

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CRITTENDEN-)	
LIVINGSTON COUNTY WATER DISTRICT)	
FOR AUTHORIZATION TO ENTER AN)	
ASSISTANCE AGREEMENT WITH THE)	
KENTUCKY INFRASTRUCTURE)	CASE NO. 2016-00292
AUTHORITY AND FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY)	
TO CONSTRUCT A WATER STORAGE)	
FACILITY)	

APPLICATION

Pursuant to KRS 278.020(1), KRS 278.300, and 807 KAR 5:001, Sections 15 and 18, Crittenden-Livingston County Water District (“Crittenden-Livingston District”) applies to the Public Service Commission (“Commission”) for an Order authorizing Crittenden-Livingston District’s entry into an Assistance Agreement with the Kentucky Infrastructure Authority (“KIA”) to borrow an amount not to exceed \$1,039,500 and granting a certificate of public convenience and necessity for the construction of a 400,000 gallon elevated water storage tank.

In support of its Application,¹ Crittenden-Livingston District provides the following:

A. General Information

1. Crittenden-Livingston District’s full name and post office address is: Crittenden-Livingston County Water District, 620 East Main Street, Salem, Kentucky 42078. Its e-mail address is slaydenronnie@yahoo.com.

¹ To facilitate the Public Service Commission’s initial review of this Application, Crittenden-Livingston District has attached to this Application a “Filings Requirements List” that consists of four pages, lists each statutory and regulatory requirement for an application for a certificate of public convenience and necessity and an application for authorization to issue securities, and identifies the exhibit or paragraph that satisfies the requirement.

2. Crittenden-Livingston District is not a corporation, limited liability company or limited partnership. It has no articles of incorporation or partnership agreements.

3. Crittenden-Livingston District was established through the merger of Crittenden County Water District and Livingston County Water District. Crittenden County Water District was established on March 17, 1980 by Order of the Crittenden County Judge/Executive.² Livingston County Water District was established on April 5, 1963 and originally named “Burna Water District.” On February 15, 1980, the Livingston County Judge/Executive entered an Order ratifying and affirming the creation and establishment of Burna Water District, amending its name to “Livingston County Water District,” and defining and enlarging its boundaries. On November 3, 1980, the County Judge/Executives of Crittenden and Livingston Counties ordered the merger of the two water districts and established Crittenden-Livingston District.³ A copy of the Orders establishing Crittenden-Livingston District and its predecessors are attached as **Exhibit 1** of this Application.

4. Crittenden-Livingston District is engaged in the production, distribution, and sale of water in the Kentucky counties of Crittenden and Livingston. As of December 31, 2014, it served approximately 3,486 residential customers, 13 commercial customers, and one public authority customer. Crittenden-Livingston District provides water for resale to Ledbetter Water District, Lyon County Water District, and the cities of Grand Rivers, Salem, and Smithland.⁴

² See *Preliminary Application Of Five Petitioners For The Creation Of A Water District In Crittenden County, Kentucky, To Be Known As The Crittenden County Water District*, Case No. 7641 (Ky. URC Jan. 24, 1980) (authorizing a petition to Crittenden County Fiscal Court for creation of a water district).

³ See also *The Joint Application Of The Crittenden County Water District Of Crittenden County, Kentucky, And The Livingston County Water District, Of Livingston County, Kentucky, For Approval Of The Merger Of The Said Water Districts Into A New Water District To Be Known As The "Crittenden County-Livingston County Water Districts*, Case No. 7850 (Ky. URC Aug. 29, 1980) (approving the merger of Crittenden County Water District and Livingston County Water District).

⁴ Annual Report of Crittenden-Livingston County Water District to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2014 (“2014 Annual Report”) at 27, 30.

5. Pursuant to KRS 278.380, Crittenden-Livingston District waives any right to service of Commission orders by mail for purposes of this proceeding only.⁵ Copies of all orders, pleadings and other communications related to this proceeding should be directed to:

Ronnie Slayden
General Manager
620 East Main Street
Salem, Kentucky 42078
(270) 298-7704
slaydenronnie@yahoo.com

Damon R. Talley
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112 North Lincoln Blvd.
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(270) 358-9560
damon.talley@skofirm.com

Gerald E. Wuetcher
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300 West Vine Street, Ste 2100
Lexington, KY 40507-1801
(859) 231-3017
gerald.wuetcher@skofirm.com

B. Certificate of Public Convenience and Necessity

6. Crittenden-Livingston District proposes to construct a 400,000 gallon elevated water storage tank to replace an existing 150,000 gallon water standpipe located on Moore Hill in Crittenden County, Kentucky. The existing water standpipe is 44 years old and in poor condition. Because of its limited storage capacity, moreover, this water standpipe prevents the efficient use of Crittenden-Livingston District's 600,000 gallon elevated water storage tank and creates conditions that shorten the useful life of Crittenden-Livingston District's plant and equipment. The proposed water storage tank will eliminate a chokepoint in Crittenden-

⁵ On August 9, 2016, Crittenden-Livingston District gave notice pursuant to 807 KAR 5:001, Section 8, of its intent to file this application and of its use of electronic filing procedures.

Livingston District's water distribution system, permit that system to run more efficiently, and significantly increase the amount of water storage available to customers in times of emergency.

7. The Kentucky Division of Water ("KDOW") has reviewed the plans and specifications for the proposed water storage tank and has approved them with respect to sanitary features of design. A copy of the letter in which the KDOW stated its approval is attached as **Exhibit 2** of this Application.

8. Crittenden-Livingston District has applied for and received an encroachment permit from the Kentucky Department of Highways to make a 16-inch bore under U.S. Highway 60 and then install an 8-inch water main to connect the proposed water storage tank to an existing 8-inch water main that runs along the opposite side of US Highway 60. A copy of the encroachment permit is attached to this Application as **Exhibit 3**.

9. No other permits or regulatory approvals are required for the proposed water storage tank.

10. Crittenden-Livingston District has acquired the property upon which the proposed water storage tank will be situated. Construction of the proposed water storage tank does not require the acquisition of any easements.

11. A description of the proposed water storage tank's location is attached as **Exhibit 4** to this Application. A map depicting this general location is attached as **Exhibit 5** of this Application.

12. The survey of the property upon which the proposed water storage tank will be constructed and a photograph of the proposed site from ground level are attached as **Exhibits 6 and 7** respectively.

13. The proposed water storage tank will not compete with those of another public utility. Its construction will not result in the wasteful duplication of utility facilities or inefficient investment.

14. The plans for the proposed water storage tank are set forth as **Exhibit 8** to this Application.

15. The specifications and bidding documents for the proposed water storage tank are set forth as **Exhibit 9** to this Application.

16. The Preliminary Engineering Report and Final Engineering Report for the proposed water storage tank are attached as **Exhibits 10 and 11** of this Application respectively.

17. A copy of the hydraulic calculations that reflect the operation of the proposed water storage tank for a 72-hour period is attached as **Exhibit 12** of this Application. These calculations demonstrate that, under normal demand conditions, the proposed water storage tank will completely fill and drain three times over a 72-hour period.

18. The total estimated cost of the proposed water storage tank is \$1,039,500. A breakdown of the project cost is found in the Final Engineering Report, which is attached as **Exhibit 10** to this Application. Crittenden-Livingston District proposes to finance this cost with a loan of \$1,039,500 from KIA's Fund F Infrastructure Revolving Loan Program.

19. After publishing a request for bids on the construction of the proposed water storage, Crittenden-Livingston District received two bids. The bid of Phoenix Fabricators and Erectors, Inc., of Avon, Indiana at \$793,950 was the lower of the two bids. The certified bid tabulations and the Project Engineer's recommendation are attached as **Exhibits 13 and 14** of this Application respectively. On May 23, 2016, Crittenden-Livingston District's Board of Commissioners awarded the construction contract to the lower bidder contingent upon the Public

Service Commission's issuance of a certificate of public convenience and necessity for the proposed water storage tank.

20. A statement of the annual cost of operation of the proposed water storage tank is set forth at **Exhibit 15**.

21. The proposed water storage tank will not compete with the facilities of any other public utility.

22. Crittenden-Livingston District is supporting this Application with the testimony of Robert D. Stigall, President of Stigall Engineering Associates, Inc. In his testimony, Mr. Stigall describes the existing water standpipe and the proposed water storage tank and explains the need for the proposed water storage tank. A copy of this testimony is attached as **Exhibit 16** of this Application.

C. Authorization to Enter Assistance Agreement

23. To finance the cost of constructing the proposed water storage tank, Crittenden-Livingston District proposes to enter an Assistance Agreement with KIA to borrow an amount not to exceed \$1,039,500. The proposed loan will bear interest at a rate of 1.75 percent per annum and must be repaid over a period not to exceed 20 years from the date on which the proposed water storage tank begins operation. Interest on the proposed loan will accrue from the time that Crittenden-Livingston District begins drawing funds from KIA. The proposed loan will be secured by a pledge of Crittenden-Livingston District's revenues. A copy of the Conditional Commitment Letter in which KIA advised Crittenden-Livingston of its intent to make the proposed loan and of the conditions for such loan is found at **Exhibit 17** of this Application.

24. A description of Crittenden-Livingston District's water system and its property, stated at original cost by accounts, is contained in the Annual Report of Crittenden-Livingston County Water District to the Public Service Commission for the Year Ending December 31,

2014 (“2014 Annual Report”), a copy of which Crittenden-Livingston District has previously filed with the Public Service Commission and which is incorporated by reference into this Application. Crittenden-Livingston District has received an extension of time to file its annual report for the year ending December 31, 2015.

25. Crittenden-Livingston District does not propose to issue any stock or bonds.

26. No proceeds from the Assistance Agreement will be used to refund outstanding obligations.

27. A copy of Crittenden-Livingston District’s written notification to the State Local Debt Officer is attached as **Exhibit 18**.

28. Pursuant to 807 KAR 5:001, Section 18(2)(a), the following information is provided:

a. For the 12-month period ending December 31, 2014, Crittenden-Livingston District had less than \$5,000,000 in gross annual revenues.

b. Crittenden-Livingston District’s 2014 Annual Report is incorporated by reference into this Application. Crittenden-Livingston District also incorporates into this Application its audited financial statements for the year ending December 31, 2014, which have previously been filed with the Commission.

c. No material changes have occurred in Crittenden-Livingston District’s financial condition since December 31, 2014.

29. There are no trust deeds or mortgages applicable.

30. A map and plans of the proposed construction are found at **Exhibits 5 and 8** of this Application.

31. A detailed estimate of the acquired property, arranged according to the Uniform System of Accounts for Class A/B Water Districts and Associations, is attached to this Application as **Exhibit 19** of this Application.

32. The proposed loan will not require Crittenden-Livingston District to seek an immediate adjustment of its rates for service.

33. Crittenden-Livingston District's execution of an Assistance Agreement with KIA to borrow \$1,039,500 is for a lawful objective within Crittenden-Livingston District's corporate purposes, is necessary, appropriate for and consistent with Crittenden-Livingston District's proper performance of its service to the public and will not impair Crittenden-Livingston District's ability to perform that service, and is reasonably necessary and appropriate for such purpose.

34. Crittenden-Livingston District requests a final decision on this Application at the earliest possible date but no later than **October 8, 2016**. Pursuant to the terms of its Conditional Commitment Letter with KIA, Crittenden-Livingston District must execute an Assistance Agreement with KIA no later than **October 9, 2016** to receive the funds necessary to finance the construction of the proposed water storage tank. Moreover, Crittenden-Livingston District wishes to commence construction of the proposed water storage tank as soon as possible to take advantage of favorable fall weather conditions and to reduce the risk of service disruptions resulting from lack of adequate water storage in this portion of its distribution system.

WHEREFORE, Crittenden-Livingston County Water District requests that the Commission:

1. Place this Application at the head of the Public Service Commission's docket as KRS 278.300(2) requires;

2. Grant Crittenden-Livingston District a Certificate of Public Convenience and Necessity to construct the Proposed Facilities;

3. Authorize Crittenden-Livingston District to enter and execute an Assistance Agreement with KIA to borrow a sum no greater than \$1,039,500;

4. Enter an Order granting the requested relief without holding an evidentiary hearing in this matter and no later **than October 8, 2016**; and,

5. Grant any and all such other relief to which Crittenden-Livingston District may be entitled.

Dated: August 19, 2016

Respectfully submitted,



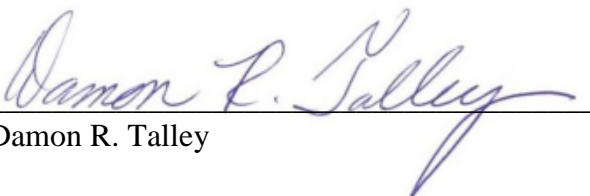
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Counsel for Crittenden-Livingston County Water District

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that Crittenden-Livingston County Water District's electronic filing of this Application is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Commission on August 19, 2016; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original paper medium and six copies of the Application will be delivered to the Commission on or before August 23, 2016.


Damon R. Talley

FILING REQUIREMENTS

FILING REQUIREMENTS FOR AN APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Source Authority	Requirement	Location
807 KAR 5:001, § 14(1)	Applicant's name, mailing address and e-mail address	Page 1, Para 1
807 KAR 5:001, § 14(1)	Statutory Reference – KRS 278.020	Page 1
807 KAR 5:001, § 4(3)	Signature of Applicant's Attorney	Page 9
807 KAR 5:001, § 4(3)	Name, Address, Telephone Number, Fax Number, and e-mail address of Applicant's Attorney	Page 9
807 KAR 5:001, § 14(2)	If Applicant is corporation: State and date of incorporation, attestation of good standing in state of incorporation, statement regarding authorization to transact business in Kentucky	Page 2, Para 2 Not Applicable
807 KAR 5:001, § 14(3)	If Applicant is a limited liability company: State and date of organization, attestation of good standing in state of incorporation, statement regarding authorization to transact business in Kentucky	Page 2, Para 2 Not Applicable
807 KAR 5:001, § 14(4)	If the Applicant is a limited partnership: a certified copy of limited partnership agreement and all amendments or statement identifying prior Commission proceedings in which limited partnership agreement and all amendments filed	Page 2, Para 2 Not Applicable
807 KAR 5:001, § 15(2)(a)	The facts relied upon to show that the public convenience and necessity requires the proposed construction	Page 3, Para 6 Exhibit 9, Exhibit 10, Exhibit 16
807 KAR 5:001, § 15(2)(b)	Copies of franchises or permits for the proposed construction or extension	Page 4, Para 7-9 Exhibit 2, Exhibit 3
807 KAR 5:001, § 15(2)(c)	A full description of the proposed location, route, or routes of the proposed construction or extension, including a description of the manner in which same will be constructed, and the names of all public utilities, corporations, or persons with whom the proposed construction or extension is likely to compete	Page 4, Para 11-12 Exhibit 4, Exhibit 5, Exhibit 6, Exhibit 7

Source Authority	Requirement	Location
807 KAR 5:001, § 15(2)(d)1	Maps to suitable scale showing the location or route of the proposed construction or extension, as well as the location to scale of like facilities owned by others located anywhere within the map area with adequate identification as to the ownership of the other facilities (Only one copy submitted pursuant to 807 KAR 5:001, Section 8)	Page 4, Para 11 Exhibit 5
807 KAR 5:001, § 15(2)(d)2	Plans and specifications and drawings of the proposed plant, equipment, and facilities	Page 5, Para 13-14 Exhibit 8, Exhibit 9
807 KAR 5:001, § 15(2)(e)	The manner in detail in which the Applicant proposes to finance the proposed construction or extension.	Page 5, Para 18 Page 6, Para 23
807 KAR 5:001, § 15(2)(f)	An estimated annual cost of operation after the proposed facilities are placed into service	Page 5, Para 20 Exhibit 15
807 KAR 5:001, § 4(13)	Engineering plans, specifications, drawings, plats and reports for the proposed construction or extension prepared by a registered engineer, must be signed, sealed, and dated by an engineer registered in Kentucky	Exhibits 8-11

**FILING REQUIREMENTS FOR AN APPLICATION FOR A
AUTHORITY TO ISSUE EVIDENCES OF INDEBTEDNESS**

Source Authority	Requirement	Location
807 KAR 5:001, § 14(1)	Applicant's name, mailing address and e-mail address	Page 1, Para 1
807 KAR 5:001, § 14(1)	Statutory Reference – KRS 278.300	Page 1
807 KAR 5:001, § 4(3)	Signature of Applicant's Attorney	Page 9
807 KAR 5:001, § 4(3)	Name, Address, Telephone Number, Fax Number, and e-mail address of Applicant's Attorney	Page 9
807 KAR 5:001, § 14(2)	If Applicant is corporation: State and date of incorporation, attestation of good standing in state of incorporation, statement regarding authorization to transact business in Kentucky	Page 2, Para 2 Not Applicable
807 KAR 5:001, § 14(3)	If Applicant is a limited liability company: State and date of organization, attestation of good standing in state of incorporation, statement regarding authorization to transact business in Kentucky	Page 2, Para 2 Not Applicable
807 KAR 5:001, § 14(4)	If the Applicant is a limited partnership: a certified copy of limited partnership agreement and all amendments or statement identifying prior Commission proceedings in which limited partnership agreement and all amendments filed	Page 2, Para 2 Not Applicable
KRS 278.300(2)	Application is made under oath and signed on utility's behalf 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	Page 10
807 KAR 5:001, § 18(1)(a)	Information required by 807 KAR 5:001, § 14	See Above
807 KAR 5:001, § 18(1)(b)	Description of Applicant's property and the field of its operation	Pages 6-7, Para 24
807 KAR 5:001, § 18(1)(c)	Description of amount and kinds of stock to be issued	Page 7, Para 25 Not Applicable
807 KAR 5:001, § 18(1)(c)	Description of amount, terms and interest rate of evidence of indebtedness	Page 6, Para 23
807 KAR 5:001, § 18(1)(c)	Description of how bond or note will be secured	Page 6, Para 25
807 KAR 5:001, § 18(1)(d)	Statement of how proceeds are to be used	Page 5, Para 18 Page 6, Para 23
807 KAR 5:001, § 18(1)(e)	If proceeds will be used to acquire, construct, improve, or extend property: a detailed description of property and all contracts	Page 3, Para 6
807 KAR 5:001, § 18(1)(f)	Requirements if proceeds are to refund outstanding obligations	Page 6, Para 26 Not Applicable

