

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

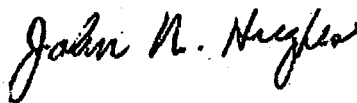
In the Matter of:

APPLICATION OF NORTHERN KENTUCKY)
WATER DISTRICT FOR A CERTIFICATE OF)
CONVENIENCE AND NECESSITY FOR THE) CASE NO. 2012-00583
CONSTRUCTION OF SUB DISTRICT I WATER)
MAIN EXTENSION, FINANCING AND)
SURCHARGE)

RESPONSE TO COMMISSION STAFF'S

FIRST REQUEST FOR INFORMATION

Submitted by:



John N. Hughes
Attorney at Law
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Frankfort, KY 40601
jnhughes@fewpb.net
502 227 7270

1. At paragraph 7 of its Application, Northern District states that the cost of the Sub-District I project ("Project I") is \$919,323. It further states the sources for funding of Project I is \$944,323 as:

2008 State Budget Grant administered by KIA	\$ 500,000
Contribution from Kenton County Fiscal Court	25,000
2007 Bond Anticipation Note ("2007 BANS")	250,000
Customer Contribution	<u>169,323</u>
Total Project Funding	\$ 944,323

Explain the apparent difference in the budget cost and the funding available for Project I.

Answer to #1 – The contribution from the Kenton County Fiscal Court was listed in error, so the project funding budget needs to be reduced by \$25,000, making the total funding budget \$919,323.

2. Northern District proposes to use \$250,000 of its 2007 BANS to fund Project I.

a. State whether Northern District has converted its 2007 BANS into long-term debt.

Answer to 2.a. – Yes -the Northern District has converted BAN 2007 to long-term debt.

b. If the 2007 BANS have been converted into long-term debt, state the date on which the 2007 BANS were converted and provide the case number of the Commission proceeding in which Northern District was authorized to issue the long-term debt.

Answer to 2.b. - Rate Case 2007-00135. The Bonds to convert BAN 2007 were issued on January 1, 2009.

c. State whether Northern District has deposited the \$250,000 of its 2007 BANS into a segregated account specifically established for this project.

Answer to 2.c. – The Northern District has deposited the funds from Bond Series 2009 into a segregated account along with the other projects authorized in Case No. 2007-00135 approved by the Commission. This project was called "Mains into Unserved Areas 2007" on Exhibit O of Case No. 2007-00135.

d. If the response to Item 2(a) is no, describe how Northern District can trace funds obtained from a 2007 BANS issuance to a construction project being constructed in 2013.

Answer to 2.d. – N/A

3. State whether the Water Resource Information System ("WRIS") has assigned the proposed construction project the identifier "WX21117207".

Answer to #3 – Yes, the Water Resource Information System has assigned the proposed construction project identifier – WX21117207

4. a. Describe how Northern District projected customer contributions for Project I at \$169,323. Show all calculations, state all assumptions, and provide all work papers used to make the projection. Provide a detailed calculation supporting Northern District's projected Project I customer contribution of \$169,323.

Answer to 4.a. – The Northern District calculates a present value of the \$30/month surcharge over a 25 year period at 5% interest which equates to \$5,131 for each customer, see attached Exhibit 4. The District projects that 33 of the 66 available customers will connect to the new main shortly after the installation. Any additional customers that connect beyond 33 would lower the surcharge amount. 33 Customers times the present value (\$5,131) equals \$169,323 – estimated customer contribution.

- b. In Exhibit D of the Application, Northern District estimates that a potential 66 new customers could be added in the Project I territory, but estimates that only 50 percent of these potential customers will request service. Describe how Northern District determined that 66 potential customers were in the area.

Answer to 4.b. – The Northern District drove each street that is within the project area and physically counted the existing residential houses.

- c. The WRIS reports that, based upon a survey, approximately 97 households exist in the area to be served by the proposed project. Explain why Northern District estimates a lower number of households in the Project I territory.

Answer to 4.c. – The WRIS information has not been updated to reflect the Northern District's current project. The District is currently working with the Northern Kentucky Area Development District to update this information. Refer to Exhibit 4.

- d. Using the projected customer level of 33, the requested monthly surcharge of \$30, and a 25-year loan term, Commission Staff calculates a potential customer contribution of \$297,000. Explain why \$297,000 is not the appropriate level for the customer contribution component of the Project I funding calculation.

Answer to 4.d. – \$297,000 would be the correct total customer contribution over the life of the loan.

5. a. Northern District states that its tariff allows it to "initiate the extension of mains, but only if the customer pays for 100 feet of the main extension based on the cost of an eight inch main." For Project I, Northern District has determined that each customer would be required to pay an upfront main extension charge of \$6,584. Describe how Northern District arrived at the main extension charge of \$6,584. Show all calculations, state all assumptions, and provide all work papers used to make the projection.

