC, AU, AFSB, AAI
Vice President

200 Brookstone Centre Parkway, Suite 118 P.O. Box 1997 Columbus GA 31902
706.324.6671 Fax 706.576.5607



INSURANCE CERTIFICATION

Client# 182687

302SGOPERATI

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE ENDORSEMENT:
5/25/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURERS, AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an additional insured, the policy(ies) must be endorsed. If subrogation is waived, subject to the terms and conditions of the policy, certain policies may require an endorsement. A consent on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER J Smith Lanier & Co. Columbus 200 Brookstone Centre Parkway Suite 119 Columbus, GA 31904	POLICY POLICY No. 708 824-6671 POLICY No. 706 678-5807
POLICY EGG Operations, Inc. 6460 Peake Road Macon, GA 31210	POLICY Exception Ins Co At XV 25287 Westfield Ins Co At XIV 24112

COVERAGES: CERTIFICATE NUMBER: REVISION NUMBER:

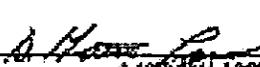
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED LISTED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO SAID POLICIES, THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN TO INSURANCE AFFORDED BY THE POLICIES REFERENCED HEREIN, SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY THIS CLAIM.

CLASSIFICATION	TITLE OF COVERAGE	CLASSIFICATION	POLICY NUMBER	ISSUE DATE	EXPIRATION DATE	COVERAGE	LIMIT
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CHANGES <input checked="" type="checkbox"/> COLLISION <input type="checkbox"/> GENERAL AGENTS LIABILITY <input checked="" type="checkbox"/> POLLUTION <input type="checkbox"/> PESTS <input type="checkbox"/> LIENS <input type="checkbox"/> OTHER		CGP018006000	08/01/2015	08/01/2016	SOLE-OWNERSHIP \$1,000,000 PERSONAL AUTO \$5,000 PERSONAL AUTO LIABILITY \$1,000,000 GENERAL AGGREGATE \$2,000,000 AUTOMATICALLY RENEWABLE \$	\$1,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> AUTO <input checked="" type="checkbox"/> HOME AUTO <input checked="" type="checkbox"/> HOME AUTO		CHM1650490	06/01/2015	08/01/2016	AUTOMOBILE LIABILITY \$1,000,000 HOME AUTO LIABILITY \$ HOME AUTO LIABILITY \$ PERSONAL AUTO LIABILITY \$	\$1,000,000
A	<input checked="" type="checkbox"/> OCCIDENTAL AND <input checked="" type="checkbox"/> COLLISION <input type="checkbox"/> CHANGES <input type="checkbox"/> PESTS <input type="checkbox"/> LIENS		8XSO18004400	08/01/2015	08/01/2016	SOLE-OWNERSHIP \$10,000,000 AGGREGATE \$10,000,000 AUTOMATICALLY RENEWABLE \$ AUTOMATICALLY RENEWABLE \$ AUTOMATICALLY RENEWABLE \$	\$10,000,000
A	CONTRACTORS Pollution Liab Professional Liab		CGP018006000	08/01/2015	08/01/2016	Incln GL#25,000 Ded	
A	Professional Liab		CGP018006000	08/01/2015	08/10/2016	Incln GL#25,000 Ded	

COPIES OF POLICIES, ENDORSEMENTS AND CERTIFICATES OF COVERAGE ARE AVAILABLE. Additional Endorsements may be attached to these policies if required.

*Professional Liability is Claims Made

A 30 Day notice of cancellation applies in favor of certificate holder when required by written contract, with respect to the General Liability and subject to the provisions and limitations of the policy.

CERTIFICATE HOLDER Mountain Water District 8382 Zebulon Hwy P O Box 3157 Pikeville, KY 41501	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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ESG OPERATIONS DIVISION

APPENDIX D - Statement from Insurance Carrier | 2

WORKERS' COMPENSATION INSURANCE

Client#: 1702285

186909PE

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE OF POLICY
08/12/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF LIABILITY INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.
 IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

AGENT BB&T Insurance Services, Inc 617 North Church Street Thomaston, GA 30286 708 647-8121	BROKER American Insurance Company 19485
AGENT ESG Operations Inc ESG Engineering Inc Ullrich-Wilson Inc ESG Federal Inc. 6400 Peake Road Macon, GA 31210	BROKER Westfield Insurance Company 24112

COVERAGES: CERTIFICATE NUMBER: REVISION NUMBER:

BEFORE YOU SIGN THIS POLICY, THE POLICIES OF INSURANCE LISTED BELOW ARE REFERRED TO THE EXTENT THEY APPLY FOR THE POLICY PERIOD INDICATED. WITHOUT REGARDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES REFERRED TO HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF EACH POLICY. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CLASS	TYPE OF COVERAGE	CLASSIFICATION	NO. OF RATES	START DATE	END DATE	AMOUNT
A	GENERAL LIABILITY	0001				\$
	PRODUCTS	0001				\$
B	WORKERS COMPENSATION	0001				\$
	EMPLOYERS LIABILITY	0001				\$
A	COMMERICAL AUTO	0001				\$
	COMMERICAL AUTO	0001				\$
B	COMMERICAL AUTO	0001				\$
	COMMERICAL AUTO	0001				\$

