

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY)	
WATER DISTRICT FOR APPROVAL OF)	CASE NO. 2014-00171
DIXIE HIGHWAY WATER MAIN IMPROVEMENTS,)	
ISSUANCE OF A CERTIFICATE OF)	
CONVENIENCE AND NECESSITY AND)	
APPROVAL OF FINANCING)	

APPLICATION FOR APPROVAL OF CONSTRUCTION AND FINANCING

Northern Kentucky Water District (NKWD), by counsel, petitions for an order approving the construction of improvements to the Dixie Highway water main as described below pursuant to KRS 278.020. Approval of the financing pursuant to KRS 278.300 is also requested. The project described in detail below does not involve construction as that term is generally used. Rather, an existing pipeline will be relined with an epoxy coating. The existing main will remain in place and continue to be used. No new pipe will be installed. If it is determined that the project does not need a certificate, NKWD requests an order dismissing this case.

In support of the application, the following information is provided:

1. NKWD's office address is 2835 Crescent Spring Rd., Erlanger, KY 41018-0640. Its principal officers are listed in its current Annual Report on page 6, which is filed with the Commission as are its prior years Reports and is incorporated by reference.

Its contact officer is:

Jack Bragg, Vice President Finance
2835 Crescent Spring Rd.
Erlanger, KY 41018-0640
(859) 578 9898 Phone
(859) 578-3668 fax
jbragg@nkywater.org

2. NKWD is a non-profit water district organized under Chapter 74 and has no separate articles of incorporation;

3. A description of NKWD's water system and its property stated at original cost by accounts is contained in its Annual Report, which is incorporated by reference.

4. NKWD serves retail customers in Kenton, Boone and Campbell Counties and sells water at wholesale to non-affiliated water distribution systems in Kenton, Boone, Pendleton and Campbell Counties.

5. NKWD proposes to repair facilities as described in Exhibit A.

The project involves the structurally re-lining of approximately 7,210 feet of 8-inch water main along Dixie Highway (US 25) in the cities of Erlanger, Elsmere and Florence in Kenton and Boone Counties along with an additional 1,320 feet of 6 and 8-inch water main along various streets within the city of Florence. The majority of the main is cast iron - over 70 years old and has experienced more than 30 breaks over the past 15 years. Due to the condition of this pipe and its criticality to the surrounding area for water supply, it has become necessary to rehabilitate this main using structural lining, or Cured-In-Place-Pipe (CIPP) technology.

The structural lining process has been used in the rehabilitation of water and sewer mains for a number of years and involves the installation of Cured-In-Place Pipe. A CIPP is formed by inserting a resin-impregnated flexible tube into the existing pipe and pressurizing it with hot water or steam to cure the resin into a hard impermeable pipe. The finished product is a fully structural, AWWA Class IV pipe which has been shown to extend the life of the original water main, or "host pipe" up to 50 years or more. Also, because the CIPP is fully structural, it forms a "pipe within a pipe" that is able to provide service even after the host pipe has deteriorated. The lining is approximately 3/8 of an inch thick. It does not significantly affect the flow rate of the main.

There are several key challenges represented within this corridor that make

structural lining the safest and most cost-effective approach. For instance, Dixie Highway is a major access route for commuters, industrial traffic and pedestrians alike with four lanes, no median and little-to-no separation from the sidewalk. There are also several large businesses within this corridor along with a large number of residents. All of this combines to create a significantly congested area that relies heavily on maintaining a steady flow of traffic. Unfortunately, the water main is located within the southbound lane of the roadway for the majority of its alignment making it impossible to perform any maintenance or replacement of the main without disrupting traffic.

Dixie Highway also possesses a very limited ROW (60' wide, 10' lane width) that is already heavily congested with gas, electric, sewer and other utility conduits. In fact, there is a large fiber optic cable that lies almost directly on top of the water main, again, making maintenance and replacement of this main very challenging. When evaluating the options for replacing this water main, such as traditional open-cut, the Kentucky Department of Transportation (KDOT) raised serious concerns with having to close at least one lane of traffic for several months, which would almost certainly be required, and declined to permit such a project. Pipe bursting was also considered. Pipe Bursting uses the forces applied by a reciprocating hammer that is pulled through the inside of the existing water main which causes a percussion action that breaks the water main into pieces. A new water main is pulled in behind the pipe bursting head. Since there are other utilities in close proximity to the water main, this type of operation may damage the other utilities, including fiber optics. Structural lining, however, offers the ability to essentially install a new pipe within the same alignment without having to excavate the entire length of the project. Additionally, the lining process can be segmented and planned with KDOT and the businesses along the corridor to minimize disruption to traffic flow and business operations. KDOT Staff was actually invited to NKWD's first structural lining project to witness the process first-hand and has since been very supportive of applying this technology to the Dixie Highway project.

6. The construction is in the public interest and is required to allow NKWD to continue to provide adequate service to its customers. The project, its cost, need and other details are contained in Exhibit A. The District does not need approval from the DOW for the Plans and Specifications and funding for these improvements as they are classified as repairs. See Exhibit B.

7. The total estimated cost of the total project with engineering, construction, and contingencies is \$1.5M. The project will be funded by PSC Ref. No. 190 "Year 2014 Water Main Replacement Program" as part of BAN 2014 with a total budget of \$3,500,000. The total budget for this project is \$1,530,000, which includes design, construction, contingencies and miscellaneous costs, as well as reimbursements as required from the City of Florence. The District will be providing the required water main appurtenances and materials such as valves, fittings and hydrants for its portion of the project. The materials for NKWD's portion are estimated to cost approximately \$60,000. The anticipated District expense for this project is estimated to be \$1,050,000 including construction, materials and contingencies.

NKWD also requests approval of the accounting treatment of the financing. Based on prior commission decisions, NKWD has expensed water main repairs, including cleaning and relining. In those situations the useful life of the main was not extended. The repairs merely allowed continued use of the main for additional years within its estimated useful life. The relining used for this project actually becomes a permanent part of the existing pipe and extends the useful life of the main by as many as fifty years. Because of this distinction from other main repair projects, NKWD requests that the cost of the project be capitalized rather than expensed.

8. Easements and rights of way are not required, see Exhibit B.

9. This service will not compete with any other utility in the area.

10. The proposed construction project identified in Exhibit A is scheduled to begin construction upon PSC approval and be substantially completed in 5 months, beginning in

July, 2014 and completed in November, 2014. Board approval of the final bids for the project is included in Exhibit C. The bids were opened May 9, 2014 and are subject to acceptance for 90 days. **The bids will expire August 7, 2014.**

11. No new franchises are required. The DOW has determined that the project is a type of maintenance for the water main and therefore is allowed to be approved under NKWD's existing Agreed Order for this type of project.

12. Construction descriptions are in Exhibit A and Bid Documents. Facts relied on to justify the public need are included in the project descriptions in Exhibit A.

13. Maps of the area showing location of the proposed facilities are in Exhibit A.

14. The construction costs will be funded by as described above.

15. Estimated operating costs for operation and maintenance, depreciation and debt service after construction are shown in Exhibit D.

16. A description of the facilities and operation of the system are in Exhibit A.

17. A full description of the route, location of the project, description of construction and related information is in Exhibit A.

18. The start date for construction is July, 2014. The proposed in-service date is November, 2014. The total estimated cost of construction at completion is referenced in Exhibits A, B and D.

19. CWIP at end of test year is listed in the Annual Report incorporated by reference.

20. Plant retirements are listed in Exhibit B and the Annual Report. No salvage values are included as booked.

21. The use of the funds and need for the facilities is justified based on a the engineering report included as Exhibit A

22. No rate adjustment is being proposed.

23. The following information is provided in response to 807 KAR 5:001 (8):

a. Articles of Incorporation – None. NKWD is a statutorily created water

district under KRS Chapter 74;

24. The following information is supplied pursuant to 807 KAR 5:001(9):

a. Facts relied upon to show that the application is in the public interest: See Exhibit A.

25. The following information is provided as required by 807 KAR 5:001 (11):

a. A general description of the property is contained in the Annual Report,
b. No stock is to be issued; No bonds are to be issued in this case;
c. There is no refunding or refinancing;
d. The proceeds of the financing are to construct the property described in Exhibit A.

e. The par value, expenses, use of proceeds, interest rates and other information is not applicable because no bonds are being issued at this time.