Answer to 5.a. – The Northern District takes the total estimated project cost (\$919,323) and divides it by the project footage (13,964') which equates to a cost/foot of \$65.84. Then we multiply the \$65.84 times 100 feet which equals \$6,584.00, the customer upfront main extension charge.

- b. Dividing the \$6,584 main extension charge by 300 months, the Commission calculates a monthly customer charge of \$21.95. Explain why it is more appropriate to charge each Sub-District I customer a surcharge of \$30 per month rather than a monthly surcharge of \$21.95.

Answer to 5.b. – The \$6,584 is not the appropriate value to use since this was an estimated contribution using the 100' extension method, which is not applicable to this project. The correct projected customer contribution using the \$30 monthly surcharge is \$5,131 per customer. Since this is a present value calculation, interest costs must also be included to arrive at the \$30 value. In question 4d., the commission correctly shows the total revenue requirement over the life of the project.

6. Refer to the Application, Exhibit D at I

- a. State whether the projected revenue of \$17,908 is based on the initial rate adjustment that the Commission authorized in Case No. 2012-00072.

Answer to 6.a. – The projected revenue of \$17,908 is based on Northern District's old rates structure.

- b. If the projected revenue of \$17,908 is not based on the initial rate adjustment that the Commission authorized in Case No. 2012-00072, provide the calculation of the projected revenue using those rates.

Answer to 6.b. – The updated projected revenue is \$18,536.19 based on Case No. 2012-00072. See attached exhibit 6.

- c. Given that Northern District projects an increase in depreciation and debt service of \$73,557, but only an offsetting increase to operating revenues of \$17,908, explain how Project I is financially feasible without a subsidization from Northern District's existing customers.

Answer to 6.c. – The debt service calculation was based upon the total project cost. Actually, only the \$250,000 District contribution should have

been used to calculate the projected debt service. The debt service for the \$250,000 District contribution is \$16,772.88 from BAN 2007. The projected debt service for the \$169,323 customer surcharge contribution is anticipated to be fully offset by the \$30 monthly surcharge, so this should be revenue neutral to Northern District's existing customers. The estimated depreciation value is still \$14,709.15.

The projected revenue for 33 customers is \$18,536.19 as provided in answer 6.b. based upon Northern District's current rates and should cover the cost of debt service on the \$250,000 District contribution. Northern District has not historically required new customers to cover depreciation as part of their initial contribution towards the project costs. This is consistent with other extension methods such as the 50' method, the 100' method and the assessment method.

7. List and describe all factors, in addition to street density, that Northern District considered when developing the boundaries for Sub-District I. For each factor listed, state the weight given to that factor.

Answer to 7. – The Northern District used current street densities (customers/mile) and potential customer interest to develop the boundaries of Sub-District I. Based on the tariff criteria, attached below, if population density is not the primary factor for the extension, other factors are considered. In this case, population density was greater for this area than other areas in the district's service area.

Northern District's Tariff Section XIV-D 2.d. Common geographic characteristics include but are not limited to greater customer population density when compared to other unserved areas within the District's service area. In areas where customer density may be lower than other potentially served areas, factors such as location of customers along the route needed to connect higher density areas, hydraulic improvements to the District's system, geotechnical factors, location of existing distribution facilities, adequate customer participation in the project, financial contributions by a customer or group of customers to fund the extension, availability of sewer service in an area or other similar factors may be used by the District in assessing the feasibility of the subdistrict.

8. Provide a copy of the minutes of each meeting of Northern District's Board of Commissioners in which the proposed Sub-District I was discussed.

Answer to 8. – See attached documents contained in exhibit 8.

9. Provide, if known, the median household income within proposed Sub-District I.

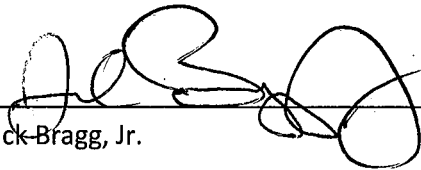
Answer to 9. – Not known.

AFFIDAVIT OF Jack Bragg, Jr.

County of Kenton)
Commonwealth of Kentucky)

Jack Bragg, Jr, after being sworn, states that he is the Vice President of Finance and Support Services of the Northern Kentucky Water District and that the statements contained in the Petition are true and correct to the best of his information and knowledge.

Sworn and acknowledged before me by Jack Bragg, Jr. on the 25th Day of February, 2013



Jack Bragg, Jr.



Notary Public

My Commission Expires on: 2.23-2016

Exhibit 4.a.