WORKERS COMPENSATION: LOCAL OR FIDELITY GUARANTY: See Note 10. Additional Details: See Note 11. See Note 12. See Note 13. See Note 14. See Note 15. See Note 16. See Note 17. See Note 18. See Note 19. See Note 20. See Note 21. See Note 22. See Note 23. See Note 24. See Note 25. See Note 26. See Note 27. See Note 28. See Note 29. See Note 30. See Note 31. See Note 32. See Note 33. See Note 34. See Note 35. See Note 36. See Note 37. See Note 38. See Note 39. See Note 40. See Note 41. See Note 42. See Note 43. See Note 44. See Note 45. See Note 46. See Note 47. See Note 48. See Note 49. See Note 50. See Note 51. See Note 52. See Note 53. See Note 54. See Note 55. See Note 56. See Note 57. See Note 58. See Note 59. See Note 60. See Note 61. See Note 62. See Note 63. See Note 64. See Note 65. See Note 66. See Note 67. See Note 68. See Note 69. See Note 70. See Note 71. See Note 72. See Note 73. See Note 74. See Note 75. See Note 76. See Note 77. See Note 78. See Note 79. See Note 80. See Note 81. See Note 82. See Note 83. See Note 84. See Note 85. See Note 86. See Note 87. See Note 88. See Note 89. See Note 90. See Note 91. See Note 92. See Note 93. See Note 94. See Note 95. See Note 96. See Note 97. See Note 98. See Note 99. See Note 100. See Note 101. See Note 102. See Note 103. See Note 104. See Note 105. See Note 106. See Note 107. See Note 108. See Note 109. See Note 110. See Note 111. See Note 112. See Note 113. See Note 114. See Note 115. See Note 116. See Note 117. See Note 118. See Note 119. See Note 120. See Note 121. See Note 122. See Note 123. See Note 124. See Note 125. See Note 126. See Note 127. See Note 128. See Note 129. See Note 130. See Note 131. See Note 132. See Note 133. See Note 134. See Note 135. See Note 136. See Note 137. See Note 138. See Note 139. See Note 140. See Note 141. See Note 142. See Note 143. See Note 144. See Note 145. See Note 146. See Note 147. See Note 148. See Note 149. See Note 150. See Note 151. See Note 152. See Note 153. See Note 154. See Note 155. See Note 156. See Note 157. See Note 158. See Note 159. See Note 160. See Note 161. See Note 162. See Note 163. See Note 164. See Note 165. See Note 166. See Note 167. See Note 168. See Note 169. See Note 170. See Note 171. See Note 172. See Note 173. See Note 174. See Note 175. See Note 176. See Note 177. See Note 178. See Note 179. See Note 180. See Note 181. See Note 182. See Note 183. See Note 184. See Note 185. See Note 186. See Note 187. See Note 188. See Note 189. See Note 190. See Note 191. See Note 192. See Note 193. See Note 194. See Note 195. See Note 196. See Note 197. See Note 198. See Note 199. See Note 200. See Note 201. See Note 202. See Note 203. See Note 204. See Note 205. See Note 206. See Note 207. See Note 208. See Note 209. See Note 210. See Note 211. See Note 212. See Note 213. See Note 214. See Note 215. See Note 216. See Note 217. See Note 218. See Note 219. See Note 220. See Note 221. See Note 222. See Note 223. See Note 224. See Note 225. See Note 226. See Note 227. See Note 228. See Note 229. See Note 230. See Note 231. See Note 232. See Note 233. See Note 234. See Note 235. See Note 236. See Note 237. See Note 238. See Note 239. See Note 240. See Note 241. See Note 242. See Note 243. See Note 244. See Note 245. See Note 246. See Note 247. See Note 248. See Note 249. See Note 250. See Note 251. See Note 252. See Note 253. See Note 254. See Note 255. See Note 256. See Note 257. See Note 258. See Note 259. See Note 260. See Note 261. See Note 262. See Note 263. See Note 264. See Note 265. See Note 266. See Note 267. See Note 268. See Note 269. See Note 270. See Note 271. See Note 272. See Note 273. See Note 274. See Note 275. See Note 276. See Note 277. See Note 278. See Note 279. See Note 280. See Note 281. See Note 282. See Note 283. See Note 284. See Note 285. See Note 286. See Note 287. See Note 288. See Note 289. See Note 290. See Note 291. See Note 292. See Note 293. See Note 294. See Note 295. See Note 296. See Note 297. See Note 298. See Note 299. See Note 300. See Note 301. See Note 302. See Note 303. See Note 304. See Note 305. See Note 306. See Note 307. See Note 308. See Note 309. See Note 310. See Note 311. See Note 312. See Note 313. See Note 314. See Note 315. See Note 316. See Note 317. See Note 318. See Note 319. See Note 320. See Note 321. See Note 322. See Note 323. See Note 324. See Note 325. See Note 326. See Note 327. See Note 328. See Note 329. See Note 330. See Note 331. See Note 332. See Note 333. See Note 334. See Note 335. See Note 336. See Note 337. See Note 338. See Note 339. See Note 340. See Note 341. See Note 342. See Note 343. See Note 344. See Note 345. See Note 346. See Note 347. See Note 348. See Note 349. See Note 350. See Note 351. See Note 352. See Note 353. See Note 354. See Note 355. See Note 356. See Note 357. See Note 358. See Note 359. See Note 360. See Note 361. See Note 362. See Note 363. See Note 364. See Note 365. See Note 366. See Note 367. See Note 368. See Note 369. See Note 370. See Note 371. See Note 372. See Note 373. See Note 374. See Note 375. See Note 376. See Note 377. See Note 378. See Note 379. See Note 380. See Note 381. See Note 382. See Note 383. See Note 384. See Note 385. See Note 386. See Note 387. See Note 388. See Note 389. See Note 390. See Note 391. See Note 392. See Note 393. See Note 394. See Note 395. See Note 396. See Note 397. See Note 398. See Note 399. See Note 400. See Note 401. See Note 402. See Note 403. See Note 404. See Note 405. See Note 406. See Note 407. See Note 408. See Note 409. See Note 410. See Note 411. See Note 412. See Note 413. See Note 414. See Note 415. See Note 416. See Note 417. See Note 418. See Note 419. See Note 420. See Note 421. See Note 422. See Note 423. See Note 424. See Note 425. See Note 426. See Note 427. See Note 428. See Note 429. See Note 430. See Note 431. See Note 432. See Note 433. See Note 434. See Note 435. See Note 436. 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See Note 508. See Note 509. See Note 510. See Note 511. See Note 512. See Note 513. See Note 514. See Note 515. See Note 516. See Note 517. See Note 518. See Note 519. See Note 520. See Note 521. See Note 522. See Note 523. See Note 524. See Note 525. See Note 526. See Note 527. See Note 528. See Note 529. See Note 530. See Note 531. See Note 532. See Note 533. See Note 534. See Note 535. See Note 536. See Note 537. See Note 538. See Note 539. See Note 540. See Note 541. See Note 542. See Note 543. See Note 544. See Note 545. See Note 546. See Note 547. See Note 548. See Note 549. See Note 550. See Note 551. See Note 552. See Note 553. See Note 554. See Note 555. See Note 556. See Note 557. See Note 558. See Note 559. See Note 560. See Note 561. See Note 562. See Note 563. See Note 564. See Note 565. See Note 566. See Note 567. See Note 568. See Note 569. See Note 570. See Note 571. See Note 572. See Note 573. See Note 574. See Note 575. See Note 576. See Note 577. See Note 578. See Note 579. See Note 580. See Note 581. See Note 582. See Note 583. See Note 584. See Note 585. See Note 586. See Note 587. See Note 588. See Note 589. See Note 590. See Note 591. See Note 592. See Note 593. See Note 594. See Note 595. See Note 596. See Note 597. See Note 598. See Note 599. See Note 600. See Note 601. See Note 602. See Note 603. See Note 604. See Note 605. See Note 606. See Note 607. See Note 608. See Note 609. See Note 610. See Note 611. See Note 612. See Note 613. See Note 614. See Note 615. See Note 616. See Note 617. See Note 618. See Note 619. See Note 620. See Note 621. See Note 622. See Note 623. See Note 624. See Note 625. See Note 626. See Note 627. See Note 628. See Note 629. See Note 630. See Note 631. See Note 632. See Note 633. See Note 634. See Note 635. See Note 636. See Note 637. See Note 638. See Note 639. See Note 640. See Note 641. See Note 642. See Note 643. See Note 644. See Note 645. See Note 646. See Note 647. See Note 648. See Note 649. See Note 650. See Note 651. See Note 652. See Note 653. See Note 654. See Note 655. See Note 656. See Note 657. See Note 658. See Note 659. See Note 660. See Note 661. See Note 662. See Note 663. See Note 664. See Note 665. See Note 666. See Note 667. See Note 668. See Note 669. See Note 670. See Note 671. See Note 672. See Note 673. See Note 674. See Note 675. See Note 676. See Note 677. See Note 678. See Note 679. See Note 680. See Note 681. See Note 682. See Note 683. See Note 684. See Note 685. See Note 686. See Note 687. See Note 688. See Note 689. See Note 690. See Note 691. See Note 692. See Note 693. See Note 694. See Note 695. See Note 696. See Note 697. See Note 698. See Note 699. See Note 700. See Note 701. See Note 702. See Note 703. See Note 704. See Note 705. See Note 706. See Note 707. See Note 708. See Note 709. See Note 710. See Note 711. See Note 712. See Note 713. See Note 714. See Note 715. See Note 716. See Note 717. See Note 718. See Note 719. See Note 720. See Note 721. See Note 722. See Note 723. See Note 724. See Note 725. See Note 726. See Note 727. See Note 728. See Note 729. See Note 730. See Note 731. See Note 732. See Note 733. See Note 734. See Note 735. See Note 736. See Note 737. See Note 738. See Note 739. See Note 740. See Note 741. See Note 742. See Note 743. See Note 744. See Note 745. See Note 746. See Note 747. See Note 748. See Note 749. See Note 750. See Note 751. See Note 752. See Note 753. See Note 754. See Note 755. See Note 756. See Note 757. See Note 758. See Note 759. See Note 760. See Note 761. See Note 762. See Note 763. See Note 764. See Note 765. See Note 766. See Note 767. See Note 768. See Note 769. See Note 770. See Note 771. See Note 772. See Note 773. See Note 774. See Note 775. See Note 776. See Note 777. See Note 778. See Note 779. See Note 780. See Note 781. See Note 782. See Note 783. See Note 784. See Note 785. See Note 786. See Note 787. See Note 788. See Note 789. See Note 790. See Note 791. See Note 792. See Note 793. See Note 794. See Note 795. See Note 796. See Note 797. See Note 798. See Note 799. See Note 800. See Note 801. See Note 802. See Note 803. See Note 804. See Note 805. See Note 806. See Note 807. See Note 808. See Note 809. See Note 810. See Note 811. See Note 812. See Note 813. See Note 814. See Note 815. See Note 816. See Note 817. See Note 818. See Note 819. See Note 820. See Note 821. See Note 822. See Note 823. See Note 824. See Note 825. See Note 826. See Note 827. See Note 828. See Note 829. See Note 830. See Note 831. See Note 832. See Note 833. See Note 834. See Note 835. See Note 836. See Note 837. See Note 838. See Note 839. See Note 840. See Note 841. See Note 842. See Note 843. See Note 844. See Note 845. See Note 846. See Note 847. See Note 848. See Note 849. See Note 850. See Note 851. See Note 852. See Note 853. See Note 854. See Note 855. See Note 856. See Note 857. See Note 858. See Note 859. See Note 860. See Note 861. See Note 862. See Note 863. See Note 864. See Note 865. See Note 866. See Note 867. See Note 868. See Note 869. See Note 870. See Note 871. See Note 872. See Note 873. See Note 874. See Note 875. See Note 876. See Note 877. See Note 878. See Note 879. See Note 880. See Note 881. See Note 882. See Note 883. See Note 884. See Note 885. See Note 886. See Note 887. See Note 888. See Note 889. See Note 890. See Note 891. See Note 892. See Note 893. See Note 894. See Note 895. See Note 896. See Note 897. See Note 898. See Note 899. See Note 900. See Note 901. See Note 902. See Note 903. See Note 904. See Note 905. See Note 906. See Note 907. See Note 908. See Note 909. See Note 910. See Note 911. See Note 912. See Note 913. See Note 914. See Note 915. See Note 916. See Note 917. See Note 918. See Note 919. See Note 920. See Note 921. See Note 922. See Note 923. See Note 924. See Note 925. See Note 926. See Note 927. See Note 928. See Note 929. See Note 930. See Note 931. See Note 932. See Note 933. See Note 934. See Note 935. See Note 936. See Note 937. See Note 938. See Note 939. See Note 940. See Note 941. See Note 942. See Note 943. See Note 944. See Note 945. See Note 946. See Note 947. See Note 948. See Note 949. See Note 950. See Note 951. See Note 952. See Note 953. See Note 954. See Note 955. See Note 956. See Note 957. See Note 958. See Note 959. See Note 960. See Note 961. See Note 962. See Note 963. See Note 964. See Note 965. See Note 966. See Note 967. See Note 968. See Note 969. See Note 970. See Note 971. See Note 972. See Note 973. See Note 974. See Note 975. See Note 976. See Note 977. See Note 978. See Note 979. See Note 980. See Note 981. See Note 982. See Note 983. See Note 984. See Note 985. See Note 986. See Note 987. See Note 988. See Note 989. See Note 990. See Note 991. See Note 992. See Note 993. See Note 994. See Note 995. See Note 996. See Note 997. See Note 998. See Note 999. See Note 1000.