Source Authority	Requirement	Location
807 KAR 5:001, § 18(1)(g)	Applicant's written notification to state local debt officer regarding proposed issuance	Page 7, Para 27 Exhibit 18
807 KAR 5:001, § 18(2)(a) 807 KAR 5:001, § 12(1)(b)	Financial Exhibit	Page 7, Para 28
807 KAR 5:001, § 18(2)(b)	Copies of trust deeds or mortgages	Page 7, Para 29
807 KAR 5:001, § 12(2)(c)	If property acquired: maps and plans of property	Page 4, Para 11 Exhibit 5, Exhibit 12
807 KAR 5:001, § 12(2)(c)	If property acquired: detailed estimates by USOA account number	Page 8, Para 31 Exhibit 19

EXHIBITS

TABLE OF EXHIBITS

<u>Tab No.</u>	<u>Description</u>
1	Orders Establishing Crittenden-Livingston County Water District
2	KDOW Approval of Proposed Facility with Respect to Sanitary Features of Design
3	Kentucky Department of Highways Encroachment Permit
4	Description of Proposed Facility's Location
5	Maps of Proposed Facility's Location
6	Survey of Site of Proposed Facility
7	Photograph From Street Level of Proposed Site
8	Plans for Proposed Water Improvement Project
9	Specifications for Proposed Water Improvement Project
10	Preliminary Engineering Report
11	Final Engineering Report
12	Hydraulic Calculations
13	Certified Bid Tabulations
14	Project Engineer's Recommendations
15	Statement of Annual Cost of Operations
16	Testimony of Robert D. Stigall
17	Conditional Commitment Letter of October 9, 2015
18	Notice to State Local Debt Officer
19	Detailed Estimate of Acquired Property, Arranged According to the Uniform Systems of Accounts for Class A/B Water Districts and Associations

EXHIBIT 1

**Orders Establishing Crittenden-Livingston County Water District
And Its Predecessors**

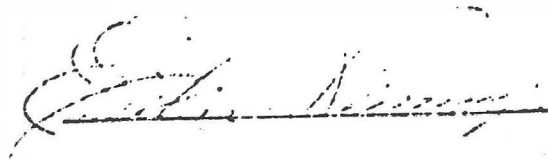
<u>Tab No.</u>	<u>Description</u>
1-A	Order of Livingston County Court Establishing Burna Water District (Apr. 5, 1963)
1-B	Order of Livingston County Judge/Executive Ratifying and Confirming Creation of Burna Water District, Changing Name of the District to Livingston County Water District, and Revising District's Boundaries (Feb. 15, 1980)
1-C	Order of Crittenden County Judge/Executive Approving the Merger of Crittenden County Water District and Livingston County Water District into a New Combined District Named "Crittenden County-Livingston County Water District" (Nov. 3, 1980)
1-D	Order of Livingston County Judge/Executive Approving the Merger of Crittenden County Water District and Livingston County Water District into a New Combined District Named "Crittenden County-Livingston County Water District" (Nov. 3, 1980)

EXHIBIT 1-A

Exhibit 7
Page 4

together with Earl Mitchell as his surety therein, executed bond to the Commonwealth of Kentucky in the penal sum of One Hundred (\$100.00) Dollars, whereupon said bond and surety were examined, approved and accepted by the Court.

Ordered court adjourn until further business

 Judge

SPECIAL TERM LIVINGSTON COUNTY COURT APRIL 5, 1963

Court met pursuant to Adjournment with Honorable Eule Ramage presiding.

It appearing to the Court that a petition signed by at Least seventy-five (75) residents free holders of the proposed Burna Water District has been filed and a copy of the territory intended to be included in the district was made a part of the petition and filed with same in the Livingston County Court Clerks Office

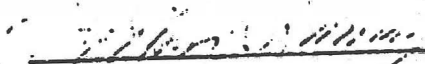
It further appearing to the Court that a notice of the filing of this petition has been posted in three (3) public places to remain posted for a period of thirty (30) days in order that any resident of the proposed district may file objections, and

It further appearing to the Court from the petition that the establishment of this district is reasonably necessary for the public health, convenience, fire protection and comfort of the residents therein.

It further appearing to the court that no objections have been filed to this petition.

It is therefore, ordered that the Burna Water District be and the same is hereby established, and it is designated the Burna Water District

Ordered that court adjourn until further business.

 Judge

B

EXHIBIT 1-B

Exhibit 7
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BEFORE THE COUNTY JUDGE/EXECUTIVE OF LIVINGSTON COUNTY, KENTUCKY

IN THE MATTER OF THE LIVINGSTON COUNTY WATER DISTRICT

ORDER RATIFYING AND CONFIRMING THE CREATION OF THE BURNA WATER DISTRICT; CHANGING THE NAME OF THE DISTRICT TO THE "LIVINGSTON COUNTY WATER DISTRICT"; AND AMENDING THE BOUNDARIES OF THE DISTRICT TO INCLUDE ALL OF LIVINGSTON COUNTY NORTH OF THE CUMBERLAND RIVER, EXCEPT THE CITY OF SALEM AND THE PRESENT SERVICE AREA OF SALEM.

The Burna Water District, which was created by Order of this Court entered on April 5, 1963, having filed its Supplemental Petition herein requesting that this Court take the appropriate action to (1) ratify and confirm the previous creation of said Water District, (2) change the name of the District to the "Livingston County Water District", and (3) amend the boundaries of said District to include all of Livingston County North of the Cumberland River, except the City of Salem and the present service area of Salem,

THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT:

1. The records of the Livingston County Court reflect the following steps as having been taken in connection with the creation of the Burna Water District:

(a) On April 5, 1963, an Order was entered by the Livingston County Court, reciting the fact that a Petition had been filed with the Court, signed by at least seventy five (75) freeholders of the residents of the area of the proposed Water District (which area was not described in that order or in any other proceedings of the County Court which can be located), and reciting the fact that a notice of filing of the Petition had been posted in three public places for a period of at least 30 days, in order that any resident of the District may file objections, and further reciting the fact that it appeared to the Court that the establishment of the District was reasonably necessary for the public health, convenience, fire protection and comfort of the residents therein, and that no objections were filed to the Petition, and such order further "ordered that the Burna Water District be and the same is hereby established, and it is designated the Burna Water District". (A copy of said order dated April 5, 1963, was attached to the Supplemental Petition herein and made a part thereof, labelled "Exhibit A").

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Also page 1 of 7 pages of Exhibit G

Exhibit 7
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(b) On February 28, 1963, an order was entered by the County Judge of Livingston County, making the following appointments:

- (1) E. E. Cooke to be Chairman for a term of two years;
- (2) Louis G. Bradley to be Secretary-Treasurer for a term of three years;
- (3) Roy W. Ramage to be Commissioner for a term of two years; and
- (4) That the sureties of each of such appointees, as posted in the amount of \$200, was examined, approved, and accepted.

(c) On April 4, 1978, an Order was entered, reciting the fact that all necessary and proper steps had been taken to form the Burna Water District in Livingston County, Kentucky, including the entry of the Order on April 5, 1963, by the then County Court, creating the District, and ordering further that three new Water District Commissioners were appointed on April 4, 1978, as follows:

- (1) Bennie Doom - 4 years;
- (2) Defas Ray Ivy - 3 years;
- (3) U. B. Green - 2 years.

(d) Said Order further ordered that each Commissioner execute a surety bond in the amount of \$50 and that the question of salary be deferred until a future time.

(e) On April 4, 1978, an Order was entered by the County Judge/Executive of Livingston County, approving the surety bonds of such three Commissioners. A copy of such order was attached to the Supplemental Petition and made a part thereof and labelled "Exhibit B".

(f) There are no other records in the office of the former County Court of Livingston County, or in the Livingston County Courthouse, known to any of the County Officials, concerning the Burna Water District.

2. The Burna Water District has been unable to accomplish the financing of any water facilities for the residents of its service area (which service area cannot be defined with any precision as there does not appear to be any record of such service area ever having been defined).

Exhibit 7
Page 19

3. Questions have been raised as to the validity of the creation of the Burma Water District, in the following particulars:

- (a) The unavailability of the original description of the boundaries of the District.
- (b) The unavailability of a copy of the original Petition for the creation of the District.
- (c) The adequacy of the publication of the notice of filing of the Petition, including questions as to whether such notice included a full description of the boundaries of the proposed District.
- (d) The adequacy of the Order of the previous Livingston County Court creating the District on April 5, 1963, without including in such Order a description of the boundaries of the District.

4. That the following is an exact description of the boundaries of the total area now intended (according to said Supplemental Petition) to be included in the District, including the additional area which the District now seeks to include in (annex to) the District:

All of Livingston County North of the Cumberland River, except the City of Salem and the present service area of Salem, the description of which service area, excluded from the boundaries of the District, is as follows:

Beginning at a point on the Crittenden County line and the Eberle Bluff Road; thence following the Eberle Bluff Road to Kentucky Highway 723; thence following Kentucky 723 South to the city limits of Salem, the northwest corner of which city limits is 370 feet west of Kentucky 723; thence following the city limits to U. S. 60, an area of 500 feet on either side of U. S. 60 and 1000 feet along U. S. 60; thence following the city limits South and East to U. S. 60 E, plus an area 500 feet south and east to the Crittenden County line; thence following the Crittenden County line back to the point of beginning.

5. That said Supplemental Petition was filed in the office of the County Judge/Executive November 26, 1979, and the County Judge/Executive has set the matter for hearing on January 7, 1980, at 8:00 A.M., C.S.T. Notice of the filing of such Supplemental Petition, of the rights of the various parties to object thereto, and of the setting of the matter for hearing on the aforesaid date and

hour, was duly published in the LIVINGSTON LEDGER on January 10, 1980, and on February 7, 1980, and an Affidavit of Publication with reference to such publications has been duly filed in the office of the County Judge/Executive and made a part hereof and is duly approved hereby.

6. That all of the original Petitioners who signed the Petition filed in this Court for the creation of said Water District were at the time of signing same both residents and freeholders of the area embraced by the boundaries of said District described in paragraph 4 above.

7. That there is no recognized central water system serving the residents of the District, as originally or as now contemplated, and the only water available for use by said residents is water which may be pumped from wells or cisterns or carried from springs, which water supply is inadequate for the use of the residents of said District.

8. That it is desperately urgent and necessary that the appropriate Order be entered (1) affirming, ratifying, and approving the previous creation of the Burna Water District, and (2) amending the boundaries of the District to include all of Livingston County north of the Cumberland River, except the City of Salem and the present service area of Salem, in order to enable the District to proceed without delay in its efforts to obtain financing for the construction of a new waterworks system for the District, all as permitted and provided for in KRS Chapter 74.

9. That no other cities, districts, or other municipal corporations, or any part thereof, are located within the proposed boundaries of the District, as described herein.

10. That the original Petition for the Creation of the District was filed in the Livingston County Court in 1963, which date was prior to the 1966 amendment to KRS Chapter 74, requiring persons interested in creating a Water District to obtain preliminary approval thereof from the Utility Regulatory Commission of Kentucky prior to filing the Petition for the Creation of a Water District in the County Court, and therefore the provisions of said amended portion of KRS Chapter 74 requiring such preliminary approval are inapplicable to this case. Letters to such effect, dated October 29, 1979, and November 1, 1979, respectively, written by Mr. Richard D. Heman, Jr., Secretary of the Utility Regulatory Commission, have been filed as an exhibit to the Supplemental Petition of the District.

11. That no written objections have heretofore been filed with the County Judge/Executive or with the County Clerk, and no person was present in open Court on this date or prior to the stipulated deadline for the purpose of making objections to any of said proceedings or to the entry of this Order.

12. That the County Judge/Executive has further considered all pleadings and all other matters relating to the creation of said Water District, including the membership of the Board of Water Commissioners of said District, their respective terms of office, and the surety bond previously executed by each of them.

NOW, THEREFORE, IT IS HEREBY ORDERED AND ADJUDGED AND THE COUNTY JUDGE/EXECUTIVE HEREBY MAKES THE FOLLOWING CONCLUSIONS OF LAW:

A. That the creation and establishment of the Burna Water District is hereby authorized, approved, ratified, and confirmed, as being necessary for the public health, convenience, fire protection, and comfort of the residents of said District.

B. That the name of the District is hereby changed to the "Livingston County Water District".

10. That the original Petition for the Creation of the District was filed in the Livingston County Court in 1963, which date was prior to the 1966 amendment to KRS Chapter 74, requiring persons interested in creating a Water District to obtain preliminary approval thereof from the Utility Regulatory Commission of Kentucky prior to filing the Petition for the Creation of a Water District in the County Court, and therefore the provisions of said amended portion of KRS Chapter 74 requiring such preliminary approval are inapplicable to this case. Letters to such effect, dated October 29, 1979, and November 1, 1979, respectively, written by Mr. Richard D. Heman, Jr., Secretary of the Utility Regulatory Commission, have been filed as an exhibit to the Supplemental Petition of the District.

11. That no written objections have heretofore been filed with the County Judge/Executive or with the County Clerk, and no person was present in open Court on this date or prior to the stipulated deadline for the purpose of making objections to any of said proceedings or to the entry of this Order.

12. That the County Judge/Executive has further considered all pleadings and all other matters relating to the creation of said Water District, including the membership of the Board of Water Commissioners of said District, their respective terms of office, and the surety bond previously executed by each of them.

NOW, THEREFORE, IT IS HEREBY ORDERED AND ADJUDGED AND THE COUNTY JUDGE/EXECUTIVE HEREBY MAKES THE FOLLOWING CONCLUSIONS OF LAW:

A. That the creation and establishment of the Burna Water District is hereby authorized, approved, ratified, and confirmed, as being necessary for the public health, convenience, fire protection, and comfort of the residents of said District.

B. That the name of the District is hereby changed to the "Livingston County Water District".

C. That the enlargement of the boundaries of the District (and/or annexation of additional territory to the District) as set out in the Findings of Fact, is hereby authorized and approved.

D. That the description of the area embraced by said District be and the same is hereby amended so that the boundaries of said District shall be those specified in paragraph 4 above.

E. That all Orders heretofore entered with respect to the appointment of the Commissioners of said Water District be, and the same are, hereby ratified and confirmed, and it is hereby determined that the present Commissioners of said Water District and their present terms of office are as follows:

<u>NAMES</u>	<u>EXPIRATION DATES OF CURRENT TERMS OF OFFICE</u>
Bennie Doom	April 4, 1982
Defas Ray Ivy	April 4, 1981
U. B. Green	April 4, 1980

F. That it is hereby determined that the appropriate oaths of office have been administered to said members of the Board of Water Commissioners, that the appropriate surety bonds have been duly executed by said members, and by their sureties, the execution of which surety bonds have been approved by the County Judge/Executive, that said Water District is a duly incorporated Water District existing under the laws of the Commonwealth of Kentucky, including KRS Chapter 74, with boundaries as herein specified in Paragraph 4 above, and that said three members are the duly qualified and acting members of the Board of Water Commissioners of said Water District, with terms of office expiring as set out above.

G. That the Burns Water District (now the Livingston County Water District) was created on April 5, 1963, prior to the 1966 amendment to KRS Chapter 74, requiring persons interested in creating a Water District to obtain preliminary approval thereof from the Utility Regulatory Commission of Kentucky prior to filing

a Petition for creation of a Water District in the County Court, and therefore the provisions of said amended portion of KRS Chapter 74 requiring such preliminary approval are inapplicable in this case.

Entered this 15th day of February, 1980.



County Judge/Executive

CERTIFICATE OF COUNTY CLERK

It is hereby certified that the foregoing is a true and accurate copy of an Order of the County Judge/Executive of Livingston County, Kentucky, duly entered on February 15, 1980, that the Affidavit of Publication referred to in paragraph 5 of said Order has been filed with and approved by the County Judge/Executive, said Affidavit being on file in my office in Smithland, Kentucky, and that said Order has been duly recorded in my office and is of record in County Judge/Executive Order Book 66, Page 256.

IN TESTIMONY WHEREOF, witness my signature and official seal this February 15, 1980.

(Seal)



County Clerk

EXHIBIT 1-C

BEFORE THE COUNTY JUDGE/EXECUTIVE
CRITTENDEN COUNTY, KENTUCKY

IN THE MATTER OF THE CRITTENDEN COUNTY-LIVINGSTON COUNTY WATER DISTRICT

ORDER APPROVING THE MERGER OF THE CRITTENDEN COUNTY
WATER DISTRICT AND THE LIVINGSTON COUNTY WATER DISTRICT
INTO A NEW COMBINED DISTRICT NAMED "CRITTENDEN COUNTY-
LIVINGSTON COUNTY WATER DISTRICT."