Present Value Formula

$$\text{Present Value} = \frac{(1+i)^n - 1}{i(1+i)^n}$$

$$i = 5\% \text{ interest over 12 months} - .05/12 = .004167$$

$$n = 25 \text{ years} * 12 \text{ payments/year} = 300$$

$$\text{Present Value} = \frac{(1+.004167)^{300} - 1}{(.004167)(1+.004167)^{300}}$$

$$\text{Present Value} = \frac{(2.481325)}{(.0145056)}$$

$$\text{Present Value} = 171.06 * \$30 \text{ surcharge} = \$5,131.80$$



Drinking Water Project Profile

Legal Applicant: **Northern Kentucky Water District**

Project Title: **NKWD - Subdistrict I - Unserved and Underserved Project 2**

Project Number: **WX21117207** View Map

Submitted By: **NKADD**

Funding Status: **Partially Funded**

Primary County: **Kenton**

Project Status: **Under Construction**

Planning Unit: **Kenton**

Project Schedule: **0-2 Years**

Multi-County: **Yes**

E-Clearinghouse SAI: **KY200904070650**

ECH Status: **Endorse With Condition**

Applicant Entity Type: **Water District (KRS 74)**

Date Approved (AWMPC): **01-28-2010**

Project Description:

This project will extend water main in various unserved areas of Kenton County on portions of the following streets: Jones Rd, Taylor Mill Road, Dixon Dr.

Need for Project:

Briefly describe how this project promotes public health or achieves and/or maintains compliance with the Clean Water Act or Safe Drinking Water Act:

Supplies potable water to unserved areas.

Project Alternatives:

Alternate A:

Do nothing

Alternate B:

Do nothing

Alternate C:

Do nothing

Legal Applicant:

Entity Type: **Water District (KRS 74)**

PSC Group ID: **7000200**

Entity Name: **Northern Kentucky Water District**

Web URL:

Office EMail: **jbragg@nkywater.org**

Office Phone: **859-426-2758**

Toll Free:

Fax: **859-442-0665**

Mail Address Line 1: **PO Box 18640**

Phys Address Line 1:

Mail Address Line 2:

Phys Address Line 2:

Mail City, State Zip: **Erlanger, KY 41018**

Phys City, State Zip:

Contact: **Jack Bragg**

Manager: **Jack Bragg**

Contact Title:

Manager Title:

Contact EMail: **jbragg@nkywater.org**

Manager EMail: **jbragg@nkywater.org**

Contact Phone: **859-426-2758**

Manager Phone: **859-426-2758**

Contact Cell:

Manager Cell:

Authorized Official: **Jack Bragg**

Auth. Official Title:

Auth. Official EMail: **jbragg@nkywater.org**

Auth. Official Phone: **859-426-2758**

Auth. Official Cell:

Data Source: **KENTUCKY INFRASTRUCTURE AUTHORITY**

Date Last Modified: **01.05.2011**



Drinking Water Project Profile
WX21117207 - Northern Kentucky Water District
NKWD - Subdistrict I - Unserved and Underserved Project 2

Project Administrator (PA) Information

Name: **Richard Harrison**

Title: **Vice President, Engineering**

Organization: **Northern Kentucky Water District**

Address Line 1: **2835 Crescent Springs Rd**

Address Line 2:

City: **Erlanger** State: **KY** Zip: **41018**

Phone: **859-578-5458** Fax:

Applicant Contact (AC) Information

Name: **Richard Harrison**

Title: **Vice President, Engineering**

Organization: **Northern Kentucky Water District**

Address Line 1: **2835 Crescent Springs Rd**

Address Line 2:

City: **Erlanger** State: **KY** Zip: **41018**

Phone: **859-578-5458** Fax:

Project Engineer (PE) Information:

This project requires a licensed Professional Engineer.

License No: **PE 16203**

PE Name: **Richard Benjamin Harrison**

Phone: **859-578-5458** Fax:

E-Mail: **rharr@nkywater.org**

Firm Name:

Addr Line 1: **Northern Kentucky Water District**

Addr Line 2: **2835 Crescent Springs Road**

Addr Line 3:

City: **Erlanger** State: **KY** Zip: **41018**

Status: **Current** Disciplinary Actions: **NO**

Issued: **01-01-2001** Expires: **06-30-2013**



Drinking Water Project Profile
 WX21117207 - Northern Kentucky Water District
 NKWD - Subdistrict I - Unserved and Underserved Project 2

Estimated Budget

Project Cost Classification:

Administrative Exp.:	\$ 2,500
Legal Exp.:	
Land, Appraisals, Easements:	
Relocation Exp. & Payments:	
Planning:	
Engineering Fees - Design:	\$ 38,692
Engineering Fees - Construction:	
Engineering Fees - Inspection:	
Engineering Fees - Other:	
Construction:	\$ 752,738
Equipment:	
Miscellaneous:	\$ 4,104
Contingencies:	\$ 121,289
Total Project Cost:	\$ 919,323

Construction Cost Categories:

Treatment:	
Transmission & Distribution:	\$ 752,738
Source:	
Storage:	
Purchase of Systems:	
Restructuring:	
Land Acquisition:	
Non-Catagorized:	
Total Construction:	\$ 752,738

Total Sustainable Infrastructure Costs:

Note: Total Sustainability Infrastructure Costs are included within construction and other costs reported in this section. This breakout is provided for SRF review purposes.