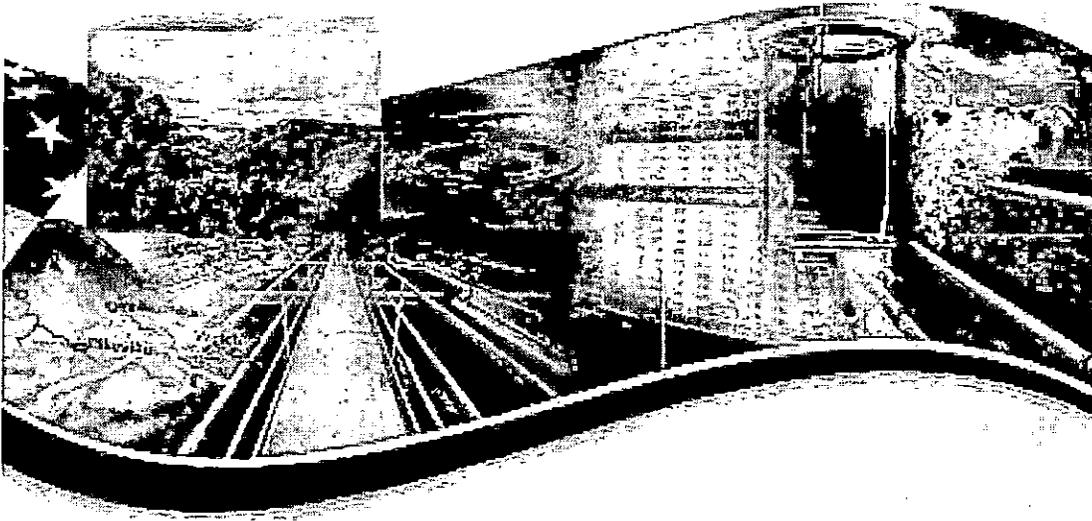
CERTIFICATE HOLDER Mountain Water District 6332 Zebulon Highway P O Box 3157 Pikeville, KY 41601	CANCELLATION NO PART OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE CALL OR DELIVERED IN ACCORDANCE WITH THE POLICY PRINTINGS. BY: <i>B. Scott Beckett</i> 01/22/2016 ACORD CORPORATION. All rights reserved.
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ESG OPERATIONAL DATA REPORT FOR 2015

Appendix D - Statement from Insurance Carrier | 3



STATEMENT OF QUALIFICATIONS
FOR THE

**Operation, Maintenance and Management
of All Facilities**

OWNED BY THE MOUNTAIN WATER DISTRICT
PIKE COUNTY, KENTUCKY



Partnering to Meet the Demands of Today
and the Challenges of Tomorrow

FORM INDICATING EXCEPTIONS TO DRAFT SERVICE CONTRACT

**FORM INDICATING
EXCEPTIONS TO
DRAFT SERVICE CONTRACT**

FORM INDICATING EXCEPTIONS TO DRAFT SERVICE CONTRACT

Mountain Water District
Request for Proposals
Operation, Maintenance & Management

APPENDIX E
EXCEPTIONS TO DRAFT SERVICE CONTRACT

Check one box below:

The proposer takes no exceptions to the Draft Service Contract as provided in Attachment B

The proposer takes the following exceptions to the Draft Service Contract as provided in Attachment B (use as many pages as needed)

1. Consider the addition of the following sentence at the end of Section 1.4: "In consideration of a requested assignment the consent of the DISTRICT shall not unreasonably be withheld."
2. Consider the deletion of the second sentence in Section 1.8 and the substitution of the following sentence: "The services provided under this Agreement are of a professional nature and shall be performed pursuant to good and accepted industry practices and best management practices for similarly situated contract operators providing similar services in the Southeastern United States at similar facilities."
3. Consider the addition of the following paragraph at the conclusion of Section 2.4: "During the term of this Agreement vehicles, equipment and tools purchased directly by the DISTRICT or on behalf of the DISTRICT by the CONTRACTOR utilizing budgeted funds from the Annual Repairs and Replacement Budget described in Section 7.2 of this Agreement shall remain the property of the DISTRICT as provided by Section 1.2. Vehicles, equipment and tools purchased by the CONTRACTOR are and shall be the exclusive property of the CONTRACTOR."
4. Consider the insertion of the following phrase in the first sentence of Section 2.6 following the word 'District': ".....District during the term of this Agreement and shall....."
5. Consider the deletion of the current paragraph of Section 2.7 and the substitution of the following paragraph:
"On or before October 1st of each year the Contractor shall provide an annual schedule for preventive maintenance on all District-owned equipment utilized to execute the scope of





services to be performed by the Contractor in accordance with manufacturer's recommendations or good maintenance practices at intervals and in sufficient detail as may be determined by the District. Monthly reports shall be provided to the District by the Contractor reflecting the preventive maintenance performed for the month in question. Such a maintenance program must include documentation of corrective and preventive maintenance and a spare parts inventory."

6. Consider the deletion of the first sentence of Section 2.21 and the substitution of the following sentence: "Contractor shall be performed pursuant to good and accepted industry practices and best management practices for similarly situated contract operators providing similar services in the Southeastern United States at similar facilities to achieve no more than a fifteen percent (15%) water loss, as directed by the Kentucky Public Service Commission ("PSC")."
7. Consider the deletion of the first sentence of Section 2.24 and the substitution of the following sentence: "To protect the District and allow for continuity of service Contractor will post a surety bond or other surety in an amount mutually agreeable to the District and the Contractor for the contract year in question."
8. Consider the deletion of Section 2.25 and the addition of the provision for Rebate Accounts in Article 7. Refer to numbered Responses 25 and 26.
9. Consider the deletion of Section 2.26 and the addition of the provision for an Annual Repairs and Replacement Budget in Article 7.
10. In Section 2.30 consider the addition of the following phrase at the conclusion of the first sentence: "...appropriate "up to the Annual Repairs and Replacement Budget amount identified in Article 7". Consider deletion of the last sentence of this section and the addition of the following two sentences after the existing second sentence of this Section: "Contractor will develop and implement a Vehicle Access and Easement Maintenance Plan for access to water tanks, pumping stations, lift stations and all other DISTRICT facilities. Contractor shall maintain said access on an annual basis in conjunction with the provisions of the Plan and up to the Annual Repairs and Replacement Budget amount identified in Article 7."
11. Consider the deletion of the first sentence of Section 2.31 and the substitution of the following sentence: "Contractor shall offer employment to all District employees, subject to customary background checks and the Contractor's established drug testing policy, at their current rate of pay or higher."
12. Consider the deletion of the first sentence of Section 3.2 and the substitution of the following paragraph: "Within the design and capability of the District's Wastewater Treatment Plant(s), described in Appendix B of this Agreement, Contractor shall manage, operate, and maintain said Plant(s) pursuant to good and accepted industry practices for similarly situated contract operators at similar facilities in the Southeastern United States and subject to wastewater influent meeting the quantity/quality parameters identified in Appendix B, so that the effluent discharged from said Plant(s) meets the requirements specified in Appendix C-1 of this Agreement."





13. Consider the addition of the following phrase at the beginning of the first sentence of Section 3.3: "Subject to up to the Annual Repairs and Replacement Budget amount identified in Article 7....."
14. Consider the addition of the following phrase at the beginning of the first sentence of Section 3.4: Subject to the Rebate Account Budget amounts identified in Article 7....."
15. Consider the deletion of the first sentence of Section 4.2 and the substitution of the following paragraph: "Within the design and capability of the District's Water Treatment Plant described in Appendix B of this Agreement, ESG shall manage, operate, and maintain said Plant, subject to the raw water supply for the Plant meeting the quantity and quality parameters identified in said Appendix B, so that the drinking water pumped into the distribution system is in accordance with the requirements specified in Appendix C 2 of this Agreement pursuant to good and accepted industry practices and best management practices for similarly situated contract operators providing similar services in the Southeastern United States at similar facilities.
16. Consider the addition of the following phrase at the beginning of the first sentence of Section 4.4: "Subject to up to the Annual Repairs and Replacement Budget amount identified in Article 7....."
17. In Section 4.5 Consider the addition of the following phrase at the beginning of the first sentence of Section 4.5: Subject to the Rebate Account Budget amounts identified in Article 7....."
18. Consider deleting "and" at the conclusion of the first sentence of Section 5.3 and adding the following sentence at the conclusion of the section: "The daily operation and maintenance functions of the Contractor shall be performed pursuant to good and accepted industry practices and best management practices for similarly situated contract operators providing similar services in the Southeastern United States wastewater collection and water system distribution infrastructure and facilities."
19. In Section 6.1 consider the deletion of the third sentence and the substitution of the following: "Any loss, damage or injury resulting from the DISTRICT's failure to provide funding for a capital improvement as reasonably requested of the DISTRICT by the CONTRACTOR shall be the sole responsibility of the DISTRICT provided that the CONTRACTOR has timely notified the DISTRICT of the need for the Capital Expenditure and has provided sufficient lead time for the acquisition and utilization of said capital improvement." Consider the deletion of the last sentence of the Section given the provisions of Section 10.
20. Consider deleting the words per week at the end of the first sentence of Section 6.8 and substituting the words:hours "in an given week and not on average".
21. In Section 6.9 consider the deletion of the word 'additional' before the phrase Capital Expenditures and the addition of the phrase: in the event such Costs are in excess of the applicable Rebate Account Budget amount identified in Article 7....."
22. Consider the deletion of Section 7.1 and the substitution of this paragraph: "Contractor's compensation under this Agreement shall consist of an annual Base Fee as set forth herein. The Base Fee for the period of July 17, 2016 through December 31, 2016 shall be \$ _____ (\$





per month). The Base Fee for 2017 shall be \$ _____ (\$ _____ per month). The Base Fee for 2018 shall be \$ _____ (\$ _____ per month). The Base Fee for 2019 shall be \$ _____ (\$ _____ per month). The fee for 2020 shall be a two percent (2%) increase over the prior year of 2019. The fee for 2021 shall be a one percent (1%) increase over the fee for 2020."