26. The following exhibits are provided pursuant to 807 KAR 5:001 (11)(2):

a. There are no trust deeds. All notes, indebtedness and mortgages are included in Exhibit F.

b. Property is to be constructed is described in Exhibit A.

27. The following information is provided pursuant to 807 KAR 5:001(6):

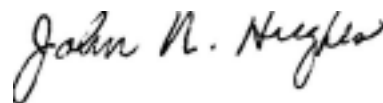
a. No stock is authorized.
b. No stock is issued.
c. There are no stock preferences.
d. Mortgages are listed in Exhibit F.
e. Bonds are listed in Exhibit F.
f. Notes are listed in Exhibit F.
g. Other indebtedness is listed in Exhibit F.
h. No dividends have been paid.
i. Current balance sheet, income statement and debt schedule are attached as Exhibit F.

28. USoA plant accounts are not applicable because no new plant is being added.

29. Depreciation cost, cost of operation after installation and debt service are in Exhibit D.

For these reasons, the District requests issuance of an order granting authority to construct and finance the facilities and for any other authorization that may be necessary.

SUBMITTED BY:



John N. Hughes
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Frankfort, KY 40601

Attorney for Northern
Kentucky Water District
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LIST OF EXHIBITS

Section 8(1)	Full name and post office address of applicant and a reference to the particular provision of law requiring Commission approval.	Application
Section 8(2)	The original and 10 copies of the application with an additional copy for any party named therein as an interested party.	yes
Section 8(3)	If applicant is a corporation, a certified copy of the Articles of Incorporation and all amendments thereto <u>or</u> if the articles were filed with the PSC in a prior proceeding, a reference to the style and case number of the prior proceeding.	n/a
Section 9(2)	1. The facts relied upon to show that the proposed new construction is or will be required by public convenience or necessity.	Exhibit A

2. Copies of franchises or permits, if any, from the proper public authority for the proposed new construction or extension, if not previously filed with the commission.	Exhibit B
3. A full description of the proposed location, route, or routes of the new construction or extension, including a description of the manner in which same will be constructed, and also the names of all public utilities, corporations, or persons with whom the proposed new construction or extension is likely to compete.	Exhibit A
4. Three (3) maps to suitable scale (preferably not more than two (2) miles per inch) showing the location or route of the proposed new construction or extension, as well as the location to scale of any like facilities owned by others located anywhere within the map area with adequate identification as to the ownership of such other facilities.	Exhibit A
5. The manner, in detail, in which it is proposed to finance the new construction or extension.	Exhibits A, D
6. An estimated cost of operation after the proposed facilities is completed.	Exhibit D

KRS 322.340	Engineering plans, specifications, plats and report for the proposed construction. The engineering documents prepared by a registered engineer, requires that they be signed, sealed, and dated by an engineer registered in Kentucky.	Exhibit A
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Section 8(1)	Full name and post office address of applicant and a reference to the particular provision of law requiring Commission approval.	Application
Section 8(2)	The original and 10 copies of the application with an additional copy for any party named therein as an interested party.	yes

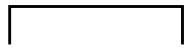
Section 8(3)	If applicant is a corporation, a certified copy of the Articles of Incorporation and all amendments thereto <u>or</u> if the articles were filed with the PSC in a prior proceeding, a reference to the style and case number of the prior proceeding.	n/a
KRS 278.300(2)	Every financing application shall be made under oath, and shall be signed and filed on behalf of the utility by its president, or by a vice president, auditor, comptroller or other executive officer having knowledge of the matters set forth and duly designated by the utility.	Application
807 KAR 5:001: Section 11(1)(a)	Description of applicant's property. Statement of original cost of applicant's property and the cost to the applicant, if different.	Annual Rpt
Section 11(1)(b)	If stock is to be issued: and kinds to be issued. --Description of amount and kinds to be issued. --If preferred stock, a description of the preferences.	none
	If Bonds or Notes or Other Indebtedness is proposed: --Description of the amount(s) --Full description of all terms --Interest rates(s) --Whether the debt is to be secured and if so a description of how it's secured.	none
Section 11(1)(c)	Statement of how proceeds are to be used. Should show amounts for each type of use (i.e., property, debt refunding, etc.)	Exhibit F
807 KAR 5:001: Section 11(1)(d)	If proceeds are for property acquisition, give a full description thereof. Supply any contracts.	Exhibit A
Section 11(1)(e)	If proceeds are to refund outstanding obligations, give: --Par value --Amount for which actually sold	n/a

--Expenses and application of proceeds	
--Date of obligations	
--Total amount	
--Time held	
--Interest rate	
--Payee	
Section 11(2)(a) Financial Exhibit (see below)	
Section 11(2)(b) Copies of all trust deeds or mortgages. If previously filed, state case number.	Annual Rpt
Section 11(2)(c) If Property to be acquired:	Exhibit A
--Maps and plans of property.	
Section 11(2)(c) --Detailed estimates by USOA account number.	Exhibit D

ALL INFORMATION BELOW IN SECTIONS 6(1) THROUGH 6(9) SHOULD COVER THE PERIOD ENDING NOT MORE THAN 90 DAYS PRIOR TO DATE ON WHICH APPLICATION WAS FILED:

807 KAR 5:001	
Section 6(1) Amount and types of stock authorized.	None
Section 6(2) Amount and types of stock issued and outstanding.	None
Section 6(3) Detail of preference terms of preferred stock.	None
Section 6(4) <u>Mortgages:</u>	Exhibit F
--Date of Execution	
--Name of Mortgagor	
--Name of Mortgagee or Trustee	
--Amount of Indebtedness Secured	
--Sinking Fund Provisions	
Section 6(5) <u>Bonds</u>	Exhibit F
--Amount Authorized	

	--Amount Issued	
	--Name of Utility Who Issued	
	--Description of Each Class Issued	
	--Date of Issue	
	--Date of Maturity	
	--How Secured	
	--Interest Paid in Last Fiscal Year	
Section 6(6)	<u>Notes Outstanding:</u>	Exhibit F
	--Date of Issue	
	--Amount	
	--Maturity Date	
	--Rate of Interest	
	--In Whose Favor	
	--Interest Paid in Last Fiscal Year	
Section 6(7)	<u>Other Indebtedness:</u>	
	--Description of Each Class	
	--How Secured	
	--Description of Any Assumption of Indebtedness by Outside Party (i.e., any transfer)	
	--Interest Paid in Last Fiscal Yr.	none
Section 6(8)	Rate and amount of dividends paid during the five (5) previous fiscal years and the amount of capital stock on which dividends were paid each year.	None
Section 6(9)	Detailed income statement and balance sheet.	Exhibits E, F



NORTHERN KENTUCKY
WATER DISTRICT

Project

Dixie Highway Water Main Rehabilitation Project

Kenton and Boone Counties
184-0778

Dixie Highway Water Main Rehabilitation Project 184-0778

Project Description:

The Northern Kentucky Water District (NKWD) received bids on May 9, 2014 to structurally line approximately 8,437 feet of 6 and 8-inch water main along Dixie Highway (US 25), Goodridge Drive and Parkland Place in the cities of Erlanger, Elsmere and Florence in Kenton and Boone Counties. NKWD entered into an Interlocal Cooperative Agreement with the City of Florence to include portions of the City's system within this project with the understanding that NKWD would be reimbursed for any expenses associated with their design and construction. The City's portions were divided into three phases that could be accepted or rejected individually based on the City's available budget. The City elected to only move forward with Phases 1 and 2, bringing the total linear footage of the portions being awarded for this project to 7,548 feet.

The majority of water mains within this area are cast iron, over 70 years old and has experienced more than 30 breaks over the past 15 years. Due to the condition of this pipe and its criticality to the surrounding area for water supply, it has become necessary to rehabilitate this main using structural lining, or Cured-In-Place-Pipe (CIPP) technology.