Project Funding Sources:

Total Project Cost: **\$919,323**
 Total Committed Funding: **\$500,000**
 Funding Gap: **\$419,323 (Partially Funded)**

This project will be requesting SRF funding for Federal FY 2014.

Detailed Project Schedule:

Environmental Review Status:
 RD Approval Date:
 CDBG Approval Date:
 No approval, but Cross-Cutter Scoping Completed:
 Construction Permit Application Date:
 Construction Permit Application Status:
 Estimated Bid Date:
 Estimated Construction Start Date:

Funding Source	Amount	Funding Status	Applicable Date
Local	\$419,323	Unknown	N/A
HB 608 NonCoal Grant	\$500,000	Committed	6/28/2010
Total:	\$919,323		



Drinking Water Project Profile
 WX21117207 - Northern Kentucky Water District
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The following systems are beneficiaries of this project:

DOW PERMIT ID	System Name
KY0590220	Northern Kentucky Water District

Project Ranking by AWMPC:

Regional Ranking(s):

Planning Unit Ranking:

Total Points:

Plans and Specifications:

- Plans and specs have been sent to DOW.
- Plans and specs have been reviewed by DOW.
- Plans and specs have been sent to PSC.
- Plans and specs have been reviewed by PSC.

Demographic Impacts:

	For Project Area	For Included Systems(s)
Serviceable Population	105	236,959
Serviceable households	40	103,443
Med. Household Income	\$54,008	\$52,792

New or Improved Service:

	Survey Based	GIS Census Overlay
To Unserved Households	66	40
To Underserved Households		0
To Total Households	66	40

Economic Impacts:

Jobs Created

Jobs Retained

DW Specific Impacts:

- This project relates to a public health emergency.
- This project will assist a non-compliant system to achieve compliance.
- This project will assist a compliant system to meet future requirements
- This project will provide assistance not compliance related.
- This project will address the terms of the Court Order and/or Agreed Order.
- The system(s) involved with this project have achieved voluntary compliance with violations before being referred for an enforcement case.



Drinking Water Project Profile
 WX21117207 - Northern Kentucky Water District
 NKWD - Subdistrict I - Unserved and Underserved Project 2

Project Inventory (Mapped Features):

Line Features:

DOW Permit ID	Line Type	Purpose	Activity	Size (in.)	Material	Length (LF)
KY0590220	WATER LINE: FINISHED	DISTRIBUTION	EXTENSION	6.00	PVC	18,285
KY0590220	WATER LINE: FINISHED	DISTRIBUTION	EXTENSION	8.00	DUCTILE IRON	13,447
					Total Length	31,732

Administrative Components:

- Planning
 Design
 Construction
 Management

Regionalization Components:

Public Water Systems Eliminated:

- This project includes the elimination of public water system(s) through merger or acquisition.

Water Treatment Plants Eliminated:

- This project includes the elimination of water treatment plant(s) through interconnect(s).

Supplementation of Raw Water Supply:

- This project includes supplementing the existing raw water supply.

Supplementation of Potable Water Supply:

- This project includes supplementing the existing potable water supply.

Emergency Only Water Supply:

- This project provides emergency only water supply.

Water Source Protection:

- This project includes land acquisition for water source protection.



Drinking Water Project Profile
WX21117207 - Northern Kentucky Water District
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Water Treatment Components:

- This project includes water treatment components

Treatment Activities:

- This project includes a new water treatment plant.
- This project includes an expansion of an existing water treatment plant.
- This project includes rehabilitation of an existing water treatment plant.
- This project includes upgrades to an existing water treatment plant.
- This project includes emergency power generators for treatment activities.
- This project includes redundant treatment processes.

Acute Public Health Risk:

- This project includes infrastructure options to meet Cryptosporidium removal/inactivation requirements.
- This project includes infrastructure options to meet CT inactivation requirements.

Chronic Public Health Risk:

- This project includes treatment modifications to meet the Disinfectants/Disinfection Byproducts Rule at the water treatment plant.
- This project will provide treatment modifications for VOCs, IOCs, SOC, or Radionuclides.

Secondary Contaminants:

- This project includes treatment modifications to address Secondary Contaminants.

Security:

- This project includes security components for water treatment facilities.

Water Distribution and Storage:

- This project includes water distribution and/or storage components.

Water Line Extensions:

- This project includes water line extension(s).

Length of extensions: 31,732 LF

Number of new connections: 97

Redundancy Components:

- This project includes emergency power generators for distribution and/or storage activities.