23. Consider the deletion of the first paragraph of Section 7.2 and the substitution of the following paragraphs: "The DISTRICT agrees to furnish to the CONTRACTOR all necessary materials, supplies and repair parts ("Repair Parts"). The DISTRICT and CONTRACTOR agree to establish annually an Annual Repairs and Replacement Budget for funding the DISTRICT's purchase of Repair Parts from the CONTRACTOR. For the Contract Year of July 17, 2016 through December 31, 2016, said budget shall be _____ Dollars (\$00). This amount is included and shall be collected as part of the Base Fee as provided by Section 7.1 of this Agreement. Collected funds in the Annual Repairs and Replacement Budget account shall be the property of the DISTRICT and shall be expended as a credit against any monthly invoice for materials, supplies, repair parts, outside contractors and any applicable sales tax. However, expenditure amounts for any item exceeding \$1,500 or any material supply or repair costs which exceed the budget established by this Section 7.2 shall be approved by the DISTRICT prior to the CONTRACTOR incurring the costs. CONTRACTOR will notify the DISTRICT when actual Repair Parts expenditures equal eighty (80%) of the Annual Repairs and Replacement Budget for the Contract Year in question. CONTRACTOR shall invoice the DISTRICT at the conclusion of each month for one hundred percent (100%) of any amount expended in excess of the funds available in the Annual Repairs and Replacement Budget and the DISTRICT shall pay CONTRACTOR in accordance with the provisions of Section 8.2."

"Each month during this Contract Year CONTRACTOR will provide the DISTRICT with a detailed Repair Parts invoice for those materials, supplies or parts sold to the DISTRICT during the month in question. The parties acknowledge that the materials, supplies and parts listed on the monthly invoice, by virtue of the terms of this Agreement, shall be the property of and titled in the DISTRICT upon delivery to any facility of the DISTRICT. The DISTRICT shall furnish and make available such materials, supplies and parts to CONTRACTOR for the repair, maintenance and improvement of the Project and CONTRACTOR shall use said materials, supplies and parts solely for the Project. A final reconciliation of reimbursements in accord with the stated Annual Repairs and Replacement Budget shall be made following December 31, 2016, the date upon which this contract period concludes. Any amount not expended during this Contract Year will be reimbursed to the DISTRICT within 60 days of the expiration of said period."

24. Consider the renumbering of Section 7.3 to 7.6, Section 7.4 to Section 7.9 and Section 7.5 to 7.10 and the insertion of new Sections 7.3 through 7.7 as follows:





25. "7.3 "The DISTRICT agrees to furnish to the CONTRACTOR all chemicals necessary for operation of the Project ("Chemicals"). The DISTRICT and CONTRACTOR agree to establish annually an Annual Chemicals Budget for funding the DISTRICT's purchase of Chemicals from the CONTRACTOR. For the Contract Year of July 17, 2016 through December 31, 2016, said budget shall be _____ Dollars (\$00). This amount is included and shall be collected as part of the Base Fee as provided by Section 7.1 of this Agreement. Collected funds in the Chemicals account shall be the property of the DISTRICT and shall be expended as a credit against any monthly invoice for chemicals and any applicable sales tax. CONTRACTOR will notify the DISTRICT when actual Chemical expenditures equal eighty (80%) of the Annual Chemical Budget for the Contract Year in question. CONTRACTOR shall invoice the DISTRICT at the conclusion of each month for one hundred percent (100%) of any amount expended in excess of the funds available in the Annual Chemicals Budget and the DISTRICT shall pay CONTRACTOR in accordance with the provisions of Section 8.2."

"Each month during this Contract Year CONTRACTOR will provide the DISTRICT with a detailed Chemicals invoice for those chemicals sold to the DISTRICT during the month in question. The parties acknowledge that the chemicals listed on the monthly invoice, by virtue of the terms of this Agreement, shall be the property of and titled in the DISTRICT upon delivery to any facility of the DISTRICT. The DISTRICT shall furnish and make available such chemicals to CONTRACTOR for the Project and CONTRACTOR shall use said chemicals solely for the Project. A final reconciliation of reimbursements in accord with the stated Annual Chemicals Budget shall be made following December 31, 2016, the date upon which this contract period concludes. Any amount not expended during this Contract Year will be reimbursed to the DISTRICT within 60 days of the expiration of said period."

7.4 "The DISTRICT agrees to furnish to the CONTRACTOR all water necessary for operation of the Project ("Water"). The DISTRICT and CONTRACTOR agree to establish annually an Annual Water Budget for funding the DISTRICT's purchase of Water. For the Contract Year of July 17, 2016 through December 31, 2016, said budget shall be _____ Dollars (\$00). This amount is included and shall be collected as part of the Base Fee as provided by Section 7.1 of this Agreement. Collected funds in the Water account shall be the property of the DISTRICT and shall be expended as a credit against any monthly invoice for water and any applicable sales tax. CONTRACTOR will notify the DISTRICT when actual Water expenditures equal eighty (80%) of the Annual Water Budget for the Contract Year in question. CONTRACTOR shall invoice the DISTRICT at the conclusion of each month for one hundred percent (100%) of any amount expended in excess of the funds available in the Annual Water Budget and the DISTRICT shall pay CONTRACTOR in accordance with the provisions of Section 8.2."





"Each month during this Contract Year CONTRACTOR will provide the DISTRICT with a detailed Water Invoice for the water purchases during the month in question. A final reconciliation of reimbursements in accord with the stated Annual Water Budget shall be made following December 31, 2016, the date upon which this contract period concludes. Any amount not expended during this Contract Year will be reimbursed to the DISTRICT within 60 days of the expiration of said period."

75. "The DISTRICT agrees to furnish to the CONTRACTOR all electrical service necessary for operation of the Project ("Power"). The DISTRICT and CONTRACTOR agree to establish annually an Annual Power Budget for funding the DISTRICT's purchase of Power. For the Contract Year of July 17, 2016 through December 31, 2016, said budget shall be _____ Dollars (\$00). This amount is included and shall be collected as part of the Base Fee as provided by Section 71 of this Agreement. Collected funds in the Power account shall be the property of the DISTRICT and shall be expended as a credit against any monthly invoice for water and any applicable sales tax. CONTRACTOR will notify the DISTRICT when actual Power expenditures equal eighty (80%) of the Annual Power Budget for the Contract Year in question. CONTRACTOR shall invoice the DISTRICT at the conclusion of each month or one hundred percent (100%) of any amount expended in excess of the funds available in the Annual Power Budget and the DISTRICT shall pay CONTRACTOR in accordance with the provisions of Section 8.2."

"Each month during this Contract Year CONTRACTOR will provide the DISTRICT with a detailed Power Invoice for the electrical service purchases during the month in question. A final reconciliation of reimbursements in accord with the stated Annual Power Budget shall be made following December 31, 2016, the date upon which this contract period concludes. Any amount not expended during this Contract Year will be reimbursed to the DISTRICT within 60 days of the expiration of said period."

76. "The DISTRICT agrees to furnish to the CONTRACTOR all fuel necessary for operation of the Project ("Fuel"). The DISTRICT and CONTRACTOR agree to establish annually an Annual Fuel Budget for funding the DISTRICT's purchase of Fuel. For the Contract Year of July 17, 2016 through December 31, 2016, said budget shall be _____ Dollars (\$00). This amount is included and shall be collected as part of the Base Fee as provided by Section 71 of this Agreement. Collected funds in the Fuel account shall be the property of the DISTRICT and shall be expended as a credit against any monthly invoice for fuel and any applicable sales tax. CONTRACTOR will notify the DISTRICT when actual Fuel expenditures equal eighty (80%) of the Annual Fuel Budget for the Contract Year in question. CONTRACTOR shall invoice the DISTRICT at the conclusion of each month for one hundred percent (100%) of any amount expended in excess of the funds available in the Annual Fuel Budget and the DISTRICT shall pay CONTRACTOR in accordance with the provisions of Section 8.2."





"Each month during this Contract Year CONTRACTOR will provide the DISTRICT with a detailed Fuel invoice for the fuel purchases during the month in question. A final reconciliation of reimbursements in accord with the stated Annual Fuel Budget shall be made following December 31, 2016, the date upon which this contract period concludes. Any amount not expended during this Contract Year will be reimbursed to the DISTRICT within 60 days of the expiration of said period."

7.7 "The DISTRICT agrees to furnish to the CONTRACTOR contracted wastewater capacity in conjunction with the operation of the Project ("Wastewater Capacity"). The DISTRICT and CONTRACTOR agree to establish annually an Annual Wastewater Capacity Budget for funding the DISTRICT's purchase of wastewater capacity. For the Contract Year of July 17, 2016 through December 31, 2016, said budget shall be _____ Dollars (\$00). This amount is included and shall be collected as part of the Base Fee as provided by Section 7.1 of this Agreement. Collected funds in the Wastewater Capacity account shall be the property of the DISTRICT and shall be expended as a credit against any monthly invoice for wastewater capacity and any applicable sales tax. CONTRACTOR will notify the DISTRICT when actual wastewater capacity expenditures equal eighty (80%) of the Annual Wastewater Capacity Budget for the Contract Year in question. CONTRACTOR shall invoice the DISTRICT at the conclusion of each month for one hundred percent (100%) of any amount expended in excess of the funds available in the Annual Wastewater Capacity Budget and the DISTRICT shall pay CONTRACTOR in accordance with the provisions of Section 8.2."