The structural lining process has been used in the rehabilitation of sewer mains for a number of years and involves the installation of Cured-In-Place Pipe. A CIPP is formed by inserting a resin-impregnated flexible tube into the existing pipe and pressurizing it with hot water or steam to cure the resin into a hard impermeable pipe. The finished product is a fully structural, AWWA Class IV pipe which has been shown to extend the life of the original water main, or "host pipe" up to 50 years or more. Also, because the CIPP is fully structural, it forms a "pipe within a pipe" that is able to provide service even after the host pipe has deteriorated. The lining is approximately 3/8 of an inch thick. It does not significantly affect the flow rate of the main.

The installation process begins by setting up a temporary water system that uses nearby fire hydrants to deliver water to customer's meters while their water main is being lined. The Contractor will then create pit excavations at the beginning and end of the water main section to be lined to serve as access and insertion points for the cleaning and lining equipment. Cured-In-Place-Pipes are unable to line through valves, tees, reducers, or bends over 45° without ruining the fitting. This requires that all such fittings along the water main must be replaced or relocated as part of the project. It will be important therefore to provide accurate plans showing the location of these fittings so that the Contractor can plan their access points at the same locations. After insertion, the liner is filled with hot water or steam that is then circulated for 24 hours. The pipe is then allowed to cool down at which point services are re-opened internally using a remotely-controlled robotic device.

There are several key challenges represented within this corridor that make structural lining the safest and most cost-effective approach. For instance, Dixie Highway is a major access route for commuters, industrial traffic and pedestrians alike with four lanes, no median and little-to-no separation from the sidewalk. There are also several large businesses within this corridor along with a large number of residents. All of this combines to create a significantly congested area that relies heavily on maintaining a steady flow of traffic. Unfortunately, the water main is located within the southbound lane of the roadway for the majority of its alignment which makes it impossible to perform any maintenance or replacement of the main without disrupting traffic. Dixie Highway also possesses a very limited ROW (60' wide, 10' lane width) that is already heavily congested with gas, electric, sewer and other utility conduits. In fact, there is a large fiber

optic cable that lies almost directly on top of the water main, again, making maintenance and replacement of this main very challenging.

When evaluating the options for replacement, such as traditional open-cut, the Kentucky Department of Transportation (KDOT) raised serious concerns with having to close at least one lane of traffic for several months, which would almost certainly be required, and declined to permit such a project. Pipe bursting was also considered. Pipe Bursting uses the forces applied by a reciprocating hammer that is pulled through the inside of the existing water main which causes a percussion action that breaks the water main into pieces. A new water main is pulled in behind the pipe bursting head. Since there are other utilities in close proximity to the water main, this type of operation may damage the other utilities. Given the proximity of the fiber optic cable to the water main, it was decided that it would not be possible to perform this method without destroying the cable.

Structural lining, however, only requires excavations only in strategic locations (i.e. tees, valves, bends, etc.) and offers the ability to essentially install a new pipe within the same alignment. Services up to two inches in size are also able to be reinstated from inside the pipe using a robotic device. The amount of excavation, restoration and traffic control required by this process, therefore, is significantly less in comparison to open-cut. Additionally, the lining process can be segmented and coordinated with KDOT and the businesses along the corridor to minimize disruption to traffic flow and business operations. The Northern Kentucky Water District, the District's Engineer, the City of Florence and KDOT have already met several times to discuss this project and prepare a comprehensive traffic plan.

Bids for this project were opened on May 9, 2014 and are subject to acceptance for 90 days. Therefore, the bids will expire on August 7, 2014

NORTHERN KENTUCKY WATER DISTRICT
Dixie Highway Water Main Rehabilitation Project
184-0778

TABLE OF CONTENTS

Project Description

<u>EXHIBIT</u>	<u>TITLE</u>
A	ENGINEERING REPORTS AND INFORMATION (1) Project map (2) Engineer's opinion of probable total construction cost; (3) Plans titled "Dixie Highway Water Main Rehabilitation" dated May 2014, sealed by a P.E. (4) Specifications titled "Dixie Highway Water Main Rehabilitation" dated May 2014, sealed by a P.E.
B	Certified statement from an authorized utility Official confirming: (1) Affidavit (2) Franchises (3) Plan review and permit status (4) Easements and Right-Of-Way status (5) Construction dates and proposed date in service (6) Plant retirements
C	BID INFORMATION AND BOARD RESOLUTION Bid tabulation, Engineer's recommendation of award, Board Meeting Minutes.
D	PROJECT FINANCE INFORMATION Customers added and revenue effect, Debt issuance and source of debt, Additional costs and operating and maintenance, USoA plant account, Depreciation cost and debt service after construction.
E	SCHEDULE OF MORTGAGES, BONDS, NOTES, AND OTHER INDEBTEDNESS
F	CURRENT BALANCE SHEET AND INCOME STATEMENT

NORTHERN KENTUCKY
WATER DISTRICT

Project

Dixie Highway Water Main Rehabilitation Project

Kenton and Boone Counties
184-0778

ENGINEERING REPORTS AND INFORMATION

Project Map

Engineer's Opinion of Probable Total Construction Cost

Plans prepared by Cardinal Engineering titled "Dixie Highway Water Main Rehabilitation Project" dated May 2014, sealed by a P.E.

Specifications prepared by Cardinal Engineering titled "Dixie Highway Water Main Rehabilitation Project" dated May 2014, sealed by a P.E.

NORTHERN KENTUCKY
WATER DISTRICT

Project

Dixie Highway Water Main Rehabilitation Project

Kenton and Boone Counties
184-0778

Project Map

0 500 1,000 2,000 Feet

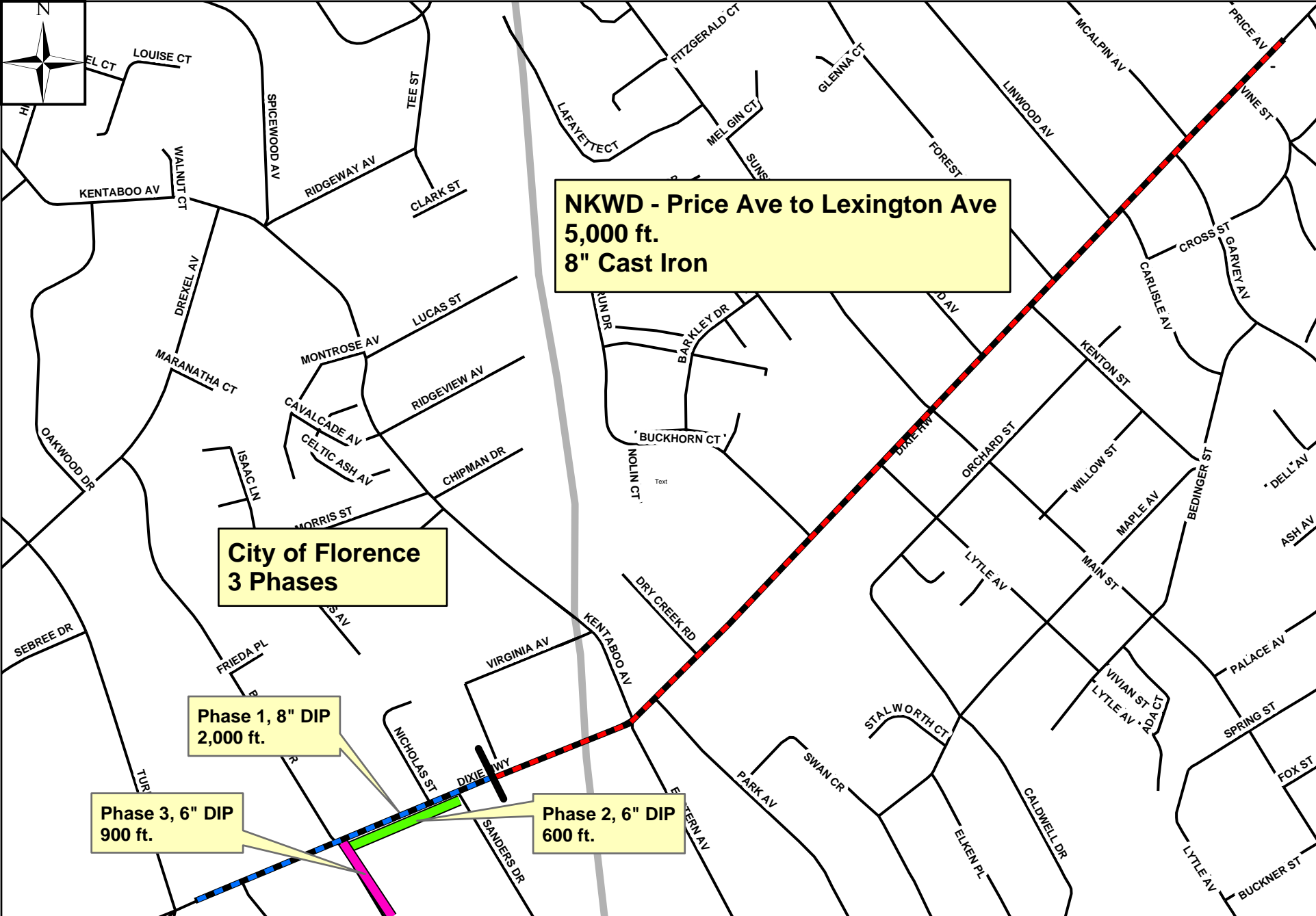
**NKWD - Price Ave to Lexington Ave
5,000 ft.
8" Cast Iron**