Number of units provided: 0

- This project includes redundant distribution and/or storage processes.



Drinking Water Project Profile
 WX21117207 - Northern Kentucky Water District
 NKWD - Subdistrict I - Unserved and Underserved Project 2

Finished Water Quality:

- This project includes infrastructure to address inadequate water turnover and disinfection byproducts (DBPs).

Number of loops created:

- This project includes a tank mixing system.

Create hydraulic loop

- This project includes infrastructure to address inability to maintain disinfection residual.

Water Line Replacement:

- This project replaces problem water lines (breaks, leaks, or restrictive flows due to age), water lines consisting of lead and/or asbestos-cement (AC), and/or inadequately sized water lines.

Water Storage and Pressure Components:

- This project includes the construction of new water tank(s).
- This project includes the replacement of existing water tank(s).
- This project includes the rehabilitation of existing water tank(s).
- This project includes the construction of new pump station(s).
- This project includes the rehabilitation of existing pump station(s).

Security:

- This project includes security components for water distribution infrastructure.

Sustainable Infrastructure - Green Infrastructure:

Green stormwater infrastructure includes a wide array of practices at multiple scales that manage wet weather and that maintains and restores natural hydrology by infiltrating, evapotranspiring and harvesting and using stormwater. On a regional scale, green infrastructure is the preservation and restoration of natural landscape features, such as forests, floodplains, and wetlands, coupled with policies such as infill and redevelopment that reduce overall imperviousness in a watershed. On the local scale, green infrastructure consists of site and neighborhood-specific practices, such as:

Component	Cost
<input type="checkbox"/> Bioretention	\$0
<input type="checkbox"/> Trees	\$0
<input type="checkbox"/> Green Roofs	\$0
<input type="checkbox"/> Permeable Pavement	\$0
<input type="checkbox"/> Cisterns	\$0
Total Green Infrastructure Cost:	\$0

There are no Green Infrastructure components specified for this project.



Drinking Water Project Profile
 WX21117207 - Northern Kentucky Water District
 NKWD - Subdistrict I - Unserved and Underserved Project 2

Sustainable Infrastructure - Water Efficiency:

The use of improved technologies and practices to deliver equal or better services with less water. Water efficiency encompasses conservation and reuse efforts, as well as water loss reduction and prevention, to protect water resources for the future. Examples include:

Component	Cost
<input type="checkbox"/> Installing or retrofitting water efficient devices such as plumbing fixtures and appliances (toilets, showerheads, urinals).	\$0
<input type="checkbox"/> Installing any type of water meter in previously unmetered areas (can include backflow prevention if in conjunction with meter replacement).	\$0
<input type="checkbox"/> Replacing existing broken/malfunctioning water meters with AMR or smart meters, meters with leak detection, backflow prevention.	\$0
<input type="checkbox"/> Retrofitting/adding AMR capabilities or leak equipment to existing meters.	\$0
<input type="checkbox"/> Conducting water utility audits, leak detection studies, and water use efficiency baseline studies, which are reasonably expected to result in a capital project or in a reduction in demand to alleviate the need for additional capital investment.	\$0
<input type="checkbox"/> Developing conservation plans/programs reasonable expected to result in a water conserving capital project or in a reduction in demand to alleviate the need for capital investment.	\$0
<input type="checkbox"/> Recycling and water reuse projects that replace potable sources with non-potable sources (Gray water, condensate, and wastewater effluent reuse systems, extra treatment or distribution costs associated with water reuse).	\$0
<input type="checkbox"/> Retrofit or replacement of existing landscape irrigation systems to more efficient landscape irrigation systems.	\$0
<input type="checkbox"/> Water meter replacement with traditional water meters.*	\$0
<input type="checkbox"/> Distribution pipe replacement or rehabilitation to reduce water loss and prevent water main breaks.*	\$0
<input type="checkbox"/> Storage tank replacement/rehabilitation to reduce water loss.*	\$0
<input type="checkbox"/> New water efficient landscape irrigation system, where there currently is not one.*	\$0
Total Water Efficiency Cost:	\$0

** Indicates a business case may be required for this item.*

There are no Water Efficiency components specified for this project.