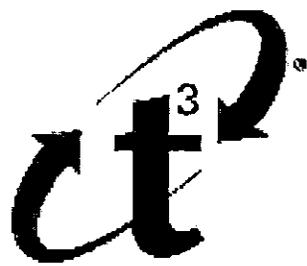
"Each month during this Contract Year CONTRACTOR will provide the DISTRICT with a detailed Wastewater Capacity invoice for the wastewater capacity expenditures during the month in question. A final reconciliation of reimbursements in accord with the stated Annual Wastewater Capacity Budget shall be made following December 31, 2016, the date upon which this contract period concludes. Any amount not expended during this Contract Year will be reimbursed to the DISTRICT within 60 days of the expiration of said period."

26. Consider deletion of Section 7.1 as Maintenance and Repair expenditures are addressed in Section 7.2.

27. Consider deleting the first paragraph of Section 10.1 and substituting the following paragraph:

"Contractor hereby agrees to and shall hold the District harmless and its officers, elected or appointed officials and employees harmless from and against any and all claims, suits, actions, judgments, injuries, damages, losses, costs, expenses and liability of any kind whatsoever, including but not limited to attorney's fees and costs of defense ("Liabilities"), which may arise from or be the result of alleged willful, negligent or tortious conduct of arising out of the services contemplated in this Agreement, performance of contracted services, or operations by the Contractor or anyone for whose acts the Contractor may be directly liable. This indemnity obligation does not include Liabilities caused by or resulting from the sole negligence or gross negligence of the District."





training tools technology
The ESG Difference



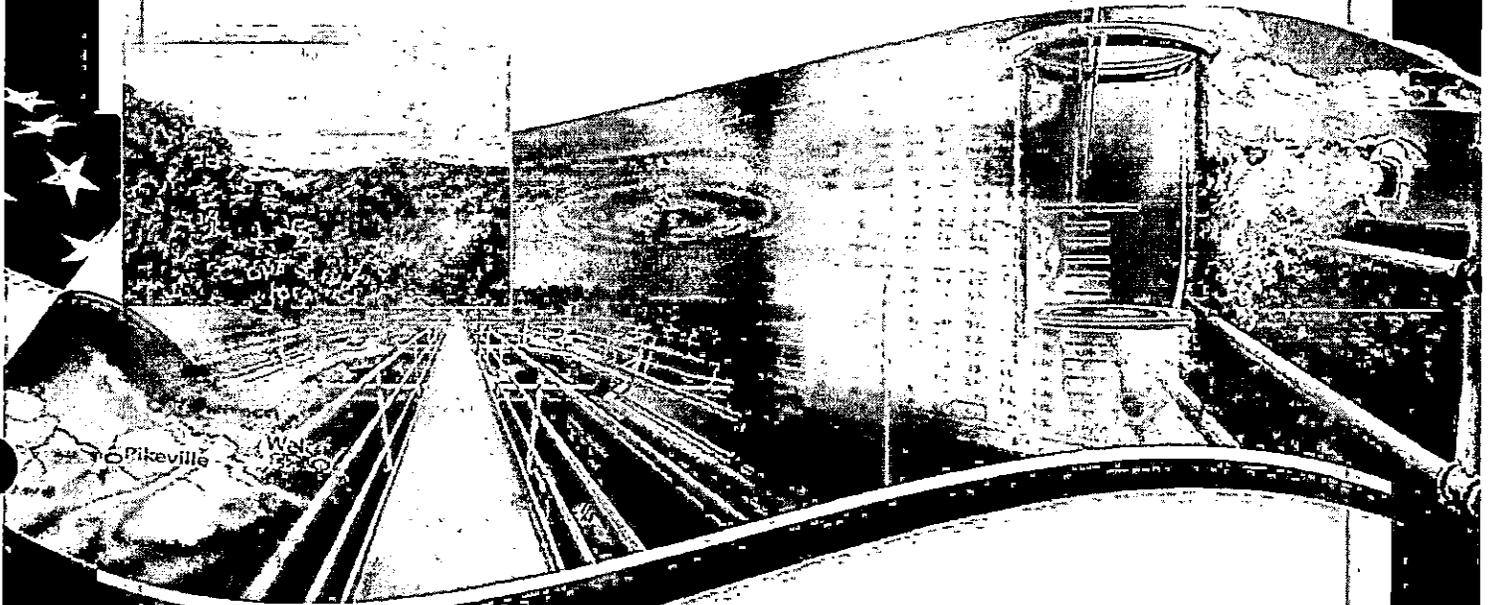
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EXHIBIT "7b"

PRICE PROPOSAL



PRICE PROPOSAL
FOR THE

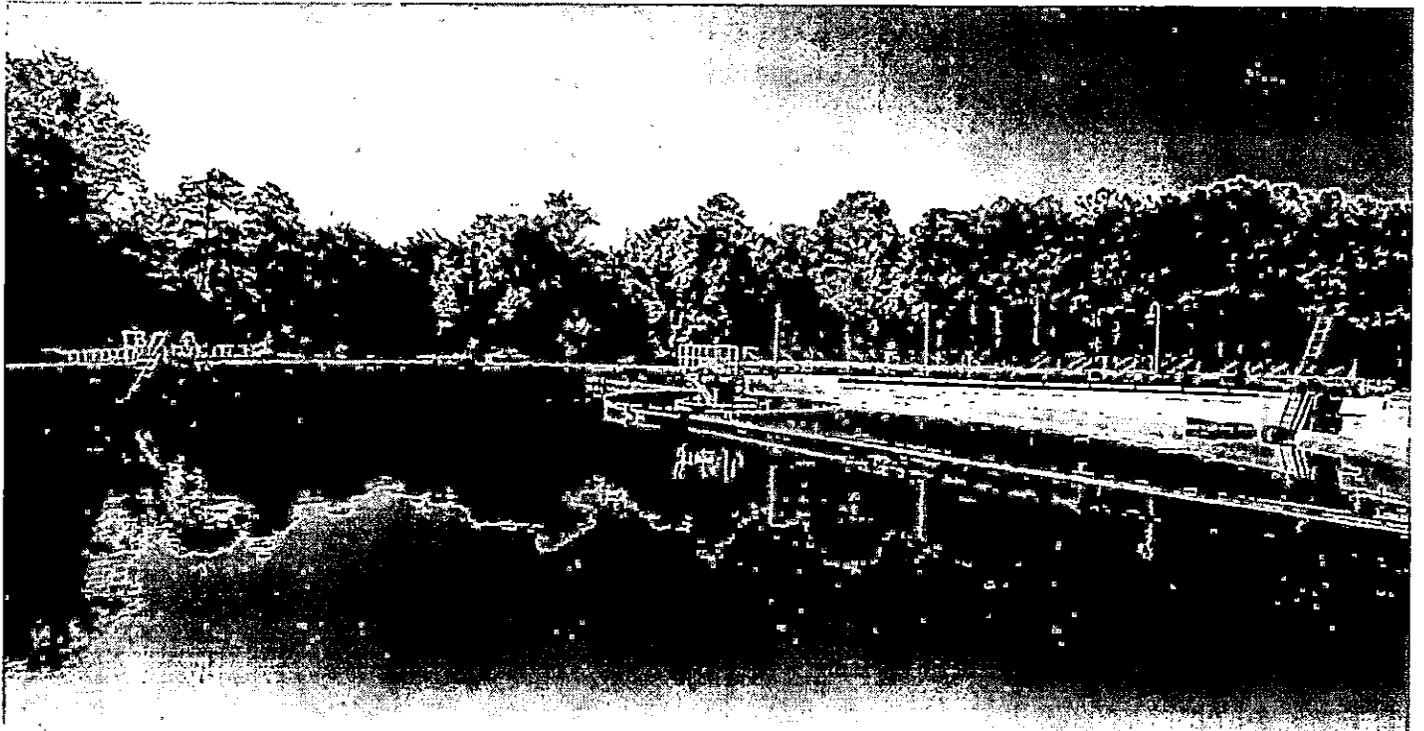
Operation, Maintenance and Management of All Facilities

OWNED BY THE MOUNTAIN WATER DISTRICT
PIKE COUNTY, KENTUCKY



SUBMITTED • JUNE 1, 2016

PRICE PROPOSAL



ESG Operations, Inc. (ESG) is pleased to offer Mountain Water District (“Owner”), this Price Proposal for the management, operation and maintenance of all the Owner’s currently owned facilities (hereinafter “the Utilities”). Our price proposal is based upon the scope of services as described in the Owner’s Request for Proposals (RFP) dated April 2016.

ESG’s proposal guarantees significant service enhancements and cost savings while increasing the reliability and long-term sustainability of the Owner’s utility system. Of critical note, ESG does not produce savings “on the backs” of the employees. In fact, our sense is that the employees’ effectiveness has been minimized by a lack of access to training and investment. So any efforts to reduce costs based on reducing number of staff and/or reducing the average wage/benefits to the employees will be counterproductive from a long term sustainability standpoint. In contrast, ESG’s long term savings will be based on the following:

- Power and chemicals savings, based on ESG’s purchasing power and in-house optimization expertise.
- Reduction in maintenance and repair expenditures by “in-sourcing” more repair activities.
- At the Owner’s request, ESG’s in-house engineers and technical experts partnering the Owner’s consulting engineers to “right-size” and optimize the facility improvements and expansion plans with a focus on energy and operational efficiencies for the multi-million dollar capital projects on the immediate horizon.
- Utilization of ESG’s off-site project support resources, maintenance and management experts.