**City of Florence
3 Phases**

**Phase 1, 8" DIP
2,000 ft.**

**Phase 3, 6" DIP
900 ft.**

**Phase 2, 6" DIP
600 ft.**



**Dixie Highway Rehabilitation Project
Erlanger and Elsmere, Kenton County
Florence, Boone County**

NORTHERN KENTUCKY
WATER DISTRICT

Project

Dixie Highway Water Main Rehabilitation Project

Kenton and Boone Counties
184-0778

Engineer's Opinion
Of Probable
Construction Cost

DIXIE HIGHWAY CIPP - NKWD PHASE

Engineer's Cost Opinion

Item No.	Description	Unit of Measure	Estimated Quantity	Unit Cost	Total Cost
1	8.06 RENEW FIRE HYDRANT ASSEMBLY	EA	4	\$ 4,000.00	\$ 16,000.00
2	9.04 RENEW DUCTILE IRON RESILIENT SEATED GATE VALVE (4")	EA	1	\$ 800.00	\$ 800.00
3	9.04 RENEW DUCTILE IRON RESILIENT SEATED GATE VALVE (6")	EA	9	\$ 900.00	\$ 8,100.00
4	9.04 RENEW DUCTILE IRON RESILIENT SEATED GATE VALVE (8")	EA	33	\$ 1,200.00	\$ 39,600.00
5	9.04 RENEW DUCTILE IRON RESILIENT SEATED GATE VALVE (12")	EA	2	\$ 1,300.00	\$ 2,600.00
6	10.09 REINSTATE SERVICE CONNECTIONS	EA	94	\$ 500.00	\$ 47,000.00
7	11.09 REDUCER (8" x 12")	EA	2	\$ 300.00	\$ 600.00
8	11.16 PROVIDE AND MAINTAIN TEMPORARY WATER SERVICE	LS	1	\$ 90,000.00	\$ 90,000.00
9	11.17 INSTALL CIPP LINING	LF	5056	\$ 154.00	\$778,624.00
10	11.18 ADDITIONAL CIPP ACCESS PIT	EA	1	\$ 3,000.00	\$ 3,000.00
11	12.05 ASPHALTIC CONCRETE MILLING AND PAVING	SY	360	\$ 75.00	\$ 27,000.00
12	12.14 BEST MANAGEMENT PRACTICE	LS	1	\$ 5,000.00	\$ 5,000.00
TOTAL BASE BID				\$	1,018,324.00

DIXIE HIGHWAY CIPP - FLORENCE PHASE 1

Engineer's Cost Opinion

Item No.	Description	Unit of Measure	Estimated Quantity	Unit Cost	Total Cost
1	8.06 RENEW FIRE HYDRANT ASSEMBLY	EA	4	\$ 4,000.00	\$ 16,000.00
2	9.04 RENEW DUCTILE IRON RESILIENT SEATED GATE VALVE (8")	EA	6	\$ 1,200.00	\$ 7,200.00
3	10.09 REINSTATE SERVICE CONNECTIONS	EA	13	\$ 500.00	\$ 6,500.00
4	11.16 PROVIDE AND MAINTAIN TEMPORARY WATER SERVICE	LS	1	\$ 40,000.00	\$ 40,000.00
5	11.17 INSTALL CIPP LINING	LF	1907	\$ 154.00	\$ 293,678.00
6	11.18 ADDITIONAL CIPP ACCESS PIT	EA	1	\$ 3,000.00	\$ 3,000.00
7	12.05 ASPHALTIC CONCRETE MILLING AND PAVING	SY	120	\$ 75.00	\$ 9,000.00
8	12.14 BEST MANAGEMENT PRACTICE	LS	1	\$ 2,500.00	\$ 2,500.00
TOTAL BASE BID				\$	377,878.00

DIXIE HIGHWAY CIPP - FLORENCE PHASE 2

Engineer's Cost Opinion

Item No.	Description	Unit of Measure	Estimated Quantity	Unit Cost	Total Cost
3	8.06 RENEW FIRE HYDRANT ASSEMBLY	EA	1	\$ 4,000.00	\$ 4,000.00
4	9.04 RENEW DUCTILE IRON RESILIENT SEATED GATE VALVE (6")	EA	1	\$ 900.00	\$ 900.00
5	10.09 REINSTATE SERVICE CONNECTIONS	EA	3	\$ 500.00	\$ 1,500.00
7	11.16 PROVIDE AND MAINTAIN TEMPORARY WATER SERVICE	LS	1	\$ 15,000.00	\$ 15,000.00
8	11.17 INSTALL CIPP LINING	LF	585	\$ 154.00	\$ 90,090.00
9	11.18 ADDITIONAL CIPP ACCESS PIT	EA	1	\$ 3,000.00	\$ 3,000.00
13	12.05 ASPHALTIC CONCRETE MILLING AND PAVING	SY	27	\$ 75.00	\$ 2,000.00
14	12.14 BEST MANAGEMENT PRACTICE	LS	1	\$ 2,500.00	\$ 2,500.00
TOTAL BASE BID				\$	118,990.00

DIXIE HIGHWAY CIPP - FLORENCE PHASE 3

Engineer's Cost Opinion

Item No.	Description	Unit of Measure	Estimated Quantity	Unit Cost	Total Cost
3	8.06 RENEW FIRE HYDRANT ASSEMBLY	EA	3	\$ 4,000.00	\$ 12,000.00
4	9.04 RENEW DUCTILE IRON RESILIENT SEATED GATE VALVE (6")	EA	4	\$ 900.00	\$ 3,600.00
5	10.09 REINSTATE SERVICE CONNECTIONS	EA	8	\$ 500.00	\$ 4,000.00
7	11.16 PROVIDE AND MAINTAIN TEMPORARY WATER SERVICE	LS	1	\$ 20,000.00	\$ 20,000.00
8	11.17 INSTALL CIPP LINING	LF	889	\$ 154.00	\$ 136,906.00
9	11.18 ADDITIONAL CIPP ACCESS PIT	EA	1	\$ 3,000.00	\$ 3,000.00
13	12.14 BEST MANAGEMENT PRACTICE	LS	1	\$ 5,500.00	\$ 5,500.00
TOTAL BASE BID				\$	185,006.00

NORTHERN KENTUCKY
WATER DISTRICT

Project

Dixie Highway Water Main Rehabilitation Project

Kenton and Boone Counties
184-0778

Plans titled “Dixie Highway Water Main Rehabilitation Project” dated May 2014, sealed by a P.E.

And

Specifications titled “Dixie Highway Water Main Rehabilitation Project” dated May 2014, sealed by a P.E.

The following items are enclosed separately from this volume in hard copy.

- Plans titled “Dixie Highway Water Main Rehabilitation” dated May 2014, sealed by a P.E.
- Specifications titled “Dixie Highway Water Main Rehabilitation” dated May 2014, sealed by a P.E.