Sustainable Infrastructure - Energy Efficiency:

Energy efficiency is the use of improved technologies and practices to reduce the energy consumption of water projects, use energy in a more efficient way, and/or produce/utilize renewable energy. Examples include:

Component	Cost
<input type="checkbox"/> Renewable energy projects, which are part of a public health project, such as wind, solar, geothermal, and micro-hydroelectric that provides power to a utility.	\$0
<input type="checkbox"/> Utility-owned or publicly-owned renewable energy projects.	\$0
<input type="checkbox"/> Utility energy management planning, including energy assessments, energy audits, optimization studies, and sub-metering of individual processes to determine high energy use areas.	\$0
<input type="checkbox"/> Energy efficient retrofits, upgrades, or new pumping systems and treatment processes (including variable frequency drives (VFDs)).*	\$0
<input type="checkbox"/> Pump refurbishment to optimize pump efficiency.*	\$0
<input type="checkbox"/> Projects that result from an energy efficient related assessment.*	\$0
<input type="checkbox"/> Projects that cost effectively eliminate pumps or pumping stations.*	\$0
<input type="checkbox"/> Projects that achieve the remaining increments of energy efficiency in a system that is already very efficient.*	\$0
<input type="checkbox"/> Upgrade of lighting to energy efficient sources.*	\$0
<input type="checkbox"/> Automated and remote control systems (SCADA) that achieve substantial energy savings.*	\$0
Total Energy Efficiency Cost:	\$0

** Indicates a business case may be required for this item.*

There are no Energy Efficiency components specified for this project.



Drinking Water Project Profile
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 NKWD - Subdistrict I - Unserved and Underserved Project 2

Sustainable Infrastructure - Environmentally Innovative:

Environmentally innovative projects include those that demonstrate new and/or innovative approaches to delivering services or managing water resources in a more sustainable way. Examples include:

Component	Cost
<input type="checkbox"/> Total integrated water resources management planning, or other planning framework where project life cycle costs are minimized, which enables communities to adopt more efficient and cost-effective infrastructure solutions.	\$0
<input type="checkbox"/> Plans to improve water quantity and quality associated with water system technical, financial, and managerial capacity.	\$0
<input type="checkbox"/> Source water protection planning (delineation, monitoring, modeling).	\$0
<input type="checkbox"/> Planning activities to prepare for adaptation to the long-term effects of climate change and/or extreme weather.	\$0
<input type="checkbox"/> Utility sustainability plan consistent with EPA's sustainability policy.	\$0
<input type="checkbox"/> Greenhouse gas inventory or mitigation plan and submission of a GHG inventory to a registry as long as it is being done for an SRF eligible facility.	\$0
<input type="checkbox"/> Construction of US Building Council LEED certified buildings, or renovation of an existing building.	\$0
<input type="checkbox"/> Projects that significantly reduce or eliminate the use of chemicals in water treatment.*	\$0
<input type="checkbox"/> Treatment technologies or approaches that significantly reduce the volume of residuals, minimize the generation of residuals, or lower the amount of chemicals in the residuals.*	\$0
<input type="checkbox"/> Trenchless or low impact construction technology.*	\$0
<input type="checkbox"/> Using recycled materials or re-using materials on-site.*	\$0
<input type="checkbox"/> Educational activities and demonstration projects for water or energy efficiency (such as rain gardens).*	\$0
<input type="checkbox"/> Projects that achieve the goals/objectives of utility asset management plans.*	\$0
Total Environmentally Innovative Cost:	\$0

** Indicates a business case may be required for this item.*

There are no Environmentally Innovative components specified for this project.

Sustainable Infrastructure - Asset Management:

If a category is selected, the applicant must provide proof to substantiate claims. The documents must be submitted to Amanda Yeary (Amanda.Yeary@ky.gov) for DW projects.

Component

- The system(s) has a Capital Improvement Plan or similar planning document.
- The system(s) involved in this project have developed appropriate rate structures to build, operate, and maintain.
- The system(s) involved in this project have specifically allocated funds for the rehabilitation and replacement of aging and deteriorating infrastructure.

There are no Asset Management components specified for this project.

Project Status: Under Construction

Date Approved: 01-28-2010

Date Revised:

Rates Effective 1/1/13**Monthly Bill**

Gallons	Cost	Monthly Fixed Service	Total without Surcharge	Months	# of initial customers	Yearly Revenue
748	\$ 4.14	\$ 13.60	\$ 17.74	12	33	7,025.04
1000	\$ 5.53	\$ 13.60	\$ 19.13	12	33	7,577.36
2000	\$ 11.07	\$ 13.60	\$ 24.67	12	33	9,769.13
3000	\$ 16.60	\$ 13.60	\$ 30.20	12	33	11,960.89
4000	\$ 22.14	\$ 13.60	\$ 35.74	12	33	14,152.66
5000	\$ 27.67	\$ 13.60	\$ 41.27	12	33	16,344.42
6000	\$ 33.21	\$ 13.60	\$ 46.81	12	33	\$ 18,536.19

**Northern Kentucky Water District
Board of Commissioners Meeting
April 21, 2011**

A regular meeting of the Board of Commissioners of the Northern Kentucky Water District was held on April 21, 2011 at the District's facility located at 2835 Crescent Springs Road in Erlanger, Kentucky. All Commissioners were present. Also present were Jack Bragg, Bob Buhrlage, Mary Carol Wagner, Richard Harrison, Jack Hughes, and Brian Dunham. The following individuals also attended the meeting: Don Fritz and Stephanie Allgeyer of Von Lehman & Co. CPAs.