ESG's industry leading technical experts, tools and training will provide the assurances to the Owner that we will achieve those service enhancements through a highly engaged off-site support team and a full-time on-site project manager. ESG's plan provides significant improvements in the overall management of the water and wastewater facilities, including full implementation of our Capital Management Process with the following components; computerized maintenance management system, predictive maintenance and equipment conditions assessments for all mission critical equipment items. ESG's approach ensures unsurpassed accessibility and accountability for the Owner's management team. As detailed in the Technology Based Solutions section of ESG's Operating Plan, Owner has "real-time" access to maintenance and facility data via ESG's server, so as to provide a greater response to critical situations. ESG's approach will greatly enhance the level of service for the rate-payers and offer a long-term, sustainable plan for the Owner's utility system.

Through ESG, Owner can benefit from expertise and approaches which rival or exceed that provided by the largest international firms, while maintaining the accountability, open communication and responsiveness which is typically associated with a "local" company.

ESG's Comprehensive Approach Provides the Highest Value

The ESG Team provides the proven performance record required to meet or exceed all of the requirements of the RFP. Most importantly, ESG brings a unique approach to the contract operations industry that produces highest value for our clients. Historically, the focus of the contract operations industry has been solely upon reducing operational costs to yield the lowest short term annual O&M cost. This was frequently done by simply minimizing labor costs and any technological investment that didn't produce an immediate payback. While this produced short term O&M savings, it failed to measure the true cost with regard to asset value or long term planning.

ESG recognizes that the real key to minimizing rates is to focus upon overall utility system cost of ownership as opposed to single year O&M. Our unique vision expands the traditional focus beyond single year O&M to manage a utility with multi-year consideration given to efficient O&M, proactive repair and replacement, revenue collections and capital investment/debt. By taking this approach, our clients can confidently make decisions based on input from ESG that yield the lowest life cycle costs and greatest overall value. Anyone can minimize labor costs and produce short term O&M cuts while risking the Owner's multi-million dollar infrastructure. ESG's approach yields highest value and maximum return on investment.





By choosing a partnership with the ESG Team, the Mountain Water District will have a truly committed partner who will provide the expertise, leadership, and technology to meet District's water and wastewater challenges for years to come.

ESG's Approach Generates Immediate and Long-term Savings

ESG's proposal will provide an immediate reduction in the Owner's annual O&M costs due to "in-sourced" repairs, right-sizing capital and through ESG's bulk chemical purchasing power. While the single-year O&M savings is significant, the "hidden" major savings associated with an ESG partnership are the cost avoidance and optimization associated with ESG's approach to managing major repair, replacement and capital improvements projects. ESG's asset preservation is particularly important given the age of the treatment facilities and the pending investment that Owner will make by upgrading the facilities over the next few years. We have saved all of our clients millions of dollars by "right-sizing" and "in-sourcing" major projects.

An overview of both our annual O&M savings as well as structural changes in the proposed contract agreement are summarized as follows:

- 1 Reduced Chemical Costs.** We are confident that we can optimize chemical costs in comparison for the District. This is accomplished in two ways. First, as the largest contract operations firm in the Southeast, we negotiated reduced bulk chemical pricing annually which guarantees ESG the most favorable pricing on all common water and wastewater chemicals. So just using our bulk pricing alone, we will likely reduce the Owner's chemical costs without making any other changes. However, the second cost reduction approach is for ESG's in-house engineering group along with operations experts Mr. David Moore and Mr. Don North, to work with on-site staff to optimize and fine-tune chemical dosages. Because we believe, "you can't manage what you don't measure", we will develop a trend charts and benchmarking data to measure the effectiveness of our optimization strategies.
- 2 Reduced Materials and Supplies Costs.** As ESG has become the most dominant contract operations firm in the Southeast, we have progressively leveraged our buying power to craft discounts on everything from uniforms to lab supplies. This has been particularly important with the downturn in the general economy, and we have been very successful in negotiating and managing these relationships. Our view is that "ESG saves our client's dollars by managing the pennies."





- 3 Reduced Repair & Maintenance Costs.** ESG is the only firm which has integrated a conditions assessment approach into our day-to-day maintenance and repair plan. By using our electrical assessment tools, vibration meters, infrared scanner/camera and alignment tools, we can track/trend critical operating characteristics and dramatically reduce the potential for unplanned failures. Many of our existing clients (including Tifton, Waycross, Warner Robins and Opelika) have seen reductions on the order of 25% in annual repair/replacement expenditures. This happens while overall “equipment availability” increases substantially. Our goal is to replicate the dramatic improvements in overall asset management approach for Ni Pacolet Milliken as we have done at other communities where we have replaced contractors.
- 4 Major Repair and Replacement.** This is the area where ESG can provide significant cost reductions by working with the Owner’s consulting engineer to review and collaborate in the development of water/wastewater improvement projects such that regulatory compliance, system growth and demand, and fiscal/rate objectives are balanced and optimized. Much of these savings come from our “In-Sourcing” of these tasks. This is where we utilize in-house maintenance and other staff to complete task that have been historically “out-sourced” to complete the work at a fraction of the typical cost. Examples of where we have completed similar projects include the following:
- **Influent Screen Replacement at Warner Robins, GA.** ESG self-performed turnkey design/installation services to replace the Owner’s poorly functioning influent screens saving the City over \$250,000 versus the design bid build traditional approach. The Owner’s bar screens require immediate attention.
 - **Replacement of Fine Bubble Aeration System at Warner Robins, GA.** ESG partnered with the Owner’s Engineer to self-perform turnkey design/installation to optimize the Owner’s dilapidated, poorly functioning diffuser system. The work was completed for over \$500,000 less than a typical “design-bid-build” traditional approach by ESG “In-Sourcing” all engineering and installation services using our own staff as opposed to relying on outside contractors.
 - **Renovation of Traveling Bridge Filters, Vidalia, GA.** ESG self-performed a complex belt press, polymer makeup, and sludge conveyance system to replace dilapidated equipment that had reached the end of its useful service life. This project saved the City close to \$1,000,000.
 - **Renovation of Almand Branch WWTP, Rockdale County GA.** ESG self-performed the design and installation of the complete replacement (down to the bare concrete structure) of two traveling bridge filters which had not been operational for over 20 years. We also rehabilitated a pump





station and mitigated some design/operational challenges which had resulted in the entire system being abandoned. The success of this project allowed the City to continue to use their surface water discharge, and effectively cancelled the Owner's plan to convert the plant to a zero-discharge land application system (and saved rate payers approximately \$8 to \$10 million in capital).

- **Renovation of Almand Branch WWTP, Rockdale County GA.** ESG self-performed turnkey permitting, design and construction services to replace influent pump station, RAS pump station, mechanical aerators, install new disc membrane effluent filters, replace clarifier mechanisms and construct new cascade aerator, along with new chemical feed systems for phosphorus removal to meet more stringent discharge limitations. This was done at approximately 30% of the original engineer's recommended plan, saving the County over \$4 million.

- **Aeration Basin Structural Mitigation, RAS Pump Station, Installation of Clarifier Underflow Piping and Traveling Bridge Filters Construction; Waycross, GA.** ESG took over a treatment facility that was not meeting permit, had newly constructed facilities that would not retain water, had major hydraulic "busts" preventing flow to new basins, and with an engineer's recommendation of \$4.5 million for "Phase II Improvements" to correct these deficiencies. ESG developed innovative solutions from both a process, structural and hydraulic standpoint and corrected all of these challenges for approximately \$1.8 million. In addition, ESG's design significantly reduced long term energy and sludge production costs with respect to the original "Phase II Improvements" design.

While ESG's price proposal will have a beneficial impact on long term O&M costs, the major value will be on the major repair/replacement/capital side. While we reduced costs in Vidalia, Georgia, the City officials have repeatedly focused upon the "\$8 to \$10 million in savings by eliminating the planned land application project. In Waycross, the immediate elimination of over \$3,000,000 in capital eclipsed the annual O&M savings. Further, we worked with local industries and landfills and developed an approach to actually market Waycross' excess treatment capacity! Rockdale County has been impacted by the economic downturn just like so many other communities. But they are in much better fiscal condition by avoiding a \$5 million plant improvements project, which would have certainly resulted in a rate increase. With the planned improvements in Owner's water and wastewater facilities,

ESG is the only firm under consideration which has the demonstrated capability of solving these challenges by "in-sourcing" and working in a collaborative manner with Owner's consulting engineers.





ESG's basic service delivery model incorporates business practices, at no cost to Owner, which the Utility would normally incur. These items are not necessarily requirements to running a Utility but are useful tools to assist the Owner in making sound business decisions. Following is a description of several of ESG's added-value items and the value they provide.

- **Repair & Replacement Forecast.** ESG will develop a 12 year repair & replacement forecast to assist the Owner in budgeting future expenditures associated with its water and wastewater facilities. This repair & replacement forecast takes into account current equipment condition, environment unit functioning in and typical service life expectancy to determine repair/replacement needs. Additionally, this forecast is updated annually.
- **Equipment Condition Assessment.** All mission-critical equipment will be analyzed with leading edge technological tools to determine a baseline condition at the Project's inception. Then, condition is documented annually to ensure catastrophic failures do not occur. Each unit will undergo specific analysis to best predict remaining service life.
- **HiperWeb.** Our industry leading CMMS program will allow the Owner to had access to maintenance and operational data on a real-time basis from any smart phone or computer. We will integrate this into a format that can be uploaded into the Owner's asset management database.
- **Emergency Operations Assessment & Emergency Response Plan.** ESG will complete an Emergency Operations Assessment that will identify items and alternative solutions for potential sources of risk exposure that could become evident during an emergency operating condition such as a power failure. The assessment involves:
 - ④ Inventorying instrumentation and control features relating to emergency operations for each facility
 - ④ Inventorying the mechanical/electrical redundancy items (such as quick connects for portable generators or portable pumps, etc.)
 - ④ Documentation of power supply and backup generation capabilities
 - ④ Documentation of noted deficiencies and areas of risk
 - ④ Recommendations for improvements
 - ④ Actions to be taken when an emergency situation occurs will be codified into an "Emergency Response Plan".