NORTHERN KENTUCKY
WATER DISTRICT

Project

Dixie Highway Water Main Rehabilitation Project

Kenton and Boone Counties
184-0778

CERTIFIED STATEMENTS

Affidavit

Franchises

Plan Review and Permit Status

Easements and Right-of-Way Status

Construction Dates and Proposed Date In Service

Plant Retirements

NORTHERN KENTUCKY
WATER DISTRICT

Project

Dixie Highway Water Main Rehabilitation Project

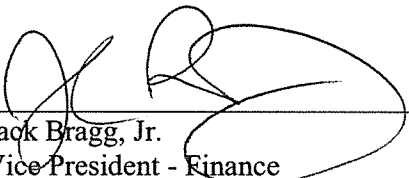
Kenton and Boone Counties
184-0778

Affidavit

AFFIDAVIT

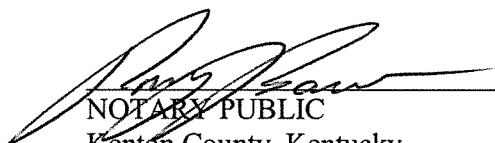
Dixie Highway Water Main Rehabilitation Project

Affiant, Jack Bragg, Jr., being the first duly sworn, deposes and says that he is the Vice President of Finance of the Northern Kentucky Water District, which he is the Applicant in the proceeding styled above; that he has read the foregoing "Dixie Highway Water Main Rehabilitation Project" Application and knows the contents thereof, and that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and that as to those matters he believes them to be true.



Jack Bragg, Jr.
Vice President - Finance
Northern Kentucky Water District

Subscribed and sworn to before me in said County to be his act and deed by Jack Bragg, Jr., Vice President of Finance of the Northern Kentucky Water District, this 10 day of JUNE 2014.



NOTARY PUBLIC
Kenton County, Kentucky
My commission expires 5-23-16

NORTHERN KENTUCKY
WATER DISTRICT

Project

Dixie Highway Water Main Rehabilitation Project

Kenton and Boone Counties
184-0778

Franchises

Plan Review and Permit Status

Easements and Right-of-Way Status

Construction Dates and Proposed Date In Service

Plant Retirements

Franchises required – None

Plan Review and Permit Status - The District has reviewed and approved the plans and specifications prepared by Cardinal Engineering titled “Dixie Highway Water Main Rehabilitation” dated May 2014, sealed by a P.E.

The Division of Water considers this type of rehabilitation to be a form of water main maintenance and therefore does require its approval.

The Kentucky Transportation Cabinet is requesting a traffic plan from the Contractor before issuing a permit to perform the work.

Easements and Right-of-Way Status – No Easements will be required for this project and all right-of-way statements have been submitted.

Start date of construction – July 2014

Proposed date in service – October 2014

Plant retirements – There are no retirements as a result of this project.

NORTHERN KENTUCKY
WATER DISTRICT

Project

Dixie Highway Water Main Rehabilitation Project

Kenton and Boone Counties
184-0778

BID INFORMATION AND BOARD RESOLUTION

Bid Tabulation

Engineer's Recommendation of Award

Board Resolution

NORTHERN KENTUCKY
WATER DISTRICT

Project

Dixie Highway Water Main Rehabilitation Project

Kenton and Boone Counties
184-0778

Bid Tabulation

DIXIE HIGHWAY CIPP - NKWD PHASE											
Item No.	Description	Unit of Measure	Estimated Quantity	Engineer's Cost Opinion		Dudley Construction		Aqua Rehab		SAK Construction, LLC	
				Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
1	8.06 RENEW FIRE HYDRANT ASSEMBLY	EA	4	\$ 4,000.00	\$ 16,000.00	\$ 3,913.00	\$ 15,652.00	\$ 3,200.00	\$ 12,800.00	\$ 2,600.00	\$ 10,400.00
2	9.04 RENEW DUCTILE IRON RESILIENT SEATED GATE VALVE (4")	EA	1	\$ 800.00	\$ 800.00	\$ 1,670.00	\$ 1,670.00	\$ 1,300.00	\$ 1,300.00	\$ 1,770.00	\$ 1,770.00
3	9.04 RENEW DUCTILE IRON RESILIENT SEATED GATE VALVE (6")	EA	9	\$ 900.00	\$ 8,100.00	\$ 1,684.00	\$ 15,156.00	\$ 1,500.00	\$ 13,500.00	\$ 1,570.00	\$ 14,130.00
4	9.04 RENEW DUCTILE IRON RESILIENT SEATED GATE VALVE (8")	EA	33	\$ 1,200.00	\$ 39,600.00	\$ 1,684.00	\$ 55,572.00	\$ 1,600.00	\$ 52,800.00	\$ 1,645.00	\$ 54,285.00
5	9.04 RENEW DUCTILE IRON RESILIENT SEATED GATE VALVE (12")	EA	2	\$ 1,300.00	\$ 2,600.00	\$ 1,745.00	\$ 3,490.00	\$ 1,700.00	\$ 3,400.00	\$ 2,250.00	\$ 4,500.00
6	10.09 REINSTATE SERVICE CONNECTIONS	EA	94	\$ 500.00	\$ 47,000.00	\$ 682.50	\$ 64,155.00	\$ 650.00	\$ 61,100.00	\$ 375.00	\$ 35,250.00
7	11.09 REDUCER (8" x 12")	EA	2	\$ 300.00	\$ 600.00	\$ 419.00	\$ 838.00	\$ 1,500.00	\$ 3,000.00	\$ 860.00	\$ 1,720.00
8	11.16 PROVIDE AND MAINTAIN TEMPORARY WATER SERVICE	LS	1	\$ 90,000.00	\$ 90,000.00	\$193,570.00	\$193,570.00	\$175,000.00	\$175,000.00	\$101,000.00	\$101,000.00
9	11.17 INSTALL CIPP LINING	LF	5056	\$ 154.00	\$778,624.00	\$ 110.75	\$559,952.00	\$ 125.00	\$632,000.00	\$ 136.00	\$687,616.00
10	11.18 ADDITIONAL CIPP ACCESS PIT	EA	1	\$ 3,000.00	\$ 3,000.00	\$ 4,650.00	\$ 4,650.00	\$ 4,500.00	\$ 4,500.00	\$ 3,885.00	\$ 3,885.00
11	12.05 ASPHALTIC CONCRETE MILLING AND PAVING	SY	360	\$ 75.00	\$ 27,000.00	\$ 53.50	\$ 19,260.00	\$ 45.00	\$ 16,200.00	\$ 350.00	\$126,000.00
12	12.14 BEST MANAGEMENT PRACTICE	LS	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 4,500.00	\$ 4,500.00	\$ 10,850.00	\$ 10,850.00
TOTAL BASE BID				\$ 1,018,324.00	\$ 938,965.00	\$ 980,100.00	\$ 1,051,406.00				

DIXIE HIGHWAY CIPP - FLORENCE PHASE 1											
Item No.	Description	Unit of Measure	Estimated Quantity	Engineer's Cost Opinion		Dudley Construction		Aqua Rehab		SAK Construction, LLC	
				Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
1	8.06 RENEW FIRE HYDRANT ASSEMBLY	EA	4	\$ 4,000.00	\$ 16,000.00	\$ 3,913.00	\$ 15,652.00	\$ 3,200.00	\$ 12,800.00	\$ 2,330.00	\$ 9,320.00
2	9.04 RENEW DUCTILE IRON RESILIENT SEATED GATE VALVE (8")	EA	6	\$ 1,200.00	\$ 7,200.00	\$ 1,684.00	\$ 10,104.00	\$ 1,600.00	\$ 9,600.00	\$ 3,320.00	\$ 19,920.00
3	10.09 REINSTATE SERVICE CONNECTIONS	EA	18	\$ 500.00	\$ 9,000.00	\$ 682.50	\$ 12,285.00	\$ 650.00	\$ 11,700.00	\$ 375.00	\$ 6,750.00
4	11.16 PROVIDE AND MAINTAIN TEMPORARY WATER SERVICE	LS	1	\$ 40,000.00	\$ 40,000.00	\$ 72,000.00	\$ 72,000.00	\$135,000.00	\$135,000.00	\$38,140.00	\$ 38,140.00
5	11.17 INSTALL CIPP LINING	LF	1907	\$ 154.00	\$ 293,678.00	\$ 124.00	\$236,468.00	\$ 125.00	\$238,375.00	\$ 140.00	\$266,980.00
6	11.18 ADDITIONAL CIPP ACCESS PIT	EA	1	\$ 3,000.00	\$ 3,000.00	\$ 4,650.00	\$ 4,650.00	\$ 4,500.00	\$ 4,500.00	\$ 3,885.00	\$ 3,885.00
7	12.05 ASPHALTIC CONCRETE MILLING AND PAVING	SY	120	\$ 75.00	\$ 9,000.00	\$ 53.50	\$ 6,420.00	\$ 45.00	\$ 5,400.00	\$ 380.00	\$ 45,600.00
8	12.14 BEST MANAGEMENT PRACTICE	LS	1	\$ 2,500.00	\$ 2,500.00	\$ 5,000.00	\$ 5,000.00	\$ 3,000.00	\$ 3,000.00	\$ 2,000.00	\$ 2,000.00
TOTAL BASE BID				\$ 380,378.00	\$ 380,378.00	\$ 362,579.00	\$ 362,579.00	\$ 420,375.00	\$ 420,375.00	\$ 392,595.00	\$ 392,595.00