Commissioner Collins called the meeting to order at 12:09 p.m. and Don Fritz led us in the pledge.

The Commissioners reviewed correspondence received and articles published since the last regular Board meeting on March 17, 2011.

On motion of Commissioner Wagner, seconded by Commissioner Koester, the Commissioners unanimously approved the March 2011 minutes subject to the minutes being modified to reflect Commissioner Sommerkamp's absence.

On motion of Commissioner Sommerkamp, seconded by Commissioner Wagner, and after discussion, the Commissioners unanimously approved the expenditures of the District for the month of March.

On motion of Commissioner Koester, seconded by Commissioner Jackson, the Commissioners unanimously approved the District's acceptance of the bid by and awarding a contract to Fred A. Nemann Co., including Alternate B, for the Robbins Street, Greenup Street and 10th Street Water Main Replacement Project, and authorized staff to execute the appropriate contract documents.

On motion of Commissioner Wagner, seconded by Commissioner Sommerkamp, the Commissioners unanimously approved the District's acceptance of the bid by and awarding a contract to Paul Michels and Sons, Inc., for the Silver Avenue Water Main Replacement Project, and authorized staff to execute the appropriate contract documents.

On motion of Commissioner Koester, seconded by Commissioner Jackson, the Commissioners unanimously approved the District's acceptance of the bid by and awarding a contract to Rose Excavating & Development, for the East Walnut Street Water Main Replacement Project, and authorized staff to execute the appropriate contract documents.

On motion of Commissioner Wagner, seconded by Commissioner Sommerkamp, the Commissioners unanimously approved the District's acceptance of the bid by and awarding a contract to G.M. Pipeline, Inc., for the Dixie Highway / West Pike Street Water Main Replacement Project, and authorized staff to execute the appropriate contract documents.

On motion of Commissioner Macke, seconded by Commissioner Sommerkamp, the Commissioners unanimously approved the District's adoption of the written Resolution prepared by Peck Shaffer which approves and authorizes the First Supplemental Assistance Agreement and authorizes the Chairman and Secretary of the District to execute necessary documents, and to otherwise act on behalf of the District to effect such financing.

* On motion of Commissioner Koester, seconded by Commissioner Wagner, the Commissioners unanimously approved the District's acceptance of the bid by and awarding a contract to Viox & Viox, Inc. to design the Sub-District 1 Water Main Extension Project, and authorized staff to execute the appropriate contract documents.

On motion of Commissioner Jackson, seconded by Commissioner Sommerkamp, the Commissioners unanimously approved accepting the bids by and awarding contracts to the following bidders for the following aggregate materials, and authorized the District staff to execute the appropriate contract documents:

Award Recipient

Materials

Bray Trucking

#2 Limestone, #4 Limestone, #57 Limestone, #304 Limestone, #610 Limestone, Channel Lining CLII, Fill Sand, Natural Sand, and Winter Asphalt Mix (Cold Patch)

Kahmann Inc.

Limestone Sand

On motion of Commissioner Wagner, seconded by Commissioner Sommerkamp, the Commissioners unanimously approved the District's acceptance of the bid by and awarding a contract to Halls Paving and Sealing, for the 2011 Asphalt Restoration, and authorized staff to execute the appropriate contract documents.

On motion of Commissioner Sommerkamp, seconded by Commissioner Wagner, the Commissioners unanimously approved the District's acceptance of the bid by and awarding a contract to Ideal Supplies, Inc. for the purchase of flowable fill and concrete, and authorized staff to execute the appropriate contract documents.

On motion of Commissioner Wagner, seconded by Commissioner Jackson, the Commissioners unanimously approved the District's acceptance of the bid by and awarding a contract to Abco, for the purchase of Durable Uniform Apparel with the option to renew the contract for up to two additional one-year terms, and authorized staff to execute the appropriate contract documents.

Mr. Don Fritz of VonLehman & Company, which performed the independent audit of the District for the fiscal year ending December 31, 2010, reviewed the favorable results of the independent auditor's report with the Commissioners.

On motion of Commissioner Sommerkamp, seconded by Commissioner Koester, the Commissioners unanimously approved the District entering into an agreed upon procedures engagement with Von Lehman & Co. for the purpose of proactively testing the District's internal controls and accounting and finance processes, provided that the total contract amount for such services shall not exceed \$14,500 in any given 12-month period, and the District staff is authorized to execute the appropriate contract documents.


Other matters of a general nature were discussed.

On motion of Commissioner Jackson, seconded by Commissioner Wagner, the Commissioners unanimously agreed to go into executive session under the provisions of KRS 61.810(1)(c) to discuss potential or pending litigation against or on behalf of the District and to protect the District's legal interests and strategy in connection with such litigation. The executive session commenced at 2:08 p.m. and ended at 3:35 p.m.