Section 2 DETAILS OF OUR PRICE PROPOSAL TO OWNER

ESG's Price Proposal is detailed in accordance with the RFP description of accounts and our cost breakdown is presented in the following base fee section.

In summary, ESG proposes to manage, operate and maintain Owner's water and wastewater facilities for Seven Million, Eight Hundred and Fifty-Six Thousand, and Eight Hundred and Eighty DOLLARS (\$7,856,880), with rebate accounts established for utilities, bulk water purchase, chemicals and repairs. This represents a true "win-win" partnership, that gives the District confidence that they are not paying for something they aren't actually receiving.

ESG's price proposal is segregated into the 12 different categories specified by the RFP. While we are confident in the total "roll-up" cost based on our 56-person FTE staffing plan, it is likely that our actual breakdown relies heavily on gross assumptions regarding staff and resource deployment. The accuracy of this breakdown will be greatly improved as we spend time in the field and have the opportunity to collaborate with the Owner's representatives to further refine our understanding.

The details of our price proposal are included in the following paragraphs.

ESG'S COSTS WILL INCLUDE THE FOLLOWING:

Personnel Services. ESG proposes a 56 person full-time on-site staffing plan, with the team led by an experienced project manager. We also propose the flexibility to adjust our proposed staffing based on input and collaboration with the Owner's representatives, if there is any sense that our staffing approach is inaccurate. This line item includes, but is not limited to, direct labor salaries and wages, overtime, pay differential, longevity, unemployment compensation, holiday pay, meal allowance, educational assistance, hospital, medical, dental plans, life insurance, retirement contributions, sick leave and other costs directly attributable to the employees. Our staffing plan consists of **fifty-six (56) full-time, on-site staff** organized as shown in the Organizational Chart in Section 4, Operations Plan, page 5.

ESG is very receptive to refining our proposed staffing plan, organizational structure and overall deployment of personnel based on collaboration with the Owner's representatives who have extensive institutional knowledge of both the system, and the successes and failures of previous contractors. ESG believes in collaboration and "not making decisions in a vacuum". We feel strongly that the Owner will be best served by strong collaboration with ESG in finalizing all the details of our proposed staffing approach.





Non-Labor Direct Costs. ESG's non-labor direct costs include the following:

- Corporate Engineering and Operations Support.
- General Liability, Pollution Liability, and Umbrella Liability Insurance Policies.
- Training & Travel Costs.
- Uniforms
- Cellphones
- Personal Protective Equipment & Safety Training
- Computer Hardware and Software for ESG-provided operations and maintenance systems.
- Office Supplies to support ESG-scope of work.
- Operating Supplies
- Vehicle Fuel
- Amortization of Owner-Directed Fleet & Equipment Purchase from Existing Contractor.
- Tools

ESG-Funded Rebate Accounts

ESG has established “rebate accounts” for several major line items, as these costs are driven primarily by overall potable water demand and seasonal weather conditions. For instance, during drought conditions, excess water will be produced which directly increases power, chemicals, bulk water purchasing, and sludge generation. However, these increased costs will be accompanied by increased revenue via monthly service fees. Conversely, during wet conditions, demand can be significantly lower and thus the



District will capture 100% of the savings associated with reduced power, chemical, bulk water purchasing costs. As the contract is currently set up, the Contractor actually benefits financially from these reduced direct costs during low demand periods, although he did nothing to create the reduced production condition. Ironically, the District is seeing reduced revenue and possibly even financial challenges when the Contractor's profit is the highest during these low demand periods. ESG proposes a “rebate approach” for these line items which creates a more synergistic partnership. Following the end of each contract year, if the actual costs for each of these rebate accounts is less than the annual budget, 100% of the savings will be rebated back to the Owner. If the actual costs exceed the annual budget, the Owner will be responsible for reimbursing ESG for the overage. The actual expenditures versus budgeted amounts will be reported monthly via ESG's Monthly Client Report as described in the Operating Plan.





- **Power Rebate Account.** This includes all power costs for all District owned facilities within the Scope of Work. ESG proposes an annual Power Rebate Account budget of One Million and One Hundred Four Thousand Dollars (\$1,104,000).
- **Emergency Generator Diesel Fuel Rebate Account,** As this is closely related to electricity, and the frequency and duration of generator operation are largely outside of ESG's control, ESG proposes an annual Emergency Generator Diesel Fuel Rebate Account budget of Twelve Thousand Dollars (\$12,000) per year.
- **Water Purchase and Sewer Charges.** This includes both bulk water and sewer purchases and monthly service fees (if any) for water and sewer charges at any District-owned facilities under ESG's scope of work. ESG proposes an annual Water Purchase and Sewer Charge Rebate Account budget of One Million and One Hundred Fifty-Four Thousand and Four Hundred Dollars (\$1,154,400).
- **Chemicals.** This includes all process chemicals used for water and wastewater treatment at all District facilities. This specifically includes all chemicals used in solids processing, as well as any chemicals used in the collection system (typically for odor control and/or corrosion). This does not include any laboratory chemicals. ESG proposes an annual Chemical Rebate Account budget of Two Hundred Fifty-Five Thousand Dollars (\$255,000).
- **Repairs Parts and Outside Service Contractors.** This includes the costs of all repair parts used in the scope of work, including outside specialty repair contractors up to the \$10,000 upper limit defined in the contract. This also includes all repair costs associated with maintenance and repair of District-owned vehicles and equipment (including tires, oil changes, etc). This also includes costs for storage tank maintenance. ESG proposes an annual Repairs Rebate Account budget of Nine Hundred Sixty Thousand Dollars (\$960,000).
- **Sludge Hauling and Disposal Costs.** This includes both the costs of transporting and tipping fees for the removal of water and wastewater screenings and sludge. ESG proposes an annual Sludge Rebate Account budget of Six Thousand Dollars (\$6,000).
- **Vehicle & Equipment Fuel.** ESG proposes an annual Fuel Rebate Account budget of One Hundred Sixty Four Thousand and Four Hundred Dollars (\$164,400).





OWNERS RESPONSIBILITIES AND DIRECT PAYMENTS:

ESG's Cost Proposal is predicated on the assumption that the Owner will pay the following costs:

- ☐ Vehicle license tags
- ☐ Any State or Local Taxes & Fees
- ☐ Capital Improvements.
- ☐ Reimbursement to ESG of any rebate account exceedances.

See Price Proposal Worksheet/Cost Table on Page 13.





Section 3 FUTURE PRICE ADJUSTMENTS

Future prices will be adjusted based upon negotiation with the Owner and presentation of a reasonable basis for increase.

Per the RFP, ESG has proposed a fixed cost for all direct costs excluding repairs for the initial three years. Our proposed repairs budget is consistent with the recommendations in the RFP. After the initial three years, overall costs are escalated by 2% in the fourth year and 1% in the fifth year.





ATTACHMENT D

Proposer Name: **ESG OPERATIONS, INC**
 Date: **JUNE 2, 2016**

Authorized Signature: *[Handwritten Signature]*

Mountain Water District Request for Proposals Cost Proposal Worksheet				
Category	Year 1	Year 2	Year 3	Total
Raw Salary	\$ 1,908,400	\$ 1,908,400	\$ 1,908,400	\$ 5,725,200
Direct Labor Overhead	\$ 753,155	\$ 753,155	\$ 753,155	\$ 2,259,465
Utilities	\$ 2,280,000	\$ 2,280,000	\$ 2,280,000	\$ 6,840,000
Chemicals	\$ 255,000	\$ 255,000	\$ 255,000	\$ 765,000
Equipment	\$ 166,955	\$ 166,955	\$ 166,955	\$ 500,865
Materials/Supplies	\$ 397,065	\$ 397,065	\$ 397,065	\$ 1,191,195
Outside Services	\$ 25,800	\$ 25,800	\$ 25,800	\$ 77,400
Repair and Maintenance	\$ 960,000	\$ 1,020,000	\$ 1,080,000	\$ 3,060,000
Insurance and Bonds	\$ 156,020	\$ 156,020	\$ 156,020	\$ 468,060
Other (specify)	\$ 286,675	\$ 286,675	\$ 286,675	\$ 860,025
Subtotal Cost of Service	\$ 7,189,070	\$ 7,249,070	\$ 7,309,070	\$ 21,747,210
Corporate Overhead @ 6%	\$ 471,410	\$ 475,400	\$ 479,300	\$ 1,426,110
Profit @ 2.5 %	\$ 196,400	\$ 198,050	\$ 199,670	\$ 594,120
TOTAL PRICE	\$ 7,856,880	\$ 7,922,520	\$ 7,988,040	\$ 23,767,440

Footnotes and Assumptions (list below):

- 1) This does not include the cost of a Performance Bond, which will INCREASE costs by approximately \$ 120,000 per year.
- 2) Workers Comp included under Insurance and Bonds
- 3) Utilities includes bulk water/sewer, power, diesel for emergency generators, and natural gas.
- 4) Pricing includes a network water model developed by ESG's engineering staff
- 5) Other includes telephones, computers, training and certification, travel, laboratory, billing postage, and miscellaneous costs
- 6) Cost for Year 4 proposed at 2% increase = \$8,194,320
- 7) Cost for Year 5 proposed at 1% increase = \$8,248,560



Biography

Gary Larimore

Gary Larimore has been Executive Director of the Kentucky Rural Water Association since its formation in March, 1979. He received both Bachelor of Science and Master of Public Service Degrees from Western Kentucky University in Bowling Green, Kentucky.