WHEREAS, on September 16, 1980, there was filed in the office of the County Judge/Executive of Crittenden County, Kentucky, a Joint Petition by the Commission of the Crittenden County Water District and the Commission of the Livingston County Water District, petitioning the County Judge/Executive to order the merger of said two Water Districts into a new Water District to be known as the "Crittenden County-Livingston Water District," pursuant to Sections 74.363 and 74.110 of the Kentucky Revised Statutes, and

WHEREAS, pursuant to proceedings duly held before the Utility Regulatory Commission of Kentucky, the merger of said two Water Districts was duly approved in an Order entered by said Utility Regulatory Commission on August 29, 1980, which Order is now final, and

WHEREAS, on September 16, 1980, the County Judge/Executive entered an Order setting the matter for Hearing on November 3, 1980, at 9:00 A.M., C.S.T., and directing publication of Notice of Filing of said Joint Petition and of Notice of Time of Hearing, and

WHEREAS, Notice of the filing of such Joint Petition and Notice of the Hearing as to same was duly published in accordance with the provisions of KRS 74 and KRS 424 by publication in the CRITTENDEN PRESS on September 25, 1980, and on October 23, 1980, advising interested parties of the fact that they were afforded a period of 30 days after the first publication of said Notice within which to file objections to said proposed merger and expansion, as set out in the Affidavit of Publication heretofore filed in this proceeding, and

EXHIBIT A

WHEREAS, said 30-day period expired and said Hearing was duly held on November 3, 1980, without any objections being filed.

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. That this Court has found and does hereby find that it is reasonably necessary for the public health, convenience, fire protection, safety, and comfort of the residents of the area embraced by the original Crittenden County Water District and of the area embraced by the original Livingston County Water District, that such Districts be merged into a single District to be known as the CRITTENDEN COUNTY-LIVINGSTON COUNTY WATER DISTRICT.

2. That it is hereby ordered that the Crittenden County Water District and the Livingston County Water District be and the same are hereby merged into a new Water District to be hereafter known as the CRITTENDEN COUNTY-LIVINGSTON COUNTY WATER DISTRICT.

3. That it is hereby ordered that the following constitutes a description of the boundaries of said new merged Water District, viz., the Crittenden County-Livingston County Water District:

TERRITORY OF
CRITTENDEN COUNTY-LIVINGSTON COUNTY WATER DISTRICT
LOCATED IN LIVINGSTON COUNTY

All of Livingston County North of the Cumberland River, except the City of Salem and the present service area of Salem, the description of which service area, excluded from the boundaries of the District, is as follows:

Beginning at a point on the Crittenden County line and the Eberle Bluff Road, thence following the Eberle Bluff Road to Kentucky Highway 723; thence following Kentucky 723 South to the city limits of Salem, the northwest corner of which city limits is 370 feet west of Kentucky 723; thence following the city limits to U. S. 60, an area of 500 feet on either side of U. S. 60 and 1000 feet along U. S. 60; thence following the city limits South and East to U. S. 60 E, plus an area 500 feet south and east to the Crittenden County line; thence following the Crittenden County line back to the point of beginning.

TERRITORY OF
CRITTENDEN COUNTY-LIVINGSTON COUNTY WATER DISTRICT
LOCATED IN CRITTENDEN COUNTY


All of Crittenden County except the City of Marion and the present service area of Marion, the description of which excepted service area is as follows:

1. BEGINNING at the bridge where the most westerly branch of Crooked Creek crosses U. S. Highway 60 West (being the Southeast corner of R. C. Owens Saw Mill); thence a straight line in a Southeasterly direction approximately 130° to a bridge crossing Crooked Creek South of the entrance to the Marion water treatment plant on Chapel Hill Road;
2. Thence meandering along the south bank of Crooked Creek and the south high water line of the Old City Lake to within 500 feet of Coleman Road intersection with Kentucky Highway 91 South.
3. Thence south on a line 500 feet from and paralleling the west side of Kentucky Highway 91 approximately 1850 feet to a bridge on the curve commonly known as Cochran Curve;
4. Thence meandering in an easterly direction along the north bank of the creek to an intersection with and 500 feet beyond Coleman Road. (The residence of Doug Fritts and Mrs. Robert Fritts are within this boundary and are presently served by city water);
5. Thence a Northwesterly direction 500 feet from and parallel to the Northeast side of Coleman Road to a point where the road takes a westerly direction (0.2 miles East of Kentucky Highway 91);
6. Thence a northerly direction to a point 500 feet South of the intersection of Piney Fork Road and Briarwood Drive;
7. Thence a Northeasterly direction with the RECC right of way to a point 500 feet Southwest of an intersection with Kentucky Highway 120;
8. Thence an easterly direction 500 feet South of Kentucky Highway 120 and parallel to said road to 500 feet East of Winlow Branch Road (Logan Martin, Jr. property);

9. Thence crossing Kentucky Highway 120 and a westerly direction 500 feet on the north side and parallel to Kentucky Highway 120 to an intersection with the most Easterly branch of Rush Creek;
10. Thence with the meanders of Rush Creek in a Northwest direction to Old Morganfield Road; thence with the Old Morganfield Road in a Northeast direction to an intersection with a line crossing U. S. Highway 60 North approximately 1.0 mile from the existing City Limits, (Wayne Crider property is the terminus of the boundary and is presently served by City water);
11. Thence on a line 500 feet from U. S. Highway 60 on the Northwest side of said Highway 0.5 miles in a westerly direction toward the City Limits, (This turn point is located at the Northeast corner of the Watson Trucking Terminal);
12. Thence approximately N 30 W 0.35 miles; thence turn 100% in a Southwest direction to an intersection with and 500 feet Southwest of Fords Ferry Road;
13. Thence in a Southerly direction 500 feet west of Fords Ferry Road to a point 300 feet south of Whipperwill Drive; thence turn 50% Southwest and follow a line intersecting with Kentucky Highway 91 and Frazer Road; thence continuing with this line to an intersection with a line drawn through the starting point (1) and the bridge on Chapel Hill Road at the City water plant.

This Order is entered on November 3, 1980, shall be effective immediately, and shall be filed with all other records of the Crittenden County-Livingston County Water District (with appropriate references in and to the records of the original Crittenden County Water District) in the Crittenden County Clerk's office.

Entered on November 3, 1980.



County Judge/Executive

STATE OF KENTUCKY)
COUNTY OF CRITTENDEN) SS

I, JAMES D. WHEELER, hereby certify that I am the duly qualified and acting County Clerk of Crittenden County, Kentucky, and I certify that the foregoing is a true copy of an Order of the County Judge/Executive of Crittenden County, Kentucky, approving the merger of the Crittenden County Water District and the Livingston County Water District into a new Water District to be known as the Crittenden County-Livingston County Water District, as such Order was entered by the County Judge/Executive on November 3, 1980. I further certify that such Order has been duly recorded in my office and is of record therein in ~~County Judge/Executive Order~~ ^{Order} Book 24, Page 307.

IN TESTIMONY WHEREOF, witness my signature and official Seal on this 3 day of November, 1980.


Crittenden County Clerk

EXHIBIT 1-D

BEFORE THE COUNTY JUDGE/EXECUTIVE
LIVINGSTON COUNTY, KENTUCKY

IN THE MATTER OF THE CRITTENDEN COUNTY-LIVINGSTON COUNTY WATER DISTRICT

ORDER APPROVING THE MERGER OF THE LIVINGSTON COUNTY
WATER DISTRICT AND THE CRITTENDEN COUNTY WATER DISTRICT
INTO A NEW COMBINED DISTRICT NAMED "CRITTENDEN COUNTY-
LIVINGSTON COUNTY WATER DISTRICT."

WHEREAS, on September 16, 1980, there was filed in the office of the County Judge/Executive of Livingston County, Kentucky, a Joint Petition by the Commission of the Livingston County Water District and the Commission of the Crittenden County Water District, petitioning the County Judge/Executive to order the merger of said two Water Districts into a new Water District to be known as the "Crittenden County-Livingston Water District," pursuant to Sections 74.363 and 74.110 of the Kentucky Revised Statutes, and

WHEREAS, pursuant to proceedings duly held before the Utility Regulatory Commission of Kentucky, the merger of said two Water Districts was duly approved in an Order entered by said Utility Regulatory Commission on August 29, 1980, which Order is now final, and

WHEREAS, on September 16, 1980, the County Judge/Executive entered an Order setting the matter for Hearing on November 3, 1980, at 11:00 A.M., C.S.T., and directing publication of Notice of Filing of said Joint Petition and of Notice of Time of Hearing, and

WHEREAS, Notice of the filing of such Joint Petition and Notice of the Hearing as to same was duly published in accordance with the provisions of KRS 74 and KRS 424 by publication in the LIVINGSTON LEDGER on September 25, 1980, and on October 23, 1980, advising interested parties of the fact that they were afforded a period of 30 days after the first publication of said Notice within which to file objections to said proposed merger and expansion, as set out in the Affidavit of Publication heretofore filed in this proceeding, and

WHEREAS, said 30-day period expired and said Hearing was duly held on November 3, 1980, without any objections being filed.

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. That this Court has found and does hereby find that it is reasonably necessary for the public health, convenience, fire protection, safety, and comfort of the residents of the area embraced by the original Livingston County Water District and of the area embraced by the original Crittenden County Water District, that such Districts be merged into a single District to be known as the CRITTENDEN COUNTY-LIVINGSTON COUNTY WATER DISTRICT.

2. That it is hereby ordered that the Livingston County Water District and the Crittenden County Water District be and the same are hereby merged into a new Water District to be hereafter known as the CRITTENDEN COUNTY-LIVINGSTON COUNTY WATER DISTRICT.

3. That it is hereby ordered that the following constitutes a description of the boundaries of said new merged Water District, viz., the Crittenden County-Livingston County Water District:

TERRITORY OF
CRITTENDEN COUNTY-LIVINGSTON COUNTY WATER DISTRICT
LOCATED IN LIVINGSTON COUNTY

All of Livingston County North of the Cumberland River, except the City of Salem and the present service area of Salem, the description of which service area, excluded from the boundaries of the District, is as follows:

Beginning at a point on the Crittenden County line and the Eberle Bluff Road, thence following the Eberle Bluff Road to Kentucky Highway 723; thence following Kentucky 723 South to the city limits of Salem, the northwest corner of which city limits is 370 feet west of Kentucky 723; thence following the city limits to U. S. 60, an area of 500 feet on either side of U. S. 60 and 1000 feet along U. S. 60; thence following the city limits South and East to U. S. 60 E, plus an area 500 feet south and east to the Crittenden County line; thence following the Crittenden County line back to the point of beginning.

TERRITORY OF
CRITTENDEN COUNTY-LIVINGSTON COUNTY WATER DISTRICT
LOCATED IN CRITTENDEN COUNTY

All of Crittenden County except the City of Marion and the present service area of Marion, the description of which excepted service area is as follows:

1. BEGINNING at the bridge where the most westerly branch of Crooked Creek crosses U. S. Highway 60 West (being the Southeast corner of R. C. Owens Saw Mill); thence a straight line in a Southeasterly direction approximately 130 $\frac{1}{2}$ to a bridge crossing Crooked Creek South of the entrance to the Marion water treatment plant on Chapel Hill Road;
2. Thence meandering along the south bank of Crooked Creek and the south high water line of the Old City Lake to within 500 feet of Coleman Road intersection with Kentucky Highway 91 South.
3. Thence south on a line 500 feet from and paralleling the west side of Kentucky Highway 91 approximately 1850 feet to a bridge on the curve commonly known as Cochran Curve;
4. Thence meandering in an easterly direction along the north bank of the creek to an intersection with and 500 feet beyond Coleman Road. (The residence of Doug Fritts and Mrs. Robert Fritts are within this boundary and are presently served by city water);
5. Thence a Northwesterly direction 500 feet from and parallel to the Northeast side of Coleman Road to a point where the road takes a westerly direction (0.2 miles East of Kentucky Highway 91);
6. Thence a northerly direction to a point 500 feet South of the intersection of Piney Fork Road and Briarwood Drive;
7. Thence a Northeasterly direction with the RECC right of way to a point 500 feet Southwest of an intersection with Kentucky Highway 120;
8. Thence an easterly direction 500 feet South of Kentucky Highway 120 and parallel to said road to 500 feet East of Winlow Branch Road (Logan Martin, Jr. property);

9. Thence crossing Kentucky Highway 120 and a westerly direction 500 feet on the north side and parallel to Kentucky Highway 120 to an intersection with the most Easterly branch of Rush Creek;
10. Thence with the meanders of Rush Creek in a Northwest direction to Old Morganfield Road; thence with the Old Morganfield Road in a Northeast direction to an intersection with a line crossing U. S. Highway 60 North approximately 1.0 mile from the existing City Limits, (Wayne Crider property is the terminus of the boundary and is presently served by City water);
11. Thence on a line 500 feet from U. S. Highway 60 on the Northwest side of said Highway 0.5 miles in a westerly direction toward the City Limits, (This turn point is located at the Northeast corner of the Watson Trucking Terminal);
12. Thence approximately N 30 W 0.35 miles; thence turn 100% in a Southwest direction to an intersection with and 500 feet Southwest of Fords Ferry Road;
13. Thence in a Southerly direction 500 feet west of Fords Ferry Road to a point 300 feet south of Whipperwill Drive; thence turn 50% Southwest and follow a line intersecting with Kentucky Highway 91 and Frazer Road; thence continuing with this line to an intersection with a line drawn through the starting point (1) and the bridge on Chapel Hill Road at the City water plant.

This Order is entered on November 3, 1980, shall be effective immediately, and shall be filed with all other records of the Crittenden County-Livingston County Water District (with appropriate references in and to the records of the original Livingston County Water District) in the Livingston County Clerk's office.

Entered on November 3, 1980.



County Judge/Executive

STATE OF KENTUCKY)
COUNTY OF LIVINGSTON) SS

I, JAMES J. JONES, hereby certify that I am the duly qualified and acting County Clerk of Livingston County, Kentucky, and I certify that the foregoing is a true copy of an Order of the County Judge/Executive of Livingston County, Kentucky, approving the merger of the Livingston County Water District and the Crittenden County Water District into a new Water District to be known as the Crittenden County-Livingston County Water District, as such Order was entered by the County Judge/Executive on November 3, 1980. I further certify that such Order has been duly recorded in my office and is of record therein in County Judge/Executive Order Book GG, Page 304

IN TESTIMONY WHEREOF, witness my signature and official Seal on this 3rd day of November, 1980.



Livingston County Clerk

EXHIBIT 2



MATTHEW G. BEVIN
GOVERNOR

CHARLES G. SNAVELY
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

April 25, 2016

Mr. Ronnie Slayden
Crittenden Livingston Co. Water District
P.O.Box 495
Salem, KY 42078

RE: F16-021
Crittenden Livingston Co Water District
Agency Interest: 2727
Contract(1): Moore Hill Tank Replacement
Activity ID: APE20160005

Dear: Slayden

The Kentucky Division of Water (DOW) has reviewed construction for completeness and adequacy the construction plans and specifications submitted for the above referenced contract. The DOW now approves these plans and specifications with respect to sanitary features of design in accordance with the requirements contained in the attached construction permit. These plans consist of the construction of a 400,000 gallon elevated water storage tank. The approval conditions and a list of eligible/ineligible items are enclosed. Please note that ineligible items cannot be funded using State Revolving Fund (SRF) monies, and must be paid by other funding sources.

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

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

You are cautioned not to advertise unless you have a proper wage decision. The Federal Davis-Bacon wage rates and Kentucky prevailing wage rates are applicable for this project. Please contact all other funding sources for their requirements pertaining to federal or state wage rates.

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Crittenden Livingston Co Water District--2727
Contract(1): Moore Hill Tank
Activity ID: APE20150003
April 25, 2016
Page 2 of 3

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

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

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

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

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

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

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

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

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

You are cautioned that the advertisement and award of this contract will be subject to the laws and regulations that govern the State Revolving Fund (SRF) and to the conditions of your loan

F16-021
Crittenden Livingston Co Water District--2727
Contract(1): Moore Hill Tank
Activity ID: APE20150003
April 25, 2016
Page 3 of 3

agreement. If we can be of further assistance, please call Fred Sarabi, Project Engineer, at (502) 564-3410, extension 4825.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Humphries', written in a cursive style.

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

TH:Fz:

Enclosures

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

C: SiteWorex Survey & Design
Kentucky Infrastructure Authority
Cabinet for Economic Development
McCracken County Health Department
Division of Plumbing

SRF ELIGIBLE ITEMS:

No ineligible items determined

SRF INELIGIBLE ITEMS:

No ineligible items determined

APPROVAL CONDITIONS:

1. Provide Clear Site Certificates
2. Complete and return the Project Review and Cost Summary Form.
3. Include the most recent version of the SRF Supplemental General Conditions (February 2016) in the as-bid specifications.

PROJECT REVIEW AND COST SUMMARY

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

DRINKING WATER SRF

CLEAN WATER SRF

SECTION 1.

1. Project Name _____ Project Number _____

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

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

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

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

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

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

SECTION 2.