There being no further business to come before the Board, the meeting was adjourned.



CHAIRMAN



SECRETARY

**Northern Kentucky Water District
Board of Commissioners Special Meeting
October 17, 2012**

As a result of scheduling conflicts that resulted in the cancellation of the regular meeting of the Board of Commissioners for October 2012, a special meeting of the Board of Commissioners of the Northern Kentucky Water District was held on October 17, 2012 at the District's facility located at 2835 Crescent Springs Road in Erlanger, Kentucky. All Commissioners were present, except David Spaulding. Also present were Ron Lovan, Jack Bragg, Bob Buhrlage, Bill Wulfeck, Richard Harrison, Jim Dierig, Robert Palmer from KEMI, and Brian Dunham.

Commissioner Wagner called the meeting to order at 12:35 p.m., and Richard Harrison led the pledge of allegiance.

Robert Palmer with KEMI presented a dividend check to the Northern Kentucky Water District and mentioned that the Northern Kentucky Water District would be receiving KEMI's 2012 Destiny Award at a future meeting. The award is given to insured policyholders who, based on having a culture of safety, rank in the top 10 of over 20,000 insured policyholders.

The Commissioners reviewed correspondence received and articles published since the last regular Board meeting on September 25, 2012.

On motion of Commissioner Cunningham, seconded by Commissioner Sommerkamp, the Commissioners unanimously approved the minutes for the special Board meeting held on September 25, 2012.

The Board was provided a copy of the District's check registers, which included the check number, check date, payee, check amount and description of the reason for each payment, detailing the District's expenditures for the period September 1, 2012 through September 30, 2012. On motion of Commissioner Macke, seconded by Commissioner Collins, and after discussion, the Commissioners unanimously approved the expenditures of the District for the month of September 2012.

On motion of Commissioner Collins, seconded by Commissioner Sommerkamp, the Commissioners unanimously approved the District's acceptance of the bid by and awarding a contract to GM Pipeline for the Sub-District I Water Main Extension Project with a total project budget of \$919,323, and authorized staff to execute the appropriate contract documents.

On motion of Commissioner Macke, seconded by Commissioner Cunningham, the Commissioners unanimously approved the execution of a change order with Lonkard Construction Company for \$30,000 related to the Decoursey Avenue asphalt restoration, and authorized staff to execute the appropriate documents.

On motion of Commissioner Sommerkamp, seconded by Commissioner Collins, the Commissioners unanimously approved and adopted the proposed Resolution from the Kentucky

Infrastructure Authority / Division of Water State Revolving Loan Fund, which authorizes the District's Vice President to execute the Loan Application on behalf of the District.

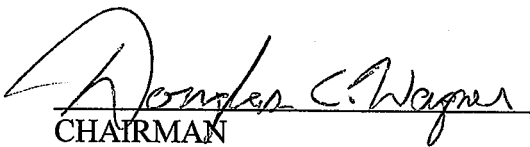
On motion of Commissioner Collins, seconded by Commissioner Cunningham, the Commissioners unanimously approved the District's acceptance of the bid by and awarding a contract to Rumpke of Kentucky, Inc. for the Disposal of Water Treatment Residual Solids and authorizes future renewals of the contract, up to two additional one-year terms, upon agreement of the District's staff and Rumpke of Kentucky, Inc., and authorized staff to execute the appropriate documents.

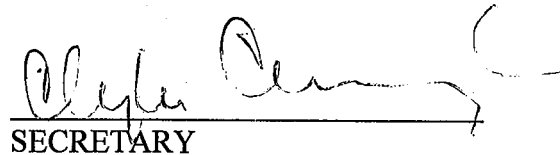
On motion of Commissioner Collins, seconded by Commissioner Cunningham, the Commissioners unanimously approved the District's acceptance of the bid by and awarding a contract to Wessel Lawn Care for the snow removal at District facilities for one year, and authorizes future renewals of the contract, up to two additional one-year terms, upon agreement of the District's staff and Wessel Lawn Care, and authorized staff to execute the appropriate documents.

After a detailed presentation by Mr. Bragg and discussion among the Board, on motion of Commissioner Sommerkamp, seconded by Commissioner Collins, the Commissioners unanimously approved the 2013 Operating and Maintenance (O&M), 2013 Operating Capital, and the Five-Year Capital Projects Budgets (2013-2017).

The Commissioners reviewed the District's financial reports and Department reports. As part of his report, Mr. Harrison reviewed with the Commissioners the status of on-going projects within the 2012 5-Year Capital Budget, including highlighting change orders and expenses incurred to date.

There being no further business to come before the Board, the meeting was adjourned at 3:03 p.m.


CHAIRMAN


SECRETARY