DIXIE HIGHWAY CIPP - FLORENCE PHASE 2											
Item No.	Description	Unit of Measure	Estimated Quantity	Engineer's Cost Opinion		Dudley Construction		Aqua Rehab		SAK Construction, LLC	
				Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
3	8.06 RENEW FIRE HYDRANT ASSEMBLY	EA	1	\$ 4,000.00	\$ 4,000.00	\$ 3,913.00	\$ 3,913.00	\$ 3,200.00	\$ 3,200.00	\$ 2,780.00	\$ 2,780.00
4	9.04 RENEW DUCTILE IRON RESILIENT SEATED GATE VALVE (6")	EA	1	\$ 900.00	\$ 900.00	\$ 1,684.00	\$ 1,684.00	\$ 1,500.00	\$ 1,500.00	\$ 1,520.00	\$ 1,520.00
5	10.09 REINSTATE SERVICE CONNECTIONS	EA	3	\$ 500.00	\$ 1,500.00	\$ 682.50	\$ 2,047.50	\$ 650.00	\$ 1,950.00	\$ 375.00	\$ 1,125.00
7	11.16 PROVIDE AND MAINTAIN TEMPORARY WATER SERVICE	LS	1	\$ 15,000.00	\$ 15,000.00	\$ 15,356.00	\$ 15,356.00	\$ 32,000.00	\$ 32,000.00	\$ 11,700.00	\$ 11,700.00
8	11.17 INSTALL CIPP LINING	LF	585	\$ 154.00	\$ 90,090.00	\$ 111.50	\$ 65,227.50	\$ 125.00	\$ 73,125.00	\$ 144.00	\$ 84,240.00
9	11.18 ADDITIONAL CIPP ACCESS PIT	EA	1	\$ 3,000.00	\$ 3,000.00	\$ 4,650.00	\$ 4,650.00	\$ 4,500.00	\$ 4,500.00	\$ 3,885.00	\$ 3,885.00
13	12.05 ASPHALTIC CONCRETE MILLING AND PAVING	SY	27	\$ 75.00	\$ 2,000.00	\$ 53.50	\$ 1,426.67	\$ 100.00	\$ 2,666.67	\$ 460.00	\$ 12,266.67
14	12.14 BEST MANAGEMENT PRACTICE	LS	1	\$ 2,500.00	\$ 2,500.00	\$ 250.00	\$ 250.00	\$ 2,000.00	\$ 2,000.00	\$ 1,100.00	\$ 1,100.00
TOTAL BASE BID				\$ 118,990.00		\$ 94,554.67		\$ 120,941.67		\$ 118,616.67	

DIXIE HIGHWAY CIPP - FLORENCE PHASE 3											
Item No.	Description	Unit of Measure	Estimated Quantity	Engineer's Cost Opinion		Dudley Construction		Aqua Rehab		SAK Construction, LLC	
				Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
3	8.06 RENEW FIRE HYDRANT ASSEMBLY	EA	3	\$ 4,000.00	\$ 12,000.00	\$ 3,913.00	\$ 11,739.00	\$ 3,200.00	\$ 9,600.00	\$ 3,000.00	\$ 9,000.00
4	9.04 RENEW DUCTILE IRON RESILIENT SEATED GATE VALVE (6")	EA	4	\$ 900.00	\$ 3,600.00	\$ 1,684.00	\$ 6,736.00	\$ 1,500.00	\$ 6,000.00	\$ 2,030.00	\$ 8,120.00
5	10.09 REINSTATE SERVICE CONNECTIONS	EA	8	\$ 500.00	\$ 4,000.00	\$ 682.50	\$ 5,460.00	\$ 650.00	\$ 5,200.00	\$ 375.00	\$ 3,000.00
7	11.16 PROVIDE AND MAINTAIN TEMPORARY WATER SERVICE	LS	1	\$ 20,000.00	\$ 20,000.00	\$ 23,336.00	\$ 23,336.00	\$ 37,000.00	\$ 37,000.00	\$ 17,780.00	\$ 17,780.00
8	11.17 INSTALL CIPP LINING	LF	889	\$ 154.00	\$ 136,906.00	\$ 125.75	\$ 111,791.75	\$ 125.00	\$ 111,125.00	\$ 178.00	\$ 158,242.00
9	11.18 ADDITIONAL CIPP ACCESS PIT	EA	1	\$ 3,000.00	\$ 3,000.00	\$ 4,650.00	\$ 4,650.00	\$ 4,500.00	\$ 4,500.00	\$ 3,885.00	\$ 3,885.00
13	12.14 BEST MANAGEMENT PRACTICE	LS	1	\$ 5,500.00	\$ 5,500.00	\$ 250.00	\$ 250.00	\$ 2,500.00	\$ 2,500.00	\$ 1,500.00	\$ 1,500.00
TOTAL BASE BID				\$ 185,006.00	\$ 163,962.75	\$ 175,925.00	\$ 201,527.00				

NORTHERN KENTUCKY
WATER DISTRICT

Project

Dixie Highway Water Main Rehabilitation Project

Kenton and Boone Counties
184-0778

Engineer's Recommendation of Award



CARDINAL

ENGINEERING
ARCHITECTURE
LAND SURVEYING

ONE MOOCK ROAD WILDER, KENTUCKY 41071
PHONE: (859) 581-9600 FAX: (859) 581-9636
www.cardinalengineering.net

May 9, 2014

Mr. Brendan O' Bryan
Northern Kentucky Water District
P.O. Box 18640
Erlanger, KY 41018-0640

RE: Dixie Highway Water Main Rehabilitation Project
Project Contract Award Recommendation

Dear Brendan,

After reviewing the bid results for the above captioned project, I confirmed that the low bidder for the base bid (NKWD Phase + Florence Phase 1) was Dudley Construction at \$1,301,535.00. Their subcontractor to do the CIPP lining will be Aquarehab (USA), Inc.

I know that Dudley has performed well on several projects over the years for the Northern Kentucky Water District and Aquarehab (USA), Inc. performed well on the Crestwood Avenue project in 2013. We also verified all their references on the Crestwood project (refer to our 8/2/2013 project award recommendation letter to Kyle Ryan for the Crestwood Project) and are confident in their ability to perform on this project. Should the City of Florence desire to add bid alternates 1 and/or 2, Dudley's prices for them were:

Alternate #1 (Phase 2):	\$94,554.67
Alternate #2 (Phase 3):	\$163,962.75

Based upon the above information, we recommend awarding the contract to Dudley Construction (provided that all bonding and District requirements have been addressed).

Should you have any questions, please contact me.

Best regards,



Kevin Hanson, P.E.
Vice President

NORTHERN KENTUCKY
WATER DISTRICT

Project

Dixie Highway Water Main Rehabilitation Project

Kenton and Boone Counties
184-0778

Board Meeting Minutes

DRAFT
Northern Kentucky Water District
Board of Commissioners Meeting
May 15, 2014

A regular meeting of the Board of Commissioners of the Northern Kentucky Water District was held on May 15, 2014 at the District's facility located at 2835 Crescent Springs Road in Erlanger, Kentucky. All Commissioners were present, except for Commissioner Spaulding. Also present were Ron Lovan, Jack Bragg, Richard Harrison, Kevin Owen, Matt Piccirillo, Don Gibson, Rusty Collinsworth and Brian Dunham.