Date Bids Opened: _____ Date Bids Expire: _____

1. The following items should be submitted to DOW after bid opening:
 - a) Executed Project Review & Cost Summary Form (this form).
 - b) Original bid advertisement or copy of advertisement with affidavit of publication.
 - c) Revised Budget (copies attached, use appropriate form).
 - d) Certified Bid Tabulations with engineer's seal.
 - e) DBE Documentation (See Attachment No. 11 of the Supplemental General Conditions (SGC)):
 - (1) Disadvantaged Business Enterprise Participation Policy from the successful low bidder with DBE certifications and executed subcontracts with DBEs or letters of intent signed by both parties; and documentation on the level of effort taken to obtain DBEs including copies of correspondence with DBE contractors,

requesting quotes and copies of any advertisements soliciting DBE contractors, copies of returned envelopes and certified mail receipts, telephone log, etc.

- (2) Bidder's List Form from recipient and successful bidder.
- (3) EPA Form 6100-3 from DBE subcontractors.
- (4) EPA Form 6100-4 from successful bidder.

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

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

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

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

4. **Comments:** _____

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

Signature of Authorized Representative

Date

Print Name and Title

SRF Project Cost Summary

Project Title: _____ WRIS#: _____

Project Budget: **Estimated** **As Bid** **Revised**

enter date

enter date

enter date

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

Funding Sources	Amount	Date Committed
1		
2		
3		
4		
5		
Total		

Local Funding Sources	Amount	Date Committed
1		
2		
3		
Total		

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

Total Funding \$ _____

Distribution-Major Construction
 Crittenden Livingston Co Water District
 Facility Requirements

Activity ID No.:APE20150003

PORT000000014 (Moore Hill Tank Replacement) 400,000 gallon elevated water storage:

Narrative Requirements:

Condition No.	Condition
T-1	Construction of this project shall not result in the water system's inability to supply consistent water service in compliance with 401 KAR 8:010 through 8:600. [401 KAR 8:100 Section 5]
T-2	The public water system shall not implement a change to the approved plans without the prior written approval of the cabinet. [401 KAR 8:100 Section 4(3)]
T-3	A proposed change to the approved plans affecting sanitary features of design shall be submitted to the cabinet for approval in accordance with Section 2 of this administrative regulation. [401 KAR 8:100 Section 4(2)]
T-4	During construction, a set of approved plans and specifications shall be available at the job site. Construction shall be performed in accordance with the approved plans and specifications. [401 KAR 8:100 Section 3(1)]
T-5	Unless construction begins within two (2) years from the date of approval of the final plans and specifications, the approval shall expire. [401 KAR 8:100 Section 3(3)]
T-6	Upon completion of construction, a professional engineer shall certify in writing that the project has been completed in accordance with the approved plans and specifications. [401 KAR 8:100 Section 4(1)]
T-7	The system shall be designed to maintain a minimum pressure of 20 psi at ground level at all points in the distribution system under all conditions of flow. [Recommended Standards for Water Works 8.2.1, Drinking Water General Design Criteria IV.1.a]
T-8	Water storage tanks shall have a minimum 100% turnover rate of once per 72 hours. [Drinking Water General Design Criteria IV.6.a]
T-9	Minimum water level for all gravity storage tanks shall maintain a minimum design pressure of 30 psi for all potential points of use supplied by the tank. [Drinking Water General Design Criteria IV.6.b]
T-10	Separate inlet and outlet is required on storage tanks; and the inlet has to be in the upper half of the tank (unless there is a separate mixing system). [Drinking Water General Design Criteria IV.6.c]
T-11	The maximum variation between high and low levels in storage structures providing pressure to a distribution system should not exceed 30 feet. [Recommended Standards for Water Works 7.3.1]
T-12	Finished water storage structures which provide pressure directly to the distribution system shall be designed so they can be isolated from the distribution system and drained for cleaning or maintenance without causing a loss of pressure in the distribution system. [Recommended Standards for Water Works 7.3.2]

Distribution-Major Construction
 Crittenden Livingston Co Water District
 Facility Requirements

Activity ID No.:APE20150003

PORT000000014 (Moore Hill Tank Replacement) 400,000 gallon elevated water storage:

Narrative Requirements:

Condition No.	Condition
T-13	The storage structure drain shall discharge to the ground surface with no direct connection to a sewer or storm drain. [Recommended Standards for Water Works 7.3.2]
T-14	Adequate controls shall be provided to maintain levels in distribution system storage structures. Level indicating devices should be provided at a central location. [Recommended Standards for Water Works 7.3.3]
T-15	The minimum storage capacity (or equivalent capacity) for systems not providing fire protection shall be equal to the average daily consumption. [Recommended Standards for Water Works 7.0.1.b]
T-16	The system should be designed to facilitate turnover of water in the reservoir. [Recommended Standards for Water Works 7.0.6]
T-17	Excessive storage capacity should be avoided to prevent potential water quality deterioration problems. [Recommended Standards for Water Works 7.0.1.c]
T-18	The overflow pipe shall be of sufficient diameter to permit waste of water in excess of the filling rate. [Recommended Standards for Water Works 7.0.7.d]
T-19	Finished water storage structures shall be designed with reasonably convenient access to the interior for cleaning and maintenance. [Recommended Standards for Water Works 7.0.8]
T-20	Finished water storage structures shall be vented. Vents shall prevent the entrance of surface water, rainwater, bird, and animals. The overflow pipe shall not be considered a vent. Open construction between the sidewall and roof is not permissible. [Recommended Standards for Water Works 7.0.9]
T-21	Finished water storage structures and their appurtenances, especially the riser pipes, overflows, and vents, shall be designed to prevent freezing. Equipment used for freeze protection that will come into contact with the potable water shall meet ANSI/NSF Standard 61. [Recommended Standards for Water Works 7.0.13]
T-22	If a flapper valve is utilized, a screen shall be provide inside the valve. Provisions must be included to prevent the flapper from freezing shut. [Recommended Standards for Water Works 7.0.7.e]
T-23	The roof and sidewalls of all water storage structures must be watertight with no openings except properly constructed vents, manholes, overflows, risers, drains, pump mountings, control ports, or piping for inflow and outflow. [Recommended Standards for Water Works 7.0.10]
T-24	Any pipes running through the roof or sidewall of a metal storage structure must be welded, or properly gasketed. In concrete tanks, these pipes shall be connected to standard wall castings which were poured in place during the forming of the concrete. [Recommended Standards for Water Works 7.0.10.a]

Distribution-Major Construction
Crittenden Livingston Co Water District
Facility Requirements

Activity ID No.:APE20150003

PORT000000014 (Moore Hill Tank Replacement) 400,000 gallon elevated water storage:

Narrative Requirements:

Condition No.	Condition
T-25	Openings in the roof of a storage structure designed to accommodate control apparatus or pump columns, shall be curbed and sleeved with proper additional shielding to prevent contamination from surface or floor drainage. [Recommended Standards for Water Works 7.0.10.b]
T-26	Valves and controls should be located outside the storage structure so that the valve stems and similar projections will not pass through the roof or top of the reservoir. [Recommended Standards for Water Works 7.0.10.c]
T-27	Every catwalk over finished water in a storage structure shall have a solid floor with sealed raised edges, designed to prevent contamination from shoe scrapings and dirt. [Recommended Standards for Water Works 7.0.14]
T-28	The discharge pipes from water storage structures shall be located in a manner that will prevent the flow of sediment into the distribution system. [Recommended Standards for Water Works 7.0.15]
T-29	Smooth-nosed sampling tap(s) shall be provided to facilitate collection of water samples for both bacteriological and chemical analyses. The sample tap(s) shall be easily accessible. [Recommended Standards for Water Works 7.0.19]
T-30	Sewers, drains, standing water, and similar sources of possible contamination must be kept at least 50 feet from water storage facilities. Gravity sewers constructed of water main quality pipe, pressure tested in place without leakage, may be used at distances greater than 20 feet but less than 50 feet. [Recommended Standards for Water Works 7.0.2.c]
T-31	The roof of the storage structure shall be well drained. Downspout pipes shall not enter or pass through the reservoir. [Recommended Standards for Water Works 7.0.10.d]
T-32	Porous material, including wood and concrete block shall not be used for potable water contact applications. [Recommended Standards for Water Works 7.0.11]
T-33	All finished water storage structures shall have suitable watertight roofs which exclude birds, animals, insects, and excessive dust. [Recommended Standards for Water Works 7.0.3]
T-34	Fencing, locks on access manholes, and other necessary precautions shall be provided to prevent trespassing, vandalism, and sabotage. [Recommended Standards for Water Works 7.0.4]
T-35	Ladders, ladder guards, balcony railings, and safely located entrance hatches shall be provided where applicable. [Recommended Standards for Water Works 7.0.12.a]

Distribution-Major Construction
 Crittenden Livingston Co Water District
 Facility Requirements

Activity ID No.:APE20150003

PORT000000014 (Moore Hill Tank Replacement) 400,000 gallon elevated water storage:

Narrative Requirements:

Condition No.	Condition
T-36	All water storage structures shall be provided with an overflow which is brought down to an elevation between 12 and 24 inches above the ground surface, and discharges over a drainage inlet structure or a splash plate. All overflow pipes shall be located so that any discharge is visible. [Recommended Standards for Water Works 7.0.7]
T-37	No drain on a water storage structure may have a direct connection to a sewer or storm drain. [Recommended Standards for Water Works 7.0.5]
T-38	The design shall allow draining the storage facility for cleaning or maintenance without causing loss of pressure in the distribution system. [Recommended Standards for Water Works 7.0.5]
T-39	No overflow may be connected directly to a sewer or a storm drain. [Recommended Standards for Water Works 7.0.7]
T-40	Proper protection shall be given to metal surfaces by paints or other protective coatings, by cathodic protective devices, or by both. [Recommended Standards for Water Works 7.0.17]
T-41	Paint systems shall meet ANSI/NSF standard 61. [Recommended Standards for Water Works 7.0.17.a]
T-42	Interior paint must be applied, cured, and used in a manner consistent with the ANSI/NSF approval. [Recommended Standards for Water Works 7.0.17.a]
T-43	After curing, the coating shall not transfer any substance to the water which will be toxic or cause taste or odor problems. [Recommended Standards for Water Works 7.0.17.a]
T-44	Wax coatings for the tank interior shall not be used on new tanks. [Recommended Standards for Water Works 7.0.17.b]
T-45	Old wax coating must be completely removed before using another tank coating. [Recommended Standards for Water Works 7.0.17.b]
T-46	Finished water storage structures shall be disinfected in accordance with AWWA Standard C652. Two or more successive sets of samples, taken at 24-hour intervals, shall indicate microbiologically satisfactory water before the facility is placed into operation. [Recommended Standards for Water Works 7.0.18.a]
T-47	The disinfection procedure specified in AWWA Standard C652 chlorination method 3, section 4.3 which allows use of the highly chlorinated water held in the storage tank for disinfection purposes, is prohibited unless the initial heavily chlorinated water is properly disposed. [Recommended Standards for Water Works 7.0.18.c]

Distribution-Major Construction
 Crittenden Livingston Co Water District
 Facility Requirements

Activity ID No.:APE20150003

PORT0000000014 (Moore Hill Tank Replacement) 400,000 gallon elevated water storage:

Narrative Requirements:

Condition No.	Condition
T-48	The overflow for an elevated tank shall open downward and be screened with a four mesh, non-corrodible screen. [Recommended Standards for Water Works 7.0.7.c]
T-49	Elevated storage tank vents shall open downward, and be fitted with either four mesh non-corrodible screen, or with finer mesh non-corrodible screen in combination with an automatically resetting pressure-vacuum relief mechanism. [Recommended Standards for Water Works 7.0.9.e]
T-50	Elevated storage tanks shall have at least one of the access manholes framed at least four inches above the surface of the roof at the opening. All other manholes or access ways shall be bolted and gasketed. [Recommended Standards for Water Works 7.0.8.1]
T-51	Elevated tanks with riser pipes over eight inches in diameter shall have protective bars over the riser openings inside the tank. [Recommended Standards for Water Works 7.0.12.b]
T-52	Railings or handholds shall be provided on elevated tanks where persons must transfer from the access tube to the water compartment. [Recommended Standards for Water Works 7.0.12.c]
T-53	When an internal overflow pipe is used on elevated tanks, it should be located in the access tube. For vertical drops on other types of storage facilities, the overflow pipe should be located on the outside of the structure. [Recommended Standards for Water Works 7.0.7.a]
T-54	If a water circulation system is used, it is recommended that the circulation pipe be located separately from the riser pipe. [Recommended Standards for Water Works 7.0.13]
T-55	Reservoirs with pre-cast concrete roof structures must be made watertight with the use of a waterproof membrane or similar product. [Recommended Standards for Water Works 7.0.10.f]

SUPPLEMENTAL GENERAL CONDITIONS
FOR
CLEAN WATER STATE REVOLVING FUND
DRINKING WATER STATE REVOLVING FUND
(Drinking Water and Wastewater)

Project Name: _____

Project Number: _____

The attached instructions and regulations as listed below shall be incorporated into the Specifications and comprise Special Conditions.

	<u>Attachment No.</u>
SRF Special Provisions	1
KRS Chapter 45A-Kentucky Model Procurement Code	2
Equal Employment Opportunity (EEO) Documents:	
Notice of Requirement for Affirmative Action	3
Contract Specifications (Executive Order 11246)	4
EEO Goals for Region 4 Economic Areas	5
Special Notice #1 - Check List of EEO Documentation	6
Employer Information Report EEO-1 (SF 100)	7
Labor Standards Provisions for Federally Assisted Construction, EPA Form 5720-4	8
Certifications	
Debarment, Suspension and Other Responsibility Matters	9
Anti-lobbying	10
Region 4 Disadvantaged Business Enterprise (DBE)	11
Bonds and Insurance	12
Storm Water General Permit	13
Davis-Bacon Wage Rate Requirements under FY 2013 Continuing Resolution	14
American Iron and Steel Requirement	15

SRF SPECIAL PROVISIONS

- (a) **Line crossings of all roads and streets shall be done in accordance with the Kentucky Transportation Cabinet requirements as may be set forth in the Special Conditions.**
- (b) **Construction is to be carried out so as to prevent by-passing of flows during construction unless a schedule has been approved by the State or EPA, whichever is applicable. Siltation and soil erosion must be minimized during construction. All construction projects with surface disturbance of more than 1 acre during the period of construction must have a KPDES Storm Water General Permit. The permit can be found at the following web address: <https://dep.gateway.ky.gov/eForms/default.aspx?FormID=7>.**

If you have any questions regarding the completion of this form call the Surface Water Permits Branch at (502) 564-3410.

- (c) **Restore disturbed areas to original or better condition.**
- (d) **Use of Chemicals: All chemicals used during project construction or furnished for project operation, whether herbicide, pesticide, disinfectant, polymer, reactant or of other classification, must show approval of either DOW or EPA. Use of all such chemicals and disposal of residues shall be in conformance with instructions on the manufacturer's label.**
- (e) **The construction of the project, including the letting of contracts in connection therewith, shall conform to the applicable requirements of state, territorial, and local laws and ordinances to the extent that such requirements do not conflict with Federal laws and this subchapter.**
- (f) **The owner shall provide and maintain competent and adequate supervision and inspection.**
- (g) **The Kentucky Infrastructure Authority and Kentucky Division of Water shall have access to the site and the project work at all times.**
- (h) **In the event Archaeological materials (arrowheads, stone tools, stone axes, prehistoric and historic pottery, bottles, foundations, Civil War artifacts, and other types of artifacts) are uncovered during the construction of this project, work is to immediately cease at the location and the Kentucky Heritage Council shall be contacted. The telephone number is (502) 564-7005. Construction shall commence at this location until a written release is received from the Kentucky Heritage Council. Failure to report a find could result in legal action.**
- (i) **This procurement will be subject to DOW Procurement Guidance including the Davis-Bacon Act.**
- (j) **Reasonable care shall be taken during construction to avoid damage to vegetation. Ornamental shrubbery and tree branches shall be temporarily tied back, where appropriate, to minimize damage. Trees which receive damage to branches shall be trimmed of those branches to improve the appearance of the tree. Tree trunks receiving damage from equipment shall be treated with a tree dressing.**
- (k) **No wastewater bypassing will occur during construction unless a schedule has been approved by the Kentucky Division of Water.**
- (l) **Change orders to the construction contract (if required) must be negotiated pursuant to DOW/KIA Procurement Guidance for Construction and Equipment Contracts.**

KRS Chapter 45A
Kentucky Model Procurement Code

45A.075 Methods of awarding state contracts.

Except as otherwise authorized by law, all state contracts shall be awarded by:

- (1) Competitive sealed bidding, pursuant to KRS 45A.080; or
- (2) Competitive negotiation, pursuant to KRS 45A.085 and 45A.090 or 45A.180; or
- (3) Noncompetitive negotiation, pursuant to KRS 45A.095; or
- (4) Small purchase procedures, pursuant to KRS 45A.100.

Effective: June 24, 2003

History: Amended 2003 Ky. Acts ch. 98, sec. 4, effective June 24, 2003. -- Created 1978 Ky. Acts ch. 110, sec. 16, effective January 1, 1979.

45A.080 Competitive sealed bidding.

(1) Contracts exceeding the amount provided by KRS 45A.100 shall be awarded by competitive sealed bidding, which may include the use of a reverse auction, unless it is determined in writing that this method is not practicable. Factors to be considered in determining whether competitive sealed bidding is not practicable shall include:

- (a) Whether specifications can be prepared that permit award on the basis of best value; and
- (b) The available sources, the time and place of performance, and other relevant circumstances as are appropriate for the use of competitive sealed bidding.