Mr. Larimore is responsible for the administration and day-to-day operation of the Association's office and supervision of a seventeen-member staff. These duties include budgeting and financial management, personnel management, and acting as the primary representative with the membership, the board of directors, National Rural Water Association, various funding agencies, and other outside organizations. Additionally, Mr. Larimore serves as Secretary/Treasurer of the Kentucky Rural Water Finance Corporation, which was incorporated in 1995 for the purpose of assisting communities in obtaining competitive financing. Other primary duties include representing the Association's legislative and regulatory interests as a full-time lobbyist and working with state and national water-related groups and organizations.

Mr. Larimore led the Association's efforts in developing the Utility Management Institute, which boast over 557 students and 345 graduates since its inception in 1999. Mr. Larimore is a contributor to the Utility Management Professional Study Guide and is the co-author of the *Kentucky Rural Wastewater Manual for Policymakers*, June 1993; *Kentucky Rural Water Assistance Manual*, January, 1990; *Water System Decision Makers – An Introduction to Water System Operation and Maintenance*, January 1988; and *Conserving Water and Energy – A Manual for Managers of Rural Water Utilities*, September, 1982. He serves on a variety of National Rural Water Association (NRWA) committees.

Gary is a native of Horse Cave, Kentucky. He lives in Warren County, Kentucky with his wife Rita Tufts Larimore, who teaches fifth grade at St. Joseph Catholic School in Bowling Green, Kentucky.

Mountain Water District

PSC 2016-00062

**Consultant's Analysis
of
Contract Management
Proposals**

MEMORANDUM



Utility and Management Consultants

To: Roy Sawyers
From: Ed Wetzel
Copies: Dan Stratton
Subject: Evaluation of Proposals
Date: June 7, 2016

The Mountain Water District (MWD) retained the services of Wetzel Consulting, LLC (WetCon) to develop a Request for Statements of Qualifications and Price Proposals (RFP) for the Operation, Maintenance and Management of all Facilities, evaluate submittals, and make a recommendation to the MWD Board, in accordance with the Kentucky Public Service Commission (PSC) Order No. 2014-00342. This memorandum outlines the RFP process, summarizes the evaluation of proposals, and makes a recommendation to the Board for contractor selection.

RFP Process

A draft RFP was developed by WetCon and reviewed by Roy Sawyers and Dan Stratton for technical accuracy and legal sufficiency. The RFP was advertised by Public Notice in four local and regional newspapers, including the Appalachian News Express, Lexington Herald Leader, Knoxville Sentinel and Charleston Gazette-Mail, for one week beginning on April 30. The public notice indicated that copies of the RFP documents were available on the MWD website or by contacting WetCon by email. Three addenda to the RFP were subsequently developed and also uploaded to the MWD website.

An electronic data room was established by MWD using a Drop Box site. Information concerning the utility and its' operations was uploaded to the site for the use of potential respondents as they prepared their Statement of Qualifications and Price Proposal. This information included system maps, asset inventories, operational costs, staffing, agreements, contracts, audited financials, performance data, PSC Orders and Kentucky audit reports.

A non-mandatory Pre-Proposal Conference was held at the MWD offices on Zebulon Highway in Pikeville on May 11, 2016, at which the RFP process and schedule were reviewed. Roy Sawyers and UMG operations staff attended and answered questions from the other attendees. Representatives from three potential contractors attended the conference:

- ESG Operations, Inc.
- Utility Management Group (UMG)
- Veolia Water North America

A site visit was scheduled for May 17, and representatives from two of the above three firms attended. We were notified at that time that Veolia would not be submitting a proposal for the requested services.

WETZEL CONSULTING, LLC

Questions from the prospective respondents were received on or before May 20, consolidated, and responses sent back to both ESG and UMG via email correspondence on May 25, 2016.

The RFP required two submittals from each proposer, a Statement of Qualifications, and a separately bound Price Proposal for the initial three years of the five-year contract period. The RFP further outlined the format and content of each submittal, as well as the selection criteria and scoring approach. One electronic (pdf format) and one hard copy of each document was required before the deadline of June 1, 2016 at 2:00 pm EDT.

Evaluation Process

A “best value” selection process was utilized in which both price and qualifications are considered in the evaluation of proposals. The RFP outlined five criteria for the evaluation process and the maximum points assigned to each:

- Firm and Key Personnel Experience (25 points)
- Professional References (10 points)
- Financial Capability (5 points)
- Operations Plan (35 points)
- Price Competitiveness (25 points)

An independent review panel was established for the purpose of evaluating each proposal and scoring the responses in accordance with the selection criteria. The review panel members are:

- Edward Wetzel, Principal, Wetzel Consulting
- Greg Heitzman, President, BlueWater Kentucky
- Gary Larimore, Executive Director, Kentucky Rural Water Association

Each reviewer scored both the Statement of Qualifications and Price Proposal for each firm and recorded their scores on a summarized spreadsheet. Review panel members then discussed their evaluations by telephone, consolidated the scores, and reached consensus on a recommendation for selection.

Evaluation Results

The consolidated score sheet showing the scores from all three reviewers is presented at the end of this section. The following is a brief discussion of each criterion and the basis for why each firm was scored as shown.

Overall Impressions. All three reviewers were more favorably impressed by the ESG proposal compared with the UMG documents. Overall presentation quality, level of detail, graphical augmentation and professionalism was superior with the ESG submittal. Both proposals were generally compliant with the requirements of the RFP, including the SOQ layout and page limitations, appendices, and pricing.

Firm and Key Personnel. ESG presented a good deal more company experience in the water utility contract operations business, with 18 similar projects (compared with six for UMG), 12 of which include

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both water and wastewater services. The proposed Project Manager for ESG was considered more experienced and better qualified than the PM for UMG. ESG also presented a number of technical support personnel available through their corporation, including a number of licensed professional engineers. The only disadvantage of the ESG experience is that they have no experience in Kentucky or with the Kentucky PSC.

Professional References. Three references were contacted for each firm, and in all cases, the references provided positive feedback and strong recommendations. The two firms were essentially scored equally in this category.

Financial Capability. Although both firms included three years of company financials in their submittal, neither provided audited or reviewed financials from an independent CPA. Nevertheless, in taking the financial statements at face value shows ESG to have a stronger balance sheet (total assets of \$6.3M vs. \$2.9M for UMG), higher revenues (\$50.5 M in 2015 vs. \$11.8M for UMG), and consistent revenue growth over the past three years. In addition, ESG's revenues are distributed across a larger number of clients than UMG, who receive approximately 2/3 of their revenue from MWD.

Operations Plan. The ESG operations plan was better organized, easier to read, and contained more detail than the UMG plan. Although both plans were somewhat generic, ESG presented details related to integrating operations and engineering, asset management strategies including a proposed metering program, implementation of their in-house Computerized Maintenance Management System (CMMS) for preventative maintenance, the use of internal company experts to augment local staff (including the development of a water distribution system model), and a well-conceived approach to identifying and correcting the non-revenue water problem.

Price Competitiveness. The price proposals were very similar in terms of overall cost for the next three years. The three-year total for both firms was \$23.7M, although ESG did not include their cost of the Payment and Performance Bond in their number. If we add the estimated \$120,000 per year for that bond into their number, the ESG total grows to \$24.2M, or about 2% above the UMG estimate. The scoresheet shown below assumes these numbers, and therefore gives a slight edge in pricing to the UMG proposal. However, there are a number of mitigating circumstances that could actually benefit MWD under an ESG contract, including:

- The relative cost of a Payment and Performance Bond should be less expensive for ESG because of their stronger financials, causing us to question the assumed numbers in the price proposals;
- ESG's lower proposed profit percentage (2.7% vs. 6.3% for UMG) would make any additional services needed less expensive under an ESG contract;
- ESG has proposed a number of added value services and software in their operations plan at no cost to MWD, which they estimate to be worth over \$600,000; and
- A rebate program for the cost of consumables that could benefit MWD, depending on how the risks are allocated and the various contract provisions are modified.

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Mountain Water District									
RFP for Operation, Maintenance and Management									
Evaluation of Proposals									
Criterion	Max Points	UMG				ESG			
		Reviewer #1	Reviewer #2	Reviewer #3	Total	Reviewer #1	Reviewer #2	Reviewer #3	Total
Firm and Key Personnel Experience	25	15	20	15	50	25	23	20	68
Professional References	10	9	10	10	29	9	10	9	28
Financial Capability	5	2	3	1	6	4	4	3	11
Operations Plan	35	15	15	20	50	30	30	30	90
Price Competitiveness	25	25	15	25	75	24	24	24	72
Total Score	100	66	73	71	210	92	91	86	269
Banking		2	2	2	2	1	1	1	1

Recommendation

As demonstrated in the summary scoresheet table shown above, the review panel was very consistent in their evaluation of the two proposals. Scores for ESG ranged from 86 to 92 points (on a 100-point scale), while the range was from 66 to 73 for UMG. The panel therefore reached a unanimous decision that ESG Operations is the top-ranked firm based on their submittals as part of the RFP process. If the District elects to pursue contract management, then we recommend that the MWD Board of Directors direct its staff and legal counsel to initiate discussions with ESG leading to a potential contract for services.

We note that ESG has stated they can be prepared to begin their contract by the July 18, 2016 termination date of the existing UMG contract, which may circumvent the need to convert to District operations on an interim basis. However, ESG provided 34 specific exceptions to the Draft Service Contract in Appendix E of their proposal, which may prolong contract negotiations.