Chairman Sommerkamp called the meeting to order at 12:32 p.m., and Rusty Collinsworth led the pledge of allegiance.

The Commissioners reviewed correspondence received and articles published since the last regular Board meeting on April 17, 2014.

On motion of Commissioner Macke, seconded by Commissioner Cunningham, the Commissioners unanimously approved the minutes for the regular Board meeting held on April 17, 2014.

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 April 1, 2014 through April 30, 2014. On motion of Commissioner Collins, seconded by Commissioner Wagner, and after discussion, the Commissioners unanimously approved the expenditures of the District for the month of April 2014.

On motion of Commissioner Macke, seconded by Commissioner Collins, the Commissioners unanimously approved the execution of the agreement with the City of Edgewood for the Dudley Road Improvement Project with a total project budget of \$556,000.

On motion of Commissioner Wagner, seconded by Commissioner Cunningham, the Commissioners unanimously approved the bid from and award the contract to Rose Excavating and Development, Inc. for the Arlington Place, Franklin Avenue, and Toni Terrace Water Main Replacement with a project budget of \$220,000 and authorize staff to execute the appropriate contract documents.

On motion of Commissioner Wagner, seconded by Commissioner Macke, the Commissioners unanimously approved the bid from and award the contract to Larry Smith, Inc. for the Garrison Avenue Water Main Replacement with a project budget of \$115,000, and authorized staff to execute the appropriate contract documents.

On motion of Commissioner Macke, seconded by Commissioner Wagner, the Commissioners unanimously approved the bid from and award the contract to the Dudley

Construction Company for the Dixie Highway Rehabilitation Project with a total project budget of \$1,530,000, and authorized staff to execute the appropriate contract documents.

On motion of Commissioner Collins, seconded by Commissioner Cunningham, the Board unanimously approved the highlighted bids as shown on the Bid Tab for the 36-Inch and 24-Inch Project Materials Bid because they provided the best bids.

On motion of Commissioner Wagner, seconded by Commissioner Collins, the Commissioners unanimously approved the bid from and award the contract to Caldwell Tanks, Inc. for the South Newport Tank Rehabilitation with a total project budget of \$700,000, and authorized staff to execute the appropriate contract documents.

On motion of Commissioner Cunningham, seconded by Commissioner Wagner, the Commissioners unanimously approved the bid from and award the contract to J.K. Meurer Corporation for the 2014 Asphalt Restoration Milling and Paving, and authorized staff to execute the appropriate contract documents.

On motion of Commissioner Wagner, seconded by Commissioner Collins, the Commissioners unanimously approved the execution of the contract documents for the Heritage Apartment Concrete Meter Vault Project with a total project budget of \$30,000 and to award the project to Gemmer and Sons, Inc.

On motion of Commissioner Wagner, seconded by Commissioner Collins, the Commissioners unanimously approved the execution of contract documents to award the purchase of Sodium Hypochlorite to the lowest and best bidders as indicated on the attached bid tabulation.

On motion of Commissioner Wagner, seconded by Commissioner Cunningham, the Commissioners unanimously approved the execution of contract documents to award the purchase of chemicals to the lowest and best bidders as indicated on the attached bid tabulation with the exception of the two Powdered Activated Carbon items for 40,000 lb Bulk delivery and 900 lb Supersacks delivery, which bids for such two items were rejected.

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 2014 5-Year Capital Budget, including highlighting change orders and expenses incurred to date.

Other matters of a general nature were discussed.

On a motion of Commissioner Wagner, seconded by Commissioner Cunningham, the Board unanimously agreed to go into executive session under the provisions of KRS 61.810(1)(c) to discuss pending or proposed 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 1:46 p.m. and ended at 2:07 p.m.

On a motion by Commissioner Wagner, seconded by Commissioner Cunningham, the meeting was adjourned at 2:07 p.m.

CHAIRMAN

SECRETARY

4812-0270-1339v1

DRAFT

NORTHERN KENTUCKY
WATER DISTRICT

Project

Dixie Highway Water Main Rehabilitation Project

Kenton and Boone Counties
184-0778

PROJECT FINANCE INFORMATION

Customers Added and Revenue Effect

Debt Issuance and Source of Debt

Additional Costs for Operating and Maintenance

USoA Plant Account

Depreciation Cost and Debt Service After Construction

Northern Kentucky Water District

Customers Added and Revenue Effect: No new customers are expected to be added as a result of this project.

Debt Issuance and Source of Debt: The project will be funded by PSC Ref. No. 190 “Year 2014 Water Main Replacement Program” as part of BAN 2014 with a total budget of \$3,500,000. The total budget for this project is \$1,530,000, which includes design, construction, contingencies and miscellaneous costs, as well as reimbursements as required from the City of Florence. The District will be providing the required water main appurtenances and materials such as valves, fittings and hydrants for its portion of the project. These materials are estimated to cost approximately \$60,000. The anticipated District expense for this project is estimated to be \$1,050,000 including construction, materials and contingencies. A summary of the project costs is provided below:

NKWD Only

○ Engineering	\$	11,735.00
○ Contractor’s Bid	\$	938,965.00
○ Materials	\$	60,000.00
○ Misc. & Contingencies	\$	<u>393,000.00</u>
NKWD Project Cost	\$	1,050,000.00

City of Florence

○ Engineering	\$	13,500.00
○ Contractor’s Bid - 1	\$	362,579.00
○ Contractor’s Bid - 2	\$	<u>94,554.67</u>
Florence Project Cost	\$	470,633.67

TOTAL

○ Engineering	\$	25,235.00
○ Contractor’s Bid	\$	1,396,098.67
▪ NKWD		(\$ 938,965.00)
▪ Florence – Phase 1		(\$ 362,579.00)
▪ Florence – Phase 2		(\$ 94,554.67)
○ Materials	\$	60,000.00
○ Misc. & Contingencies	\$	<u>48,666.33</u>
Total Project Cost	\$	1,530,000.00

USoA Accounts: The anticipated amounts for the project cost of \$1,530,000.00 will fall under the following Uniform System of Accounts Codes:

Code 331 “Transmission & Distribution Mains”	\$ 1,482,183.00
Code 335 “Hydrants”	\$ 47,817.00

Additional Costs and O&M: No additional operating and maintenance costs are anticipated from the project.

Depreciation and Debt Service: Annual depreciation and debt service after construction are as follows:

Depreciation: \$76,500/year over 20 years

NORTHERN KENTUCKY
WATER DISTRICT

Project

Dixie Highway Water Main Rehabilitation Project

Kenton and Boone Counties
184-0778

SCHEDULE OF MORTGAGES, BONDS, NOTES, AND
OTHER INDEBTEDNESS

Northern Kentucky Water District
Schedule of Outstanding Debt
As of April 30, 2014

Description	Amount
Bonds	
2003 C	9,300,000
2004	7,415,000
2006	23,045,000
2009	24,810,000
2011	28,280,000
2012	51,315,000
2013A	25,785,000
2013B	22,120,000
Total Bonds	\$ 192,070,000
Notes	
KIA Loans	34,846,375
Taylor Mill purchase note	\$ 750,000
Deferred note payable	100,000
BAN 2009	29,160,000
Total Notes	\$ 64,856,375
Total Debt	\$ 256,926,375

Account 221, BONDS

Line No.	Par Value of Actual Issue 1	Cash Realized on Actual Issue 2	Par Value of Amount Held by or for Respondent 3	Actually Outstanding at Close of year 4	Interest During Year	
					Accrued 5	Actually Paid 6
1	11,225,000	11,131,694		-	-	-
2	11,355,000	11,141,619		-	-	-
3	2,287,000	2,287,000		1,951,000	98,150	98,450
4	16,325,000	15,835,250		-	-	-
5	45,485,000	44,121,624		-	-	-
6	10,575,000	10,525,204		-	104,708	175,768
7	1,615,000	1,583,553		-	41,689	65,491
8	30,270,000	30,068,115		-	632,181	995,314
9	23,790,000	23,532,357		10,805,000	441,397	462,469
10	10,455,000	10,195,116		7,760,000	336,918	341,628
11	29,000,000	28,736,444		23,945,000	1,000,588	1,015,088
12	29,290,000	27,430,236		25,560,000	1,443,912	1,455,163
13	30,830,000	28,862,016		29,155,000	1,215,837	1,226,463
14	54,840,000	-		53,115,000	2,605,150	2,633,900
15	28,165,000	25,807,113		26,400,000	571,231	105,553
16	26,570,000	-		24,120,000	337,444	-
Total	362,077,000	271,257,341	-	202,811,000	8,829,205	8,575,287