(2) The invitation for bids shall state that awards shall be made on the basis of best value. In any contract which is awarded under an invitation to bid which requires delivery by a specified date and imposes a penalty for late delivery, if the delivery is late, the contractor shall be given the opportunity to present evidence that the cause of the delay was beyond his control. If it is the opinion of the purchasing officer that there is sufficient justification for delayed delivery, the purchasing officer may adjust or waive any penalty that is provided for in the contract.

(3) Adequate public notice of the invitation for bids and any reverse auction shall be given a sufficient time prior to the date set forth for the opening of bids or beginning of the reverse auction. The notice may include posting on the Internet or publication in a newspaper or newspapers of general circulation in the state as determined by the secretary of the Finance and Administration Cabinet not less than seven (7) days before the date set for the opening of the bids and any reverse auction. The provisions of this subsection shall also apply to price contracts and purchase contracts of state institutions of higher education.

(4) Bids shall be opened publicly or entered through a reverse auction at the time and place designated in the invitation for bids. At the time the bids are opened, or the reverse auction has ended, the purchasing agency shall announce the agency's engineer's estimate, if applicable, and make it a part of the agency records pertaining to the letting of any contract for which bids were received. Each written or reverse auction bid, together with the name of the bidder and the agency's engineer's estimate, shall be recorded and be open to public inspection. Electronic bid opening and posting of the required information for public viewing shall satisfy the requirements of this subsection.

(5) The contract shall be awarded by written notice to the responsive and responsible bidder whose bid offers the best value.

(6) Correction or withdrawal of written or reverse auction bids shall be allowed only to the extent permitted by regulations issued by the secretary.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 63, sec. 3, effective July 15, 2010. -- Amended 2000 Ky. Acts ch. 509, sec. 1, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 120, sec. 10, effective July 15, 1998. -- Amended 1997 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 27, effective May 30, 1997. -- Amended 1996 Ky. Acts ch. 60, sec. 2, effective July 15, 1996. -- Amended 1994 Ky. Acts ch. 278, sec. 1, effective July 15, 1994. -- Amended 1982 Ky. Acts ch. 282, sec. 1, effective July 15, 1982. -- Amended 1979 (1st Extra. Sess.) Ky. Acts ch. 9, sec. 1, effective February 10, 1979. -- Created 1978 Ky. Acts ch. 110, sec. 17, effective January 1, 1979.

45A.085 Competitive negotiation.

(1) When, under administrative regulations promulgated by the secretary or under KRS 45A.180, the purchasing officer determines in writing that the use of competitive sealed bidding is not practicable, and except as provided in KRS 45A.095 and 45A.100, a contract may be awarded by competitive negotiation, which may include the use of a reverse auction.

(2) Adequate public notice of the request for proposals and any reverse auction shall be given in the same manner and circumstances as provided in KRS 45A.080(3).

(3) Contracts other than contracts for projects utilizing an alternative project delivery method under KRS 45A.180 may be competitively negotiated when it is determined in writing by the purchasing officer that the bids received by competitive sealed bidding either are unreasonable as to all or part of the requirements, or were not independently reached in open competition, and for which each competitive bidder has been notified of the intention to negotiate and is given reasonable opportunity to negotiate.

(4) Contracts for projects utilizing an alternative project delivery method shall be processed in accordance with KRS 45A.180.

(5) The request for proposals shall indicate the relative importance of price and other evaluation factors, and any reverse auction procedures.

(6) Award shall be made to the responsible and responsive offeror whose proposal is determined in writing to be the most advantageous to the Commonwealth, taking into consideration price and the evaluation factors set forth in the request for proposals and the reciprocal preference for resident bidders required under KRS 45A.494.

(7) Written or oral discussions shall be conducted with all responsible offerors who submit proposals determined in writing to be reasonably susceptible of being selected for award. Discussions shall not disclose any information derived from proposals submitted by competing offerors. Discussions need not be conducted:

(a) With respect to prices, where the prices are fixed by law, reverse auction, or administrative regulation, except that consideration shall be given to competitive terms and conditions;

(b) Where time of delivery or performance will not permit discussions; or

(c) Where it can be clearly demonstrated and documented from the existence of adequate competition or prior experience with the particular supply, service, or construction item, that acceptance of an initial offer without discussion would result in fair and reasonable best value procurement, and the request for proposals notifies all offerors of the possibility that award may be made on the basis of the initial offers.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 63, sec. 4, effective July 15, 2010; and ch. 162, sec. 8, effective July 15, 2010. -- Amended 2003 Ky. Acts ch. 98, sec. 5, effective June 24, 2003. -- Amended 1997 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 28, effective May 30, 1997. -- Amended 1979 (1st Extra. Sess.) Ky. Acts ch. 9, sec. 2, effective February 10, 1979. -- Created 1978 Ky. Acts ch. 110, sec. 18, effective January 1, 1979.

45A.090 Negotiation after competitive sealed bidding when all bids exceed available funds.

(1) In the event that all bids submitted pursuant to competitive sealed bidding under KRS 45A.080 result in bid prices in excess of the funds available for the purchase, and the chief purchasing officer determines in writing:

DOW – Feb 2016

- (a) That there are no additional funds available from any source so as to permit an award to the responsive and responsible bidder whose bid offers the best value; and
- (b) The best interest of the state will not permit the delay attendant to a resolicitation under revised specifications, or for revised quantities, under competitive sealed bidding as provided in KRS 45A.080, then a negotiated award may be made as set forth in subsections (2) or (3) of this section.
- (2) Where there is more than one (1) bidder, competitive negotiations pursuant to KRS 45A.085(3) shall be conducted with the three (3) (two (2) if there are only two (2)) bidders determined in writing to be the most responsive and responsible bidders, based on criteria contained in the bid invitation and the reciprocal preference for resident bidders under KRS 45A.494. Such competitive negotiations shall be conducted under the following restrictions:
- (a) If discussions pertaining to the revision of the specifications or quantities are held with any potential offeror, all other potential offerors shall be afforded an opportunity to take part in such discussions; and
- (b) A request for proposals, based upon revised specifications or quantities, shall be issued as promptly as possible, shall provide for an expeditious response to the revised requirements, and shall be awarded upon the basis of best value.
- (3) Where, after competitive sealed bidding, it is determined in writing that there is only one (1) responsive and responsible bidder, a noncompetitive negotiated award may be made with such bidder in accordance with KRS 45A.095.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 162, sec. 9, effective July 15, 2010. -- Amended 2003 Ky. Acts ch. 98, sec. 6, effective June 24, 2003. -- Amended 1997 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 29, effective May 30, 1997. -- Created 1978 Ky. Acts ch. 110, sec. 19, effective January 1, 1979.

45A.095 Noncompetitive negotiation.

- (1) A contract may be made by noncompetitive negotiation only for sole source purchases, or when competition is not feasible, as determined by the purchasing officer in writing prior to award, under administrative regulations promulgated by the secretary of the Finance and Administration Cabinet or the governing boards of universities operating under KRS Chapter 164A, or when emergency conditions exist. Sole source is a situation in which there is only one (1) known capable supplier of a commodity or service, occasioned by the unique nature of the requirement, the supplier, or market conditions. Insofar as it is practical, no less than three (3) suppliers shall be solicited to submit written or oral quotations whenever it is determined that competitive sealed bidding is not feasible. Award shall be made to the supplier offering the best value. The names of the suppliers submitting quotations and the date and amount of each quotation shall be placed in the procurement file and maintained as a public record. Competitive bids may not be required:
- (a) For contractual services where no competition exists, such as telephone service, electrical energy, and other public utility services;
- (b) Where rates are fixed by law or ordinance;
- (c) For library books;
- (d) For commercial items that are purchased for resale;
- (e) For interests in real property;
- (f) For visiting speakers, professors, expert witnesses, and performing artists;
- (g) For personal service contracts executed pursuant to KRS 45A.690 to 45A.725; and
- (h) For agricultural products in accordance with KRS 45A.645.

(2) The chief procurement officer, the head of a using agency, or a person authorized in writing as the designee of either officer may make or authorize others to make emergency procurements when an emergency condition exists.

(3) An emergency condition is a situation which creates a threat or impending threat to public health, welfare, or safety such as may arise by reason of fires, floods, tornadoes, other natural or man-caused disasters, epidemics, riots, enemy attack, sabotage, explosion, power failure, energy shortages, transportation emergencies, equipment failures, state or federal legislative mandates, or similar events. The existence of the emergency condition creates an immediate and serious need for services, construction, or items of tangible personal property that cannot be met through normal procurement methods and the lack of which would seriously threaten the functioning of government, the preservation or protection of property, or the health or safety of any person.

(4) The Finance and Administration Cabinet may negotiate directly for the purchase of contractual services, supplies, materials, or equipment in bona fide emergencies regardless of estimated costs. The existence of the emergency shall be fully explained, in writing, by the head of the agency for which the purchase is to be made. The explanation shall be approved by the secretary of the Finance and Administration Cabinet and shall include the name of the vendor receiving the contract along with any other price quotations and a written determination for selection of the vendor receiving the contract. This information shall be filed with the record of all such purchases and made available to the public. Where practical, standard specifications shall be followed in making emergency purchases. In any event, every effort should be made to effect a competitively established price for purchases made by the state.

Effective: July 15, 2002

History: Amended 2002 Ky. Acts ch. 344, sec. 9, effective July 15, 2002. -- Amended 1997 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 30, effective May 30, 1997. -- Amended 1990 Ky. Acts ch. 496, sec. 4, effective July 13, 1990. -- Created 1978 Ky. Acts ch. 110, sec. 20, effective January 1, 1979

45A.100 Small purchases by state governmental bodies.

(1) Procurements may be made in accordance with small purchase administrative regulations promulgated by the secretary of the Finance and Administration Cabinet, pursuant to KRS Chapter 13A, as follows:

(a) Up to ten thousand dollars (\$10,000) per project for construction and one thousand dollars (\$1,000) for purchases by any state governmental body, except for those state administrative bodies specified in paragraph (b) of this subsection; and

(b) Up to forty thousand dollars (\$40,000) per project for construction or purchases by the Finance and Administration Cabinet, state institutions of higher education, and the legislative branch of government.

(2) Procurement requirements shall not be artificially divided so as to constitute a small purchase under this section. Reverse auctions may be used for small purchase procurements. At least every two (2) years, the secretary shall review the prevailing costs of labor and materials and may make recommendations to the next regular session of the General Assembly for the revision of the then current maximum small purchase amount as justified by intervening changes in the cost of labor and materials.

(3) The secretary of the Finance and Administration Cabinet may grant to any state agency with a justifiable need a delegation of small purchasing authority which exceeds the agency's small purchase limit provided in subsection (1) of this section. Delegations of small purchasing authority shall be granted or revoked by the secretary of the Finance and Administration Cabinet, in accordance with administrative regulations promulgated by the cabinet pursuant to KRS Chapter 13A. These administrative regulations shall establish, at a minimum, the criteria for granting and revoking delegations of small purchasing authority, including the requesting

agency's past compliance with purchasing regulations, the level of training of the agency's purchasing staff, and the extent to which the agency utilizes the Kentucky Automated Purchasing System. The administrative regulations may permit the secretary of the Finance and Administration Cabinet to delegate small purchase procurements up to the maximum amount specified in subsection (1)(b) of this section.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 63, sec. 5, effective July 15, 2010. -- Amended 2002 Ky. Acts ch. 320, sec. 2, effective July 15, 2002. -- Amended 2000 Ky. Acts ch. 225, sec. 1, effective July 14, 2000. -- Amended 1996 Ky. Acts ch. 60, sec. 1, effective July 15, 1996. -- Amended 1994 Ky. Acts ch. 323, sec. 1, effective July 15, 1994. -- Amended 1990 Ky. Acts ch. 496, sec. 5, effective July 13, 1990. -- Amended 1986 Ky. Acts ch. 384, sec. 1, effective July 15, 1986. -- Amended 1984 Ky. Acts ch. 384, sec. 1, effective July 13, 1984. -- Amended 1982 Ky. Acts ch. 282, sec. 2, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 242, sec. 1, effective July 15, 1980; and ch. 250, sec. 19, effective April 9, 1980. -- Created 1978 Ky. Acts ch. 110, sec. 21, effective January 1, 1979.

**NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION TO ENSURE
EQUAL EMPLOYMENT OPPORTUNITY (EXECUTIVE ORDER 11246)**

The following excerpts are from 45 FR 65984 (October 3, 1980):

The minority and female goals apply to Federal and federally assisted construction contractors and subcontractors which have covered contracts. The goals are expressed as a percentage of the total hours worked by such a covered or subcontractor's entire onsite construction workforce, which is working on any construction site within a relevant area. The goal applies to each construction craft and trade in the contractor's entire workforce in the relevant area including those employees working on private non-federally involved projects.

Until further notice, the following goals for minority utilization in each construction craft and trade shall be included in all Federal or federally assisted construction contracts and subcontracts in excess of \$10,000 to be performed in the respective geographic area. The goals are applicable to each nonexempt contractor's total onsite construction workforce, regardless of whether or not part of that workforce is performing work on a Federal, federally assisted or non-federally related project, contract or subcontract.

Construction contractors which are participating in an approved Hometown Plan (see 41 CFR 60-4.5) are required to comply with the goals of the Hometown Plan with regard to construction work they perform in the area covered by the Hometown Plan. With regard to all their other covered construction work, such contractors are required to comply as follows:

Goals for female participation in each trade.....6.9%
Goals for minority participation in each trade.....Insert goals for each year
(see Attachment Number 5)

These goals are applicable to all the Contractor's construction work (whether or not it is Federal or Federally assisted) performed in the covered area.

The following excerpts are from 45 FR 65977 (October 3, 1980):

The Contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3(a), and its efforts to meet the goals established for the geographical area where the contract resulting from this solicitation is to be performed. The hours of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from Contractor to Contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract, the Executive Order and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

3. The Contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address and telephone number of the subcontractor; employer identification number; estimated dollar amount of the subcontract; estimated starting and completion dates of the subcontract; and the geographical area in which the contract is to be performed.

4. As used in this Notice, and in the contract resulting from this solicitation, the covered area is (insert description of the geographical areas where the contract is to be performed giving the state, country, and city, if any).

DOW- Feb 2016

**STANDARD FEDERAL EQUAL EMPLOYMENT OPPORTUNITY CONSTRUCTION
CONTRACT SPECIFICATIONS (EXECUTIVE ORDER 11246)**

EEO Specifications

Following is the standard language, which must be incorporated into all solicitations for offers and bids on all Federal and Federally assisted construction contracts or subcontracts in excess of \$10,000 to be performed in designated geographical areas:

1. As used in these specifications:
 - (a) Covered Area means the geographical area described in the solicitation from which this contract resulted.
 - (b) Director means Director, Office of Federal Contract Compliance Program, United States Department of Labor, or any person to whom the Director delegates authority;
 - (c) Employer identification number means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941.
 - (d) Minority includes:
 - (i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);
 - (ii) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish Culture or origin, regardless of race);
 - (iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and
 - (iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).
2. Whenever the Contractor or any Subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.
3. If the Contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan. Contractors must be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each Contractor or Subcontractor participating in an approved Plan is individually required to comply with its obligations under the EEO clause, and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other Contractors or Subcontractors toward a goal in an approved Plan does not excuse any covered Contractor's or Subcontractor's failure to take a good faith efforts to achieve the Plan goals and timetables.
4. The Contractor shall implement the specific affirmative action standards provided in paragraphs 7-a through p of these specifications. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has

employees in the covered area. The Contractor is expected to make substantially uniform progress toward its goals in each craft during the period specified.

5. Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations under these specifications, Executive Order 11246, or the regulations promulgated pursuant thereto.
6. In order for the non-working training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.
7. The Contractor shall take specific affirmative action to ensure equal employment opportunity. The evaluation of the Contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative actions steps at least as extensively as the following:
 - a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each construction project. The Contractor shall specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.
 - b. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the contractor or its unions have employment opportunities available, and maintain a record of the organizations responses.
 - c. Maintain a current file of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by the union or, if referred, not employed by the contractor, this shall be documented in the file with the reason therefore, along with whatever additional actions the contractor may have taken.
 - d. Provide immediate written notification to the Director when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligation.
 - e. Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources complied under 7-b above.
 - f. Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and

by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

g. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, lay-off, termination or other employment decisions including specific review of these items with on-site supervisory personnel such as Superintendents, General Foreman, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

h. Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

i. Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

j. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the site and in other areas of a Contractor's workforce.

k. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3.

l. Conduct, at least annually, an inventory and evaluation of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

m. Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that EEO policy and the Contractor's obligations under these specifications are being carried out.

n. Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

o. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

p. Conduct a review, at least annually, of all supervisor's adherence to and performance under the Contractor's EEO policies and affirmative action obligations.

8. Contractors are encouraged to participate in voluntary associations, which assist in fulfilling one or more of their affirmative actions obligations (7 a through p). The efforts of a contractor association, joint contractor-union, contractor-community, of other similar group of which the contractor is a member and participant may be asserted as fulfilling any one or more of its obligations under 7 a through p of these specifications provided that the contractor actively participates in the group, makes every effort to assure

that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be defense for the Contractor's noncompliance.

9. A single goal for minorities and a separate single goal for women have been established. The contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation of the Executive Order if a particular group is employed in a substantially disparate manner (for example: even though the Contractor has achieved its goal for women generally, the Contractor may be in violation of the Executive Order if a specific minority group of women is underutilized).

10. The Contractor shall not use the goals and timetables for affirmative action standards to discriminate against any person because of race, color, religion, sex or national origin.

11. The Contractor shall not enter into any Subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

12. The Contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any Contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and executive Order 11246, as amended.

13. The Contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph 7 of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of the Executive Order, the implementing regulations, or these specifications, the Director shall proceed in accordance with 41 CFR 60-4.8.

14. The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required by the Government and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation, if any, employee identification number when assigned, social security number, race, sex, status (e.g., mechanic, apprentice, trainee, helper or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and locations at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

15. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

EEO Goals for Economic Areas in Region 4

Source: Appendix B-80 in 45 FR 65984 (October 3, 1980)

Kentucky:

053 Knoxville, TN
 SMSA Counties:
 3840 Knoxville, TN6.6
 TN Anderson; TN Blount; TN Knox; TN Union.
 Non-SMSA Counties4.5
 KY Bell; KY Harlan; KY Knox; KY Laurel; KY McCreary; KY Wayne; KY Whitley; TN
 Campbell; TN Claiborne; TN Cocke; TN Cumberland; TN Fentress; TN Grainger, TN Hamblen;
 TN Jefferson; TN Loudon; TN Morgan; TN Roane; TN Scott;
 TN Sevier.

054 Nashville, TN:
 SMSA Counties:
 1660 Clarksville - Hopkinsville, TN - KY18.2
 KY Christian; TN Montgomery.
 5360 Nashville - Davidson, TN15.8
 TN Cheatham, TN Davidson; TN Dickson; TN Robertson; TN Rutherford; TN Sumner; TN
 Williamson; TN Wilson.
 Non-SMSA Counties12.0
 KY Allen; KY Barren; KY Butler; KY Clinton; KY Cumberland; KY Edmonson; KY Logan; KY
 Metcalfe; KY Monroe; KY Simpson; KY Todd; KY Trigg; KY Warren; TN Bedford; TN Cannon;
 TN Clay; TN Coffee; TN DeKalb; TN Franklin; TN Giles; TN Hickman; TN Houston; TN
 Humphreys; TN Jackson; TN Lawrence; TN Lewis; TN Macon; TN Marshall; TN Maury; TN
 Moore; TN Overton; TN Perry; TN Pickett; TN Putnam; TN Smith; TN Stewart; TN Trousdale;
 TN Van Buren; TN Warren; TN Wayne; TN White.

056 Paducah, KY:
 Non-SMSA Counties5.2
 IL Hardin; IL Massac; IL Pope; KY Ballard; KY Caldwell; KY Calloway. KY Carlisle; KY
 Crittenden; KY Fulton; KY Graves; KY Hickman; KY Livingston; KY Lyon. KY McCracken; KY
 Marshall.

057 Louisville, KY:
 SMSA Counties:
 4520 Louisville, KY-IN11.2
 IN Clark; IN Floyd; KY Bullitt; KY Jefferson; KY Oldham.
 Non-SMSA Counties9.6
 IN Crawford; IN Harrison; IN Jefferson; IN Orange; IN Scott; IN Washington; KY Breckinridge;
 KY Grayson; KY Hardin; KY Hart; KY Henry; KY Larue; KY Marion;
 KY Meade; KY Nelson; KY Shelby; KY Spencer; KY Trimble; KY Washington.

058 Lexington, KY
 SMSA Counties
 4280 Lexington-Fayette, KY10.8
 KY Bourbon; KY Clark; KY Fayette; KY Jessamine; KY Scott; KY Woodford.
 Non-SMSA Counties7.0
 KY Adair KY Anderson; KY Bath; KY Boyle; KY Breathitt; KY Casey; KY Clay; KY Estill; KY
 Franklin; KY Garrard; KY Green; KY Harrison; KY Jackson; KY Knott; KY Lee; KY Leslie; KY
 Letcher; KY Lincoln; KY Madison; KY Magoffin; KY Menifee; KY Mercer; KY Montgomery;
 KY Morgan. KY Nicholas; KY Owsley; KY Perry; KY Powell; KY Pulaski; KY Rockcastle; KY
 Russell; KY Taylor; KY Wolfe.

059 Huntington, WV:
 SMSA Counties:
 3400 Huntington – Ashland, WV-KY-OH2.9
 KY Boyd; KY Greenup; OH Lawrence; WV Cabell; WV Wayne.
 Non-SMSA Counties2.5
 KY Carter; KY Elliott; KY Floyd; KY Johnson; KY Lawrence; KY Martin; KY Pike; KY Rowan;
 OH Gallia; WV Lincoln; WV Logan; WV Mason; WV Mingo.

067 Cincinnati, OH:
 SMSA Counties:
 1640 Cincinnati, OH-KY-IN11.0
 IN Dearborn; KY Boone; KY Campbell; KY Kenton; OH Clermont;
 OH Hamilton; OH Warren.

3200 Hamilton-Middletown, OH	5.0
OH Butler.	
Non-SMSA Counties	9.2
IN Franklin; IN Ohio; IN Ripley; IN Switzerland; KY Bracken; KY Carroll; KY Fleming; KY Gallatin; KY Grant; KY Lewis; KY Mason; KY Owen; KY Pendleton; KY Robertson; OH Adams; OH Brown; OH Clinton; OH Highland.	
080 Evansville, IN:	
SMSA Counties	
2440 Evansville, IN-KY	4.8
IN Gibson; IN Posey; IN Vanderburgh; IN Warrick; KY Henderson.	
5990 Owensboro, KY	4.7
KY Daviess.	
Non-SMSA Counties	3.5
IL Edwards; IL Gallatin; IL Hamilton; IL Lawrence; IL Saline; IL Wabash; IL White; IN Dubois; IN Knox; IN Perry; IN Pike; IN Spencer; KY Hancock; KY Hopkins; KY McLean; KY Muhlenberg; KY Ohio; KY Union; KY Webster.	

**CHECK LIST OF EEO DOCUMENTATION FOR BIDDERS
ON GRANT/LOAN CONSTRUCTION
(Required by Executive Order 11246 as amended)**

The low, responsive responsible bidder must forward the following items, in duplicate, to the owner no later than ten (10) days after bid opening. The owner shall have one (1) copy available for inspection by the Office of Federal Contracts Compliance within 14 days after the bid opening. The web site for the OFCC is http://www.dol.gov/ofccp/regs/compliance/ca_11246.htm.

1. Project Number. Project Location. Type of Construction.
2. Proof of registration with the Joint Reporting Commission. (See Attachment Number 7.)
3. Copy of Affirmative Action Plan of contractor. Indicate company official responsible for EEO.
4. List of current construction contracts, with dollar amount. List contracting Federal Agency, if applicable.
5. Statistics concerning company percent workforce, permanent and temporary, by sex, race, trade, handicapped, and age. 40 CFR Part 7.
6. List of employment sources for project in question. If union sources are utilized, indicate percentage of minority membership within the union crafts.
7. Anticipated employment needs for this project, by sex, race and trade, with estimate of minority participation in specific trades.
8. List of subcontractors (name, address and telephone) with dollar amount and duration of subcontract. Subcontractor contracts over \$10,000 must submit items 1- 8. The following information must be provided for all supplier contracts regardless of contract size: name of company, contact person, address, telephone number, dollar value of the contract, and a list of the materials to be supplied to the prime contractor.
9. List of any subcontract work yet to be committed with estimate of dollar amount and duration of contract.
10. Contract Price. Duration of prime contract.
11. DBE Documents - See special instructions regarding use of Minority, and Women Owned, and Small Businesses.

Employer Information Report EEO-1

Under the direction of the US Equal Employment Opportunity Commission, the Joint Reporting Committee is responsible for the full-length, multi-phase processing of employment statistics collected on the Employer Information Report EEO-1. This report, also termed Standard Form 100, details the sex and race/ethnic composition of an employer's work force by job category.

The Employer Information EEO-1 survey is conducted annually under the authority of Public Law 88-352, Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972. All employers with 15 or more employees are covered by Public Law 88-352 and are required to keep employment records as specified by Commission regulations. Based on the number of employees and federal contract activities, certain large employers are required to file an EEO-1 Report on an annual basis.

The EEO-1 Report must be filed by:

(A) All private employers who are: (1) subject to Title VII of the Civil Rights Act of 1964 (as amended by the Equal Employment Opportunity Act of 1972) with 100 or more employees EXCLUDING State and local governments, primary and secondary school systems, institutions of higher education, Indian tribes and tax-exempt private memberships clubs other than labor organizations; OR (2) subject to Title VII who have fewer than 100 employees if the company is owned or affiliated with another company, or there is centralized ownership, control or management (such as central control of personnel policies and labor relations) so that the group legally constitutes a single enterprise and the entire enterprise employs a total of 100 or more employees.

(B) All federal contractors (private employers), who: (1) are not exempt as provided for by 41 CFR 60-1.5, (2) have 50 or more employees, and (a) are prime contractors or first-tier subcontractors, and have a contract, subcontract, or purchase order amounting to \$50,000 or more; or (b) serve as depository of Government funds in any amount, or (c) is a financial institution which is an issuing or paying agent for U.S. Savings Bonds and Notes.

Only those establishments located in the District of Columbia and the 50 states are required to submit the EEO-1 Report. No Reports should be filed for establishments in Puerto Rico, the Virgin Islands or other American Protectorates.

When filing for the EEO-1 Report for the first time, go to the web site at:

<http://www.eeoc.gov/employers/eeo1survey/>

and select "Filing Time Filers" from the box labeled INFORMATION. File out the electronic questionnaire to enter your company into Joint Reporting Committee (JRC) system. Once you have completed the registration process, you will be contacted on how to proceed with the EEO-1 Report. If you have previously registered with the JRC, follow their instructions to update your information.

Labor Standards Provisions for Federally Assisted Construction

Labor standards provisions applicable to contracts covering federally financed and assisted construction (29 CFR 5.5, Contract Provisions and Related Matters) that apply to EPA Special Appropriations Projects grants are:

(a)(4)(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

(a)(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3, which are incorporated by reference in this contract.

(a)(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5 (a) (1) through (10) and such other clauses as the U.S. Environmental Protection Agency may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(a)(7) Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(b) Contractor Work Hours and Safety Standards Act. The Administrator, EPA shall cause or require the contracting officer to insert the following clauses set forth in paragraph (b)(1),(2),(3), and (4) of this section in full in any contract subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by *Section 5.5(a) of this title. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any work week in which he or she is employed on such work to in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b) (1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for unliquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The U.S. Environmental Protection Agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally- assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such liabilities of such contractor or

subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b) (2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (b)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (b)(1) through (4) of this section.

(c) In addition to the clauses contained in paragraph (b), in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in section 5.1, the Administrator of EPA shall cause or require the contracting officer to insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly worked, deductions made, and actual wages paid. Further, the Administrator of EPA shall cause or require the contracting officer to insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the U.S. Environmental Protection Agency and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job. (Approved by the Office of Management and Budget under OMB control numbers 1215-0140 and 1215-0017.)

CERTIFICATIONS

Debarred Firms

All prime Construction Contractors shall certify that Subcontractors have not and will not be awarded to any firm that is currently on the EPA Master List of Debarred, Suspended and Voluntarily Excluded Persons in accordance with the provisions of 40 CFR 32.500(c). Debarment action is taken against a firm for noncompliance with Federal Law.

All bidders shall complete the attached certification (Attachment Number 9) and submit to the owner with the bid proposal.

Anti-lobbying Certification

All prime Construction Contractors must certify (Attachment Number 10) that no appropriated funds were or will be expended for the purpose of lobbying the Executive or Legislative Branches of the Federal Government or Federal Agency concerning this contract (contract in excess of \$100,000). If the Contractor has made or agreed to make payment to influence any member of Congress in regard to award of this contract, a Disclosure Form must be completed and submitted to the owner with the bid proposal.

All prime Contractors must require all Subcontractors to submit the certification, which must also be submitted to the owner.

**CERTIFICATION REGARDING DEBARMENT,
SUSPENSION AND OTHER RESPONSIBILITY MATTERS**

The prospective participant certifies to the best of its knowledge and belief that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or Local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
- (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 USC Sec. 1001, a false statement may result in a fine of up to \$10,000 or imprisonment for up to 5 years, or both.

Typed Name & Title of Authorized Representative

Signature of Authorized Representative

Date

_____ I am unable to certify to the above statements. My explanation is attached.

CERTIFICATION REGARDING LOBBYING
Certification for Contracts, Grants,
Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Typed Name & Title of Authorized Representative

Signature of Authorized Representative

Date

_____ I am unable to certify to the above statements. My explanation is attached.

EPA DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

EPA's Disadvantaged Business Enterprise Program rule applies to contract procurement actions funded in part by EPA assistance agreements awarded after May 27, 2008. The rule is found at Federal regulation Title 40, Part 33. Specific responsibilities are highlighted below.

Grant recipient responsibilities:

- Conduct an Availability Analysis and negotiate fair share objectives with EPA (§33.411), or adopt the fair share objectives of the oversight state agency revolving loan fund for comparable infrastructure. (§33.405(b)(3)).
- Include the Appendix A term and condition in each contract with a primary contractor (§3.106). The term and condition is included in the EPA Region 4 contract specifications insert *FEDERAL REQUIREMENTS AND CONTRACT PROVISIONS FOR SPECIAL APPROPRIATION ACT PROJECTS US ENVIRONMENTAL PROTECTION AGENCY, Region III, June 2008*.
- Employ the six Good Faith Efforts during prime contractor procurement (§33.301).
- Require prime contractor to comply with the following prime contractor requirements of Title 40 Part 33:
 - To employ the six Good Faith Efforts steps in paragraphs (a) through (e) of §33.301 if the prime contractor awards subcontracts (§33.301(f)).
 - To provide EPA form 6100-2 – *DBE Subcontractor Participation Form* to all DBE subcontractors (§33.302(e)).
 - To submit EPA forms 6100-3 – *DBE Program Subcontractor Performance Form* and 6100-4 – *DBE Program Subcontractor Utilization Form* with bid package or proposal. (§33.302 (f) and (g)).
 - To pay its subcontractor for satisfactory performance no more than 30 days from the prime contractor's receipt of payment from the recipient (§33.302(a)).
 - To notify recipient in writing by its prime contractor prior to any termination of a DBE subcontractor for convenience by the prime contractor (§33.302(b)).
 - To employ the six good faith efforts described in §33.301 if soliciting a replacement subcontractor after a DBE subcontractor fails to complete work under the subcontract for any reason. (§33.302(c)).
 - To employ the six good faith efforts described in §33.301 even if the prime contractor has achieved its fair share objectives under subpart D of Part 33. (§33.302(d)).

- Semiannually complete and submit to Charles Hayes, EPA Region 4 DBE Coordinator EPA form 5700-52A summarizing DBE participation achieved during the previous six months (§33.502).
- Maintain records documenting its compliance with the requirements of Title 40 Part 33, including documentation of its, and its prime contractors', good faith efforts (§33.501(a)).

Prime Contractor Responsibilities:

- Employ the six Good Faith Efforts steps in paragraphs (a) through (e) of §33.301 if the prime contractor awards subcontracts (§33.301(f)).
- Provide EPA form number 6100-2 – *DBE Program Subcontractor Participation Form* and form number 6100-3 – *DBE Program Subcontractor Performance Form* to each DBE subcontractor prior to opening of the contractor's bid or proposal (§33.302(e) and (f)).
- Complete EPA form number 6100-4 – *DBE Program Subcontractor Utilization Form* (§33.302(g)).
- Submit to recipient with its bid package or proposal the completed EPA form number 6100-4, plus an EPA form number 6100-3 for each DBE subcontractor used in the contractor's bid or proposal (§33.302(f) and (g)).
- Pay subcontractors for satisfactory performance no more than 30 days from the prime contractor's receipt of payment from the recipient (§33.302(a)).
- Notify the recipient in writing prior to prime contractor termination of a DBE subcontractor for convenience (§33.302(b)).
- Employ the six good faith efforts described in §33.301 if soliciting a replacement subcontractor after a DBE subcontractor fails to complete work under the subcontract for any reason. (§33.302(c)).
- Employ the six good faith efforts described in §33.301 even if the prime contractor has achieved its fair share objectives under subpart D of Part 33. (§33.302(d)).
- Semiannually inform recipient of DBE participation achieved (§33.502).
- Maintain records documenting its compliance with the requirements of Title 40 Part 33, including documentation of its, and its prime contractors', good faith efforts (§33.501(a)).

Subcontractor Responsibilities:

- May submit EPA form 6100-2 – *DBE Subcontractor Participation Form* to Charles Hayes, EPA Region 4 DBE Coordinator (§33.302(e)).
- Must complete EPA form 6100-3 – *DBE Program Subcontractor Performance Form*, and submit it to the prime contractor soliciting services from the subcontractor prior to the opening of bids for the prime contract.