Schedule of Bond Maturities

Line No.	Bond Numbers 7	Maturity Date 8	Interest Rate 9	Principal Amount 10	Amount Paid 11	Remaining Bonds Outstanding 12
1						
2	See Attachments 23.1 Through 23.10					
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						

Notes Payable (Acct. 232 & 234)

2013 a	Nominal Date of Issue b	Date of Maturity c	INTEREST		Principal Amount per Balance Sheet f
			Rate d	Amount of payment e	
Account 232 - Note Payable					
Campbell Co. Fiscal Court			0.00%	\$	\$ 100,000
			0.00%		
Total Account 232				\$	\$ 100,000
Account 234 - Notes Payable To Associated Companies					
		N/A		\$	\$
Total Account 234				\$	\$

Accounts Payable to Associated Companies (Acct. 233)

Show Payable to Each Associated Company Separately	Amount
	\$
N/A	
Total	\$

NORTHERN KENTUCKY
WATER DISTRICT

Project

Dixie Highway Water Main Rehabilitation Project

Kenton and Boone Counties
184-0778

CURRENT BALANCE SHEET AND
INCOME STATEMENT

Northern Kentucky Water District

Income and Expenses Report-Detail For the Four Months ending April 30, 2014

	April 2014	April 2013	April Budget	Variance Over (Under)	YTD 2014	YTD 2013	YTD Budget	Variance Over (Under)
Operating Income								
Water Sales	\$3,431,819	\$3,201,468	\$3,446,554	-0.4%	\$14,945,812	\$13,985,503	\$15,223,659	-1.8%
Forfeited Discounts	\$76,339	\$66,067	\$67,719	12.7%	\$303,185	\$270,894	\$277,667	9.2%
Rents from Water Property	\$58,330	\$41,498	\$40,000	45.8%	\$212,751	\$195,595	\$190,000	12.0%
Other Water Revenues	\$38,305	\$48,515	\$39,460	-2.9%	\$101,075	\$133,615	\$120,720	-16.3%
Total Operating Income	\$3,604,793	\$3,357,548	\$3,593,733	0.3%	\$15,562,823	\$14,585,607	\$15,812,046	-1.6%
Non Operating Income								
Interest Income	\$68,230	\$73,606	\$62,000	10.0%	\$267,297	\$264,242	\$254,000	5.2%
Miscellaneous	\$15,429	\$7,889	\$7,058	118.6%	\$53,609	\$148,572	\$57,168	-6.2%
Total Non Operating Income	\$83,659	\$81,495	\$69,058	21.1%	\$320,906	\$412,814	\$311,168	3.1%
Boone Florence Settlement Transfer	\$25,610	\$36,549	\$25,610	0.0%	\$102,440	\$146,196	\$102,440	0.0%
Total Income	\$3,714,062	\$3,475,592	\$3,688,401	0.7%	\$15,986,169	\$15,144,617	\$16,225,654	-1.5%
O&M Expenses								
Source of Supply, Water								
Treatment, Pumping, & Storage	\$840,134	\$795,161	\$1,012,405	-17.0%	\$3,650,594	\$3,165,701	\$4,025,022	-9.3%
Engineering & Distribution	\$653,517	\$574,420	\$626,514	4.3%	\$2,473,991	\$2,268,825	\$2,473,357	0.0%
Customer Service	\$273,439	\$282,608	\$303,636	-9.9%	\$1,057,807	\$1,209,214	\$1,290,589	-18.0%
Administration	\$302,823	\$253,477	\$316,902	-4.4%	\$1,158,540	\$1,087,166	\$1,205,602	-3.9%
Total O&M Expenses	\$2,069,913	\$1,905,666	\$2,259,457	-8.4%	\$8,340,932	\$7,730,906	\$8,994,570	-7.3%
Transfer to Debt Service	\$1,590,000	\$1,600,000	\$1,590,000	0.0%	\$6,360,000	\$6,400,000	\$6,360,000	0.0%
Total Expenses	\$3,659,913	\$3,505,666	\$3,849,457	-4.9%	\$14,700,932	\$14,130,906	\$15,354,570	-4.3%
Avail. to Transfer to Oper. Capital	<u>\$54,149</u>	<u>(\$30,074)</u>	<u>(\$161,056)</u>	<u>0.0%</u>	<u>\$1,285,237</u>	<u>\$1,013,711</u>	<u>\$871,084</u>	<u>47.5%</u>

Northern Kentucky
Water District

**Balance Sheet
As of April 30, 2014**

Liabilities and Retained Earnings	2014	2013
Current Liabilities		
Current Portion of Long Term Debt	\$10,921,427	\$9,114,510
Accounts Payable	\$1,755,344	\$1,439,699
Accrued Payroll & Liabilities	\$432,272	\$438,772
Other Accrued Liabilities	<u>\$108,842</u>	<u>\$100,736</u>
Total Current Liabilities	\$13,217,885	\$11,093,717
Current Liabilities From Restricted Assets		
Accounts Payable	\$458,922	\$408,964
Accrued Interest Payable	<u>\$2,619,346</u>	<u>\$2,502,368</u>
Total Current Liabilities From Restricted Assets	\$3,078,268	\$2,911,332
Long Term Debt		
Long Term Portion of Bonded Indebtedness	\$217,932,344	\$204,633,309
Bond Anticipation Notes Payable	\$0	\$25,615,000
Note Payable-Taylor Mill Purchase	\$575,000	\$750,000
Deferred Note Payable	<u>\$100,000</u>	<u>\$100,000</u>
Total Long Term Debt	\$218,607,344	\$231,098,309
Total Liabilities	\$234,903,497	\$245,103,358
Retained Earnings	<u>\$171,303,642</u>	<u>\$162,327,243</u>
Total Liabilities and Retained Earnings	<u>\$406,207,139</u>	<u>\$407,430,601</u>



**Balance Sheet
As of April 30, 2014**

Assets	2014	2013
Current Assets		
Cash and Cash Equivalents	\$22,967,189	\$20,707,720
Accrued Interest Receivable	\$5,444	\$7,246
Accounts Receivable Customers	\$4,041,553	\$3,696,131
Accounts Receivable Unbilled Customers	\$5,700,000	\$5,500,000
Accounts Receivable Other	\$80,587	\$73,877
Assessments Receivable	\$110,953	\$100,584
 Inventory Supplies for New Installation and Maintenance, at Cost	 \$1,312,504	 \$1,425,039
 Prepaid Expenses	 <u>\$903,759</u>	 <u>\$278,643</u>
Total Current Assets	<u>\$35,121,989</u>	<u>\$31,789,240</u>
Restricted Assets		
Bond Proceeds Fund	\$7,347,125	\$12,550,360
Debt Service Reserve Account	\$18,312,283	\$16,684,299
Debt Service Account	\$8,570,044	\$7,634,216
Improvement, Repair, & Replacement	\$10,256,717	\$11,202,652
Boone/Florence Settlement Account	<u>\$307,965</u>	<u>\$744,842</u>
Total Restricted Assets	<u>\$44,794,134</u>	<u>\$48,816,369</u>
Non Current Assets		
Miscellaneous Deferred Charges	(\$5,162,737)	(\$2,400,567)
Capital Assets:		
Land, System, Buildings, and Equipment	\$429,544,264	\$388,880,877
Construction in Progress	\$17,067,144	\$45,463,555
Total Capital Assets before Accumulated Depreciation	\$446,611,408	\$434,344,432
Less: Accumulated Depreciation	<u>(\$115,157,655)</u>	<u>(\$105,118,873)</u>
Capital Assets Net of Accumulated Depreciation	<u>\$331,453,753</u>	<u>\$329,225,559</u>
Total Noncurrent Assets	<u>\$326,291,016</u>	<u>\$326,824,992</u>
Total Assets	<u>\$406,207,139</u>	<u>\$407,430,601</u>