SPAP Requirements:

Form	Requirement	Provided By:	Completed By:	Submitted To:
EPA Form 6100-2	Grant Recipients required to have prime contractors provide form to Subcontractors	Prime Contractors	DBE Subcontractors	EPA Region 4 DBE Coordinator Charles Hayes
EPA Form 6100-3	Grant Recipients required to have prime contractors provide form to Subcontractors	Prime Contractors	DBE Subcontractors	Grant Recipients as part of a bid or proposal package
EPA Form 6100-4	Grant Recipients required to have prime contractors complete the form	Grant Recipients	Prime Contractors	Grant Recipients as part of a bid or proposal package

SRF Requirements:

Form	Requirement	Provided By:	Completed By:	Submitted To:
EPA Form 6100-2	Recipients required to have prime contractors provide form to Subcontractors	Prime Contractors	DBE Subcontractors	DOW Project Administrator
EPA Form 6100-3	Recipients required to have prime contractors provide form to Subcontractors	Prime Contractors	DBE Subcontractors	Dow Project Administrator w/ATA Package
EPA Form 6100-4	Recipients required to have prime contractors complete the form	Recipients	Prime Contractors	DOW Project Administrator w/ATA Package
Pay Request DBE Form	Recipients required to have prime contractors complete the form	Recipients	Prime Contractors	DOW Project Administrator w/EACH PAYMENT

DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION POLICY

PROJECT NAME: _____ **BID DATE:** _____

1. Name, address and telephone number of contact person on all DBE matters:

Prime Contractor's Name: _____
Contact Person: _____
Address: _____
Phone: _____
Cell Phone: _____
Email: _____
Total Contract Amount: _____

2. Total dollar amount/percent of contract of MBE participation: _____

3. Total dollar amount/percent of contract of WBE participation: _____

4. Are certifications* for each MBE/WBE/DBE subcontractor enclosed; if no, please explain: Yes No

5. Are MBE/WBE/DBE subcontracts or letters of intent signed by both parties enclosed; if no, please explain: Yes No

6. List of MBE Subcontractors:

Name: _____
Contact Person: _____
Address: _____
Phone: _____
Cell Phone: _____
Email: _____
Type of Contract: _____
Work to be Done: _____
Amount: _____

7. List of WBE Subcontractors:

Name: _____
Contact Person: _____
Address: _____
Phone: _____
Cell Phone: _____
Email: _____
Type of Contract: _____
Work to be Done: _____
Amount: _____

Attach Additional Sheets, If Necessary

*Self-certification: Self certification of MBE/WBE/DBE firms will NOT be accepted as a valid form of certification of MBE/WBE/DBE status.

8. Information and documentation concerning efforts taken to comply with EPA's "six good faith efforts"

- (i). Ensure DBE construction firms or material suppliers are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities; including placing DBEs on solicitation lists and soliciting them whenever they are potential sources. A good source for a list of DBEs is the Kentucky Transportation's website: <http://transportation.ky.gov/Civil-Rights-and-Small-Business-Development/Pages/Certified-DBE-Directory.aspx>.
- The prime contractor certifies that a bidders list (see example sheet below) of qualified vendors, including DBEs, was developed for current and future solicitations and that the list will be maintained. *Submit a copy of the list as documentation.*
- (ii). Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process; including, whenever possible, posting solicitation for bids or proposals for a sufficient amount of time as to receive a competitive bid or proposal pool.
- The prime contractor certifies that every opportunity was provided to a number of DBEs to encourage their participation in the competitive process and that an adequate amount of time was provided for response.
- a. List each DBE construction firm or material supplier to which a solicitation was attempted. *Submit copies of letters, emails, faxes, telecommunication logs, certified mail receipts, returned envelopes, certified mail return receipts, etc. as documentation.*
- Company name and phone number: _____
 Area of work expertise: _____
 Date of any follow-ups and person spoke to: _____
- b. Advertisements, if applicable: List each publication in which an announcement or notification was placed. *Submit a tear sheet of each announcement from each publication as documentation.*
- Name of publication: _____
 Date(s) of advertisement: _____
 Specific subcontract areas announced: _____
- c. Other, if applicable: List each notification method in which an announcement or outreach was used; list serve, public meeting, etc. *Submit applicable information to document effort.*
- Method of notification: _____
 Date(s) of notification: _____
- (iii). Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs; including dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
- The prime contractor certifies that the project was broken into its basic elements (i.e., dirt hauling, landscaping, painting, pipe installation, material supplies, etc.) and that a determination was made whether it's economically feasible to bid the elements separately and that the analysis of this effort was documented with a short memo to the project file.

- (iv). Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women’s business enterprises.
- The prime contractor certifies that they established delivery schedules which would allow DBEs to participate in the projects.
- (v). Use the services and assistance of the Small Business Administration (SBA) and the Minority Business Development Agency (MBDA) of the U.S. Department of Commerce. The easiest way to utilize the services of SBA and MBDA is to visit their websites: www.sba.gov and www.mbda.gov and use the electronic tools available there or you may send the nearest SBA and MBDA office a certified letter that generally describes the solicitation, the dates it will be open, the types of vendors you are seeking and applicable SIC or NAIC codes if known. You may also use the services and assistance of the Procurement Technical Assistance Center (PTAC). The easiest way to utilize the services of PTAC is to send an email: ptac@ksbdc.org and generally describe the solicitation, the dates it will be open, the types of vendors you are seeking and applicable SIC or NAIC codes if known.
- The prime contractor certifies that the assistance of the SBA, MBDA, and/or PTAC was utilized. *Submit pages printed off the SBA and MBDA websites which evidence efforts to register a solicitation on those sites or submit copies of the letter sent and certified mail receipt as documentation; submit copies of emails with PTAC as documentation.*
- (vi). If a subcontractor awards any subcontracts, require the subcontractor to take the steps in numbers (i) through (v) above.
- The prime contractor certifies that subcontractors used for this project will be required to follow the steps of the “six good faith efforts” as listed above.

9. Signature and date:

To the best of my knowledge and belief, all “six good faith efforts” have been met and the information contained in this document is true and correct; the document has been duly authorized by the legal representative.

Signature

Print name and title

Date

Attachment Number 12

BONDS AND INSURANCE

The minimum requirements shall be as follows:

Bonding requirements for contracts of \$100,000 or less are contained in 40 CFR 31.36(h).

Bond requirements for contracts in excess of \$100,000 are:

- Bid guarantee equivalent to five percent of the bid price. The bid guarantee shall consist of a firm commitment such as a certified check or bid bond submitted with the bid;
- Performance bond equal to 100 percent of the contract price, and
- Payment bond equal to 100 percent of the contract price. Bonds must be obtained from companies holding Certificates of Authority as acceptable sureties, issued by the U.S. Treasury.

Insurance requirements are contained in the General Conditions of the contract. In addition to the other required insurance, the owner or the contractor, as appropriate, must acquire any flood insurance made available by the Federal Emergency Management Agency as required by 44 CFR Parts 59-79, if construction will take place in a flood hazard area identified by the Federal Emergency Management Agency. The owner's requirements on Flood Insurance are contained in the Special Conditions Section of the Contracts Documents.

Attachment Number 13

NOTICE OF INTENT

All construction projects with surface disturbance of more than 1 acre during the period of construction must have a KPDES Storm Water General Permit. The permit can be found at the following web address:

<https://dep.gateway.ky.gov/eForms/default.aspx?FormID=7>.

If you have any questions regarding the completion of this form call the Surface Water Permits Branch, at (502) 564-3410.

Davis-Bacon Wage Rate Requirements

CWSRF: The recipient agrees to include in all agreements to provide assistance for the construction of treatment works carried out in whole or in part with such assistance made available by a State water pollution control revolving fund as authorized by title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.), or with such assistance made available under section 205(m) of that Act (33 U.S.C. 1285(m)), or both, a term and condition requiring compliance with the requirements of section 513 of that Act (33 U.S.C. 1372) in all procurement contracts and sub-grants, and require that loan recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions. All contracts and subcontracts for the construction of treatment works carried out in whole or in part with assistance made available as stated herein shall insert in full in any contract in excess of \$2,000 the contract clauses as set forth below titled “Wage Rate Requirements Under The Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6)”. This term and condition applies to all agreements to provide assistance under the authorities referenced herein, whether in the form of a loan, bond purchase, grant, or any other vehicle to provide financing for a project, where such agreements are executed on or after October 30, 2009.

DWSRF: The recipient agrees to include in all agreements to provide assistance for any construction project carried out in whole or in part with such assistance made available by a drinking water treatment revolving loan fund as authorized by section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12), a term and condition requiring compliance with the requirements of section 1450(e) of the Safe Drinking Water Act (42 U.S.C.300j-9(e)) in all procurement contracts and sub-grants, and require that loan recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions All contracts and subcontracts for any construction project carried out in whole or in part with assistance made available as stated herein shall insert in full in any contract in excess of \$2,000 the contract clauses as set forth below entitled “Wage Rate Requirements Under The Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6)”. This term and condition applies to all agreements to provide assistance under the authorities referenced herein, whether in the form of a loan, bond purchase, grant, or any other vehicle to provide financing for a project, where such agreements are executed on or after October 30, 2009.

Wage Rate Requirements Under The Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6)

Preamble

With respect to the Clean Water and Safe Drinking Water State Revolving Funds, EPA provides capitalization grants to each State which in turn provides subgrants or loans to eligible entities within the State. Typically, the subrecipients are municipal or other local governmental entities that manage the funds. For these types of recipients, the provisions set forth under Roman Numeral I, below, shall apply. Although EPA and the State remain responsible for ensuring subrecipients’ compliance with the wage rate requirements set forth herein, those subrecipients shall have the primary responsibility to maintain payroll records as described in Section 3(ii)(A), below and for compliance as described in Section I-5.

Occasionally, the subrecipient may be a private for profit or not for profit entity. For these types of recipients, the provisions set forth in Roman Numeral II, below, shall apply. Although EPA and the State remain responsible for ensuring subrecipients' compliance with the wage rate requirements set forth herein, those subrecipients shall have the primary responsibility to maintain payroll records as described in Section II-3(ii)(A), below and for compliance as described in Section II-5.

I. Requirements Under The Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6) For Subrecipients That Are Governmental Entities:

The following terms and conditions specify how recipients will assist EPA in meeting its Davis-Bacon (DB) responsibilities when DB applies to EPA awards of financial assistance under the FY 2013 Continuing Resolution with respect to State recipients and subrecipients that are governmental entities. If a subrecipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient. The recipient or subrecipient may also obtain additional guidance from DOL's website at <http://www.dol.gov/whd/>

1. Applicability of the Davis- Bacon (DB) prevailing wage requirements.

Under the FY 2013 Continuing Resolution, DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a subrecipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the subrecipient must discuss the situation with the recipient State before authorizing work on that site.

2. Obtaining Wage Determinations.

(a) Subrecipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the subrecipient shall monitor www.wdol.gov weekly to ensure that the wage determination contained in the solicitation remains current. The subrecipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the subrecipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the subrecipient.

(ii) If the subrecipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the subrecipient, obtains an extension of the 90 day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The subrecipient shall monitor www.wdol.gov on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(b) If the subrecipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the subrecipient shall insert the appropriate DOL wage determination from www.wdol.gov into the ordering instrument.

(c) Subrecipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a subrecipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the subrecipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the subrecipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The subrecipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

3. Contract and Subcontract provisions.

(a) The Recipient shall insure that the subrecipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project under the DWSRF financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the FY 2013 Continuing Resolution, the following clauses:

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Subrecipients may obtain wage determinations from the U.S. Department of Labor's website, www.dol.gov.

(ii)(A) The subrecipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the subrecipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the subrecipient (s) to the State award official. The State award official will transmit the request, to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the subrecipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request and the local wage determination, including the views of all

interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. The subrecipient(s), shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that

the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the subrecipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the subrecipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the subrecipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the subrecipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under §5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under §5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees.

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will

no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29

CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Subrecipient(s), State, EPA, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

4. Contract Provision for Contracts in Excess of \$100,000.

(a) Contract Work Hours and Safety Standards Act. The subrecipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The subrecipient, upon written request of the EPA Award Official or an authorized representative of the Department of Labor, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may

be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Subrecipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Subrecipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the (write the name of agency) and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

5. Compliance Verification.

(a) The subrecipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The subrecipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The subrecipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Subrecipients must conduct more frequent interviews if the initial interviews or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. Subrecipients shall immediately conduct necessary interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) The subrecipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The subrecipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the subrecipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Subrecipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during

the examinations the subrecipient shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The subrecipient shall periodically review contractors and subcontractor's use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Subrecipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <http://www.dol.gov/contacts/whd/america2.htm>.

II. Requirements Under The Consolidated and further Continuing Appropriations Act, 2013 (P.L. 113-6) For Subrecipients That Are Not Governmental Agencies

The following terms and conditions specify how recipients will assist EPA in meeting its DB responsibilities when DB applies to EPA awards of financial assistance under the FY2013 Continuing Resolution with respect to subrecipients that are not governmental entities. If a subrecipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient for guidance. The recipient or subrecipient may also obtain additional guidance from DOL's web site at <http://www.dol.gov/whd/>.

Under these terms and conditions, the subrecipient must submit its proposed DB wage determinations to the State recipient for approval prior to including the wage determination in any solicitation, contract task orders, work assignments, or similar instruments to existing contractors.

1. Applicability of the Davis- Bacon (DB) prevailing wage requirements.

Under the FY 2013 Continuing Resolution, Davis-Bacon prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a subrecipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the subrecipient must discuss the situation with the recipient State before authorizing work on that site.

2. Obtaining Wage Determinations.

(a) Subrecipients must obtain proposed wage determinations for specific localities at www.wdol.gov. After the Subrecipient obtains its proposed wage determination, it must submit the wage determination to (insert contact information for State recipient DB point of contact for wage determination) for approval prior to inserting the wage determination into a solicitation, contract or issuing task orders, work assignments or similar instruments to existing contractors

(ordering instruments unless subsequently directed otherwise by the State recipient Award Official).

(b) Subrecipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the subrecipient shall monitor www.wdol.gov on a weekly basis to ensure that the wage determination contained in the solicitation remains current. The subrecipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the subrecipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the subrecipient.

(ii) If the subrecipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the subrecipient, obtains an extension of the 90 day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The subrecipient shall monitor www.wdol.gov on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(c) If the subrecipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the subrecipient shall insert the appropriate DOL wage determination from www.wdol.gov into the ordering instrument.

(c) Subrecipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a subrecipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the subrecipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the subrecipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The subrecipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

3. Contract and Subcontract provisions.

(a) The Recipient shall insure that the subrecipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including

painting and decorating, of a treatment work under the CWSRF or a construction project under the DWSRF financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the FY 2013 Continuing Resolution, the following clauses:

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Subrecipients may obtain wage determinations from the U.S. Department of Labor's web site, www.dol.gov.

(ii)(A) The subrecipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the subrecipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the subrecipient(s) to the State award official. The State award official will transmit the report, to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the and the subrecipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request, and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. The subrecipient(s) shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by

the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the subrecipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the subrecipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the subrecipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the subrecipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees.

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered

program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Subrecipient(s), State, EPA, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

4. Contract Provision for Contracts in Excess of \$100,000.

(a) Contract Work Hours and Safety Standards Act. The subrecipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The subrecipient shall upon the request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (b)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (b)(1) through (4) of this section.

(c) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Subrecipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Subrecipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the (write the name of agency) and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

5. Compliance Verification.

(a) The subrecipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The subrecipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The subrecipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Subrecipients must conduct more frequent interviews if the initial interviews or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. Subrecipients shall immediately conduct necessary interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) The subrecipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The subrecipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable the subrecipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Subrecipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB . In addition, during the examinations the subrecipient shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The subrecipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Subrecipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <http://www.dol.gov/whd/america2.htm> or its successor site.

American Iron and Steel Requirement

The Contractor acknowledges to and for the benefit of the _____ (“Purchaser”) and the State of Kentucky (the “State”) that it understands the goods and services under this Agreement are being funded with monies made available by the Clean Water State Revolving Fund and/or Drinking Water State Revolving Fund that have statutory requirements commonly known as “American Iron and Steel;” that requires all of the iron and steel products used in the project to be produced in the United States (“American Iron and Steel Requirement”) including iron and steel products provided by the Contactor pursuant to this Agreement.

The Contractor hereby represents and warrants to and for the benefit of the Purchaser and the State that (a) the Contractor has reviewed and understands the American Iron and Steel Requirement, (b) all of the iron and steel products used in the project will be and/or have been produced in the United States in a manner that complies with the American Iron and Steel Requirement, unless a waiver of the requirement is approved, and (c) the Contractor will provide any further verified information, certification or assurance of compliance with this paragraph, or information necessary to support a waiver of the American Iron and Steel Requirement, as may be requested by the Purchaser or the State. Notwithstanding any other provision of this Agreement, any failure to comply with this paragraph by the Contractor shall permit the Purchaser or State to recover as damages against the Contractor any loss, expense, or cost (including without limitation attorney’s fees) incurred by the Purchaser or State resulting from any such failure (including without limitation any impairment or loss of funding, whether in whole or in part, from the State or any damages owed to the State by the Purchaser).

While the Contractor has no direct contractual privity with the State, as a lender to the Purchaser for the funding of its project, the Purchaser and the Contractor agree that the State is a third-party beneficiary and neither this paragraph (nor any other provision of this Agreement necessary to give this paragraph force or effect) shall be amended or waived without the prior written consent of the State.

Sample Certification

The following information is provided as a sample letter of step certification for AIS compliance. Documentation must be provided on company letterhead.

Date

Company Name

Company Address

City, State Zip

Subject: American Iron and Steel Step Certification for Project (XXXXXXXXXXXX)

I, (company representative), certify that the (melting, bending, coating, galvanizing, cutting, etc.) process for (manufacturing or fabricating) the following products and/or materials shipped or provided for the subject project is in full compliance with the American Iron and Steel requirement as mandated in EPA's State Revolving Fund Programs.

Item, Products and/or Materials:

1. XXXX
2. XXXX
3. XXXX

Such process took place at the following location:

If any of the above compliance statements change while providing material to this project we will immediately notify the prime contractor and the engineer.

Signed by company representative

EXHIBIT 3



MATTHEW G. BEVIN
GOVERNOR

TRANSPORTATION CABINET
DEPARTMENT OF HIGHWAYS DISTRICT 1 OFFICE
5501 KENTUCKY DAM ROAD
PADUCAH, KY. 42003
PHONE: (270) 898-2431 FAX: (270) 898-7457
WWW.TRANSPORTATION.KY.GOV/

GREG THOMAS
SECRETARY

August 15, 2016

SUBJECT: Livingston County 070
US 60 RS (Mile Post 6.1)
Permit Number: 01-2016-00260


Mr. Slayden,

Your application for an encroachment permit has been approved by the Department of Highways. We are returning two copies of the approved permit so one may be kept in your record files. The other copy must be given to the party responsible for completing the project and must be kept at the jobsite at all times.

Please see that the work is done in strict conformity with the permit and any other applicable conditions (if there is any other attached documents, conditions or specifications). The work should be completed no later than 1 year from this date. When the permitted work and any necessary restoration have been completed please notify this office by calling, faxing, or emailing Eddie Holland (contact info listed below) for final inspection.

If there are any questions regarding this permit, please do not hesitate to contact Eddie Holland, Transportation Engineering Tech. III at eddie.holland@ky.gov (270) 898-2431, or fax number (270) 898-7457.

Sincerely,


Henry G. Luken, P.E.
Technical Support Branch Manager
Department of Highways
District 1 – Paducah



Kentucky Transportation Cabinet
 Department of Highways
 Division of Maintenance
 Permits Branch

ENCROACHMENT PERMIT

KEPT No.: 01-2016-00260

Permittee: Crittenden Livingston Water District

Permit Type / Subtype: Utilities / Water

Work Completion Date: 8/15/2017

INDEMNITIES		
Type	Amount Required	Tracking Number
Performance Bond	\$2,000.00	2-472-589-8
Cash / Check	\$0.00	
Self-Insured	\$0.00	
Payment Bond	\$0.00	
Liability Insurance	\$0.00	

This permit has been: **APPROVED** **DENIED**

Henry Luken	D1 Engineering Support - TEBM	8/16/2016
SIGNATURE	TITLE	DATE

The TC 99-1(B), including the application TC-99 1(A) and all related and accompanying documents and drawings make up the permit. It is not a permit unless both the TC 99-1(A) and TC 99-1(B) are both present.

LOCATION(S)			
Description	County - Route	Latitude	Longitude
	Livingston - US 60	37.065218	-88.434527



Kentucky Transportation Cabinet
Department of Highways
Permits Branch

TC 99-1 (A)
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APPLICATION FOR ENCROACHMENT PERMIT

Permittee Information		KYTC No. <u>01-2016-00260</u>	
Name	Crittenden-Livingston County Water District	Permit Information	
Address	620 East Main Street	Address	3419 U.S. Highway 60 West
		City	Salem
City	Salem	State	Kentucky Zip 42064
State	Kentucky Zip 42078	County	Livingston
Phone#	(270) 988-2680	Route No.	U.S. Highway 60 Mile-Point 6.1
Contact	Robert D. Stigall, P.E.	Longitude (X)	88.1363
Phone	(615) 460-7515 Cell (615) 948-8890	Latitude (Y)	37.3217
Email	rstigall@bellsouth.net	Information below to be filled out by KYTC	
Contact	Ronnie Slayden, Superintendent	<input type="checkbox"/> Air Right	<input type="checkbox"/> Entrance
Phone	(270) 988-2680 Cell (270) 519-2979	<input checked="" type="checkbox"/> Utilities	<input type="checkbox"/> Other: <u>WATER</u>
Email	slaydenronnie@yahoo.com	<input type="checkbox"/> Left	<input type="checkbox"/> Right <input checked="" type="checkbox"/> X-ing
		Access: <input type="checkbox"/> Full	<input type="checkbox"/> Partial <input checked="" type="checkbox"/> by Permit

General Description of Work:

8-inch ductile iron pipe water line inside 12-inch steel casing to be bored and jacked.

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

Ronnie Slayden
Signature

August 9, 2016

Date

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



Kentucky Transportation Cabinet
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Permits Branch

TC 99-1 (A)
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APPLICATION FOR ENCROACHMENT PERMIT

TERMS AND CONDITIONS

1. The permit, including this application and all related and accompanying documents and drawings making up the permit, remains in effect and is binding upon the Applicant/Permittee, its successors and assigns, as long as the encroachment(s) exists and also until the permittee is finally relieved by the Department of Highways from all its obligations.
2. Applicant shall meet all requirements of the Clean Water Act if the project will disturb one acre or more, the applicant shall obtain a KPDES KYR10 Permit from the Kentucky Division of Water. All disturbed areas shall meet the requirements of the Department of Highway's Standard Specifications, Sections 212 and 213, as amended.
3. **INDEMNITY:**
 - A. **PERFORMANCE BOND:** The permittee shall provide to the Department a performance bond according to the Permits Manual, Section PE-203 as a guarantee of conformance with the Department's Encroachment Permit requirements.
 - B. **PAYMENT BOND:** At the discretion of the department, a payment bond shall be required of the permittee to ensure payment of liquidated damages assessed to the permittee.
 - C. **LIABILITY INSURANCE:** Liability insurance shall be required of the permittee (in an amount approved by the department) to cover all liabilities associated with the encroachment.
 - D. It shall be the responsibility of the permittee, its successors and assigns, to maintain all indemnities in full force and effect until the permittee is authorized to release the indemnity by the Department.
4. A copy of this application and all related documents making up the approved permit shall be given to the applicant and shall be made readily available for review at the work site at all times.
5. Perpetual maintenance of the encroachment is the responsibility of the permittee, its successors and assigns, with the approval of the Department as required, unless otherwise stated.
6. Permittee, its successors and assigns, shall comply with and agree to be bound by the requirements and terms of (a) this application and all related documents making up the approved permit, (b) by the Department's Permits Manual, and (c) by the Manual on Uniform Traffic Control Devices, both manuals as revised to and in effect on the date of issuance of the permit, all of which documents are made a part thereof by this reference. Compliance by the permittee, its successors and assigns, with subsequent revisions to applicable provisions of either manual or other policy of the Department may be made a condition of allowing the encroachment to persist under the permit.
7. Permittee agrees that this and any encroachment may be ordered removed by the Department at any time, and for any reason, upon thirty days written notice to the last known address of the applicant or to the address at the location of the encroachment. The permittee agrees that the cost of removing and of restoring the associated right-of-way is the responsibility of the permittee, its successors and assigns.
8. Permittee, its successors and assigns, agree that if the Department determines that motor vehicular safety deficiencies develop as a result of the installation or use of the encroachment, the permittee, its successors and assigns, shall provide and bear the expenses to adjust, relocate, or reconstruct the facilities, add signs, auxiliary lanes, or other corrective measures reasonably deemed necessary by the Department within a reasonable time after receipt of a written notice of such deficiency. The period within which such adjustments, relocations, additions, modifications, or other corrective measures must be completed will be specified in the notice.



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APPLICATION FOR ENCROACHMENT PERMIT

9. Where traffic signals are required as a condition of granting the requested permit or are thereafter required to correct motor vehicular safety deficiencies, as determined by the Department, the costs for signal equipment and installation(s) shall be borne by the permittee, its successors and assigns and the Department in its reasonable discretion and only in accordance with the Department's current policy set forth in the Traffic Operations Manual and Permits Manual. Any modifications to the permittee's entrance necessary to accommodate signalization (including necessary easement(s) on private property) shall be the responsibility of the permittee, its successors and assigns, at no expense to the Department.

10. The requested encroachment shall not infringe on the frontage rights of an abutting owner without their written consent as hereinafter described. Each abutting owner shall express their consent, which shall be binding on their successors and assigns, by the submission of a notarized statement as follows, "I (we), _____, hereby consent to the granting of the permit requested by the applicant along Route _____, which permit does affect frontage rights along my (our) adjacent real property." By signature(s) _____, subscribed and sworn by _____, on this date _____.

11. The permit, if approved, is subject to the agreement that it shall not interfere with any similar rights or permit(s) previously granted to any other party, except as otherwise provided by law.

12. Permittee shall include documentation which describes the facilities to be constructed. Permittee, its successors and assigns, agree as a condition of the granting of the permit to construct and maintain any and all permitted facilities or other encroachments in strict accordance with the submitted and approved permit documentation and the policies and procedures of the Department. Permittee, its successors and assigns, shall not use facilities authorized herein in any manner contrary to that prescribed by the approved permit. Only normal usage as contemplated by the parties and by this application and routine maintenance are authorized by the permit.

13. Permittee, its successors and assigns, at all times from the date permitted work is commenced until such time as all permitted facilities or other encroachments are removed from the right-of-way and the right-of-way restored, shall defend, protect, indemnify and save harmless the Department from any and all liability claims and demands arising out of the work, encroachment, maintenance, or other undertaking by the permittee, its successors and assigns, related or undertaken pursuant to the granted permit, due to any claimed act or omission by the permittee, its servants, agents, employees, or contractors. This provision shall not inure to the benefit of any third party nor operate to enlarge any liability of the Department beyond that existing at common law or otherwise if this right to indemnity did not exist.

14. Upon a violation of any provision of the permit, or otherwise in its reasonable discretion, the Department may require additional action by the permittee, its successors and assigns, up to and including the removal of the encroachment and restoration of the right-of-way. In the event additional actions required by the Department under the permit are not undertaken as ordered and within a reasonable time, the Department may in its discretion cause those or other additional corrective actions to be undertaken and the Department shall recover the reasonable costs of those corrective actions from the permittee, its successors and assigns.

15. Permittee, its successors and assigns, shall use the encroachment premises in compliance with all requirements of federal law and regulation, including those imposed pursuant to Title VI of the Civil Right Act of 1964 (42 U.S.C. § 2000d et seq.) and the related regulations of the U.S. Department of Transportation in Title 49 C.F.R. Part 21, all as amended.



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Permits Branch

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APPLICATION FOR ENCROACHMENT PERMIT

16. Permittee, its successors and assigns, agree that if the Department determines it is necessary for the facilities or other encroachment authorized by the permit to be removed, relocated or reconstructed in connection with the reconstruction, relocation or improvement of a highway, the Department may revoke permission for the encroachment to remain under the permit and may order its removal, relocation or reconstruction by the permittee, its successors and assigns, at the expense of the permittee, except where the Department is required by law to pay any or all of those costs.

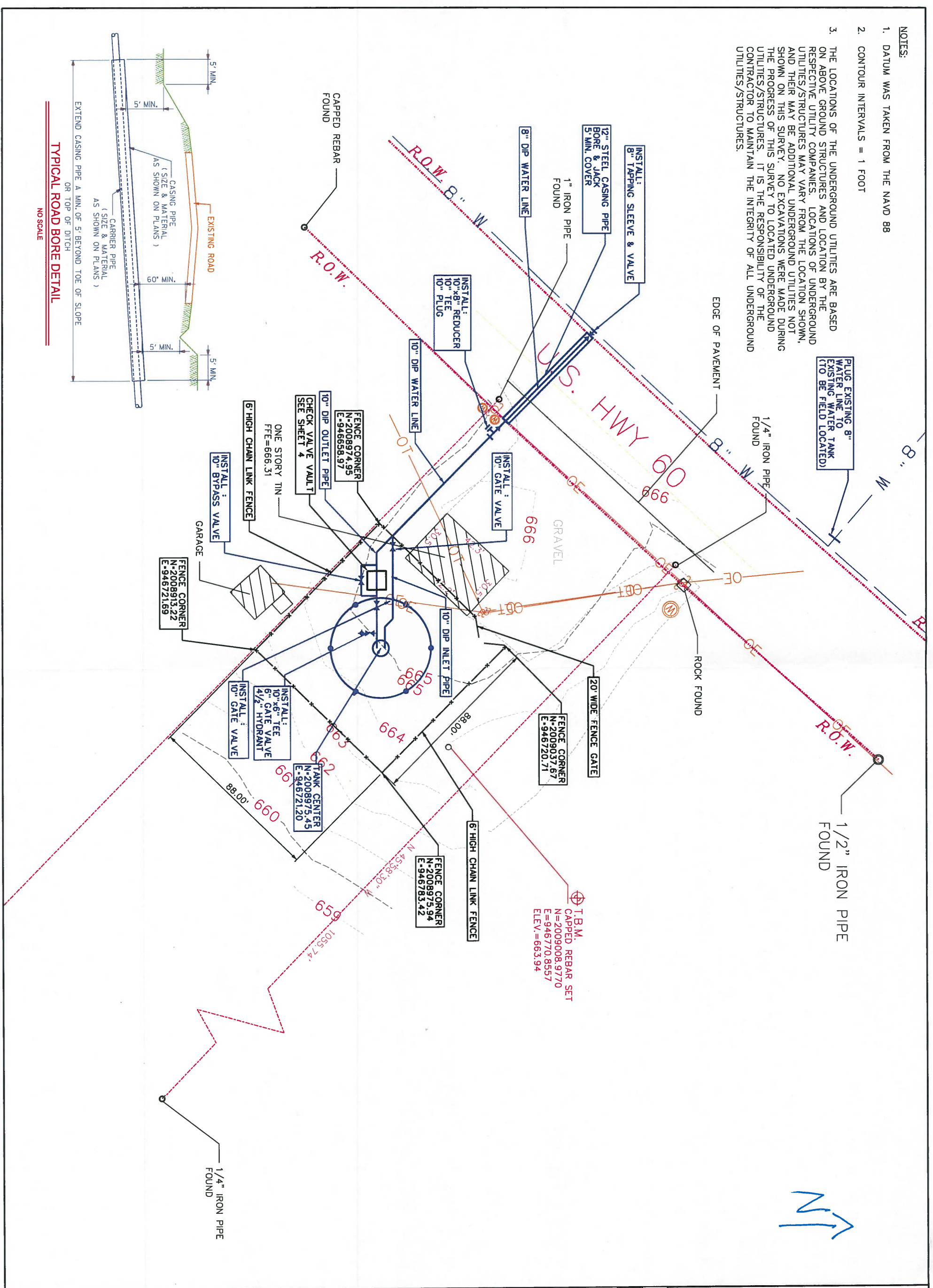
17. Permittee agrees that the authorized permit is personal to the permittee and shall remain in effect until such time as (a) the permittee's rights to the adjoining real property to have benefitted from the requested encroachment have been relinquished, (b) until all permit obligations have been assumed by appropriate successors and assigns, and (c) unless and until a written release from permit obligations has been granted by the Department. The permit and its requirements shall also bind the real property to have benefitted from the requested encroachment to the extent permitted by law. The permit and the related encroachment become the responsibility of the successors and assigns of the permittee and the successors and assigns of each property owner benefitting from the encroachment, or the encroachment may not otherwise permissibly continue to be maintained on the right-of-way. (Does not apply to utility encroachments serving the general public.)

18. If work authorized by the permit is within a highway construction project in the construction phase, it shall be the responsibility of the permittee to make personal contact with the Department's Engineer on the project in order to coordinate all permitted work with the Department's prime contractor on the project.

19. This permit is not intended to, nor shall it, affect, alter or alleviate any requirement imposed upon the permittee, its successors and assigns, by any other agency.

20. Permittee, its successors and assigns, agree to contain and maintain all dirt, mud, and other debris emanating from the encroachment away from the surrounding right-of-way and the travel way of the highway hereafter and at all times that its obligations under the permit remain in effect.

- NOTES:
- DATUM WAS TAKEN FROM THE NAVD 88
 - CONTOUR INTERVALS = 1 FOOT
 - THE LOCATIONS OF THE UNDERGROUND UTILITIES ARE BASED ON ABOVE GROUND STRUCTURES AND LOCATION BY THE RESPECTIVE UTILITY COMPANIES. LOCATIONS OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM THE LOCATION SHOWN, AND THERE MAY BE ADDITIONAL UNDERGROUND UTILITIES NOT SHOWN ON THIS SURVEY. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATED UNDERGROUND UTILITIES/STRUCTURES. IT IS THE RESPONSIBILITY OF THE CONTRACTOR TO MAINTAIN THE INTEGRITY OF ALL UNDERGROUND UTILITIES/STRUCTURES.



TYPICAL ROAD BORE DETAIL
NO SCALE

<p>2015 WATER SYSTEM IMPROVEMENTS CRITTENDEN/LIVINGSTON WATER DIST. 400,000 GALLON ELEVATED WATER STORAGE TANK SITE PLAN</p>		<p>10-24-15</p>	<table border="1"> <thead> <tr> <th>NO.</th> <th>DESCRIPTION</th> <th>DATE</th> <th>BY</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	NO.	DESCRIPTION	DATE	BY												
NO.	DESCRIPTION	DATE	BY																
<p>DESIGNED: RDS DRAWN: RLP CHECKED: RDS APPROVED: RDS DATE: OCTOBER 2015 SCALE: 1" = 20' SHEET NO: 3 of 5 PROJECT NO: 0660</p>		<p>STIGALL ENGINEERING ASSOCIATES, INC. 4117 HILLSBORO PIKE - SUITE 200 NASHVILLE, TENNESSEE 37215 TEL: (615) 460-7815 FACSIMILE: (615) 460-7817</p>																	

**Notes for Figure 6H-1—Typical Application 1
Work Beyond the Shoulder**

Guidance:

1. *If the work space is in the median of a divided highway, an advance warning sign should also be placed on the left side of the directional roadway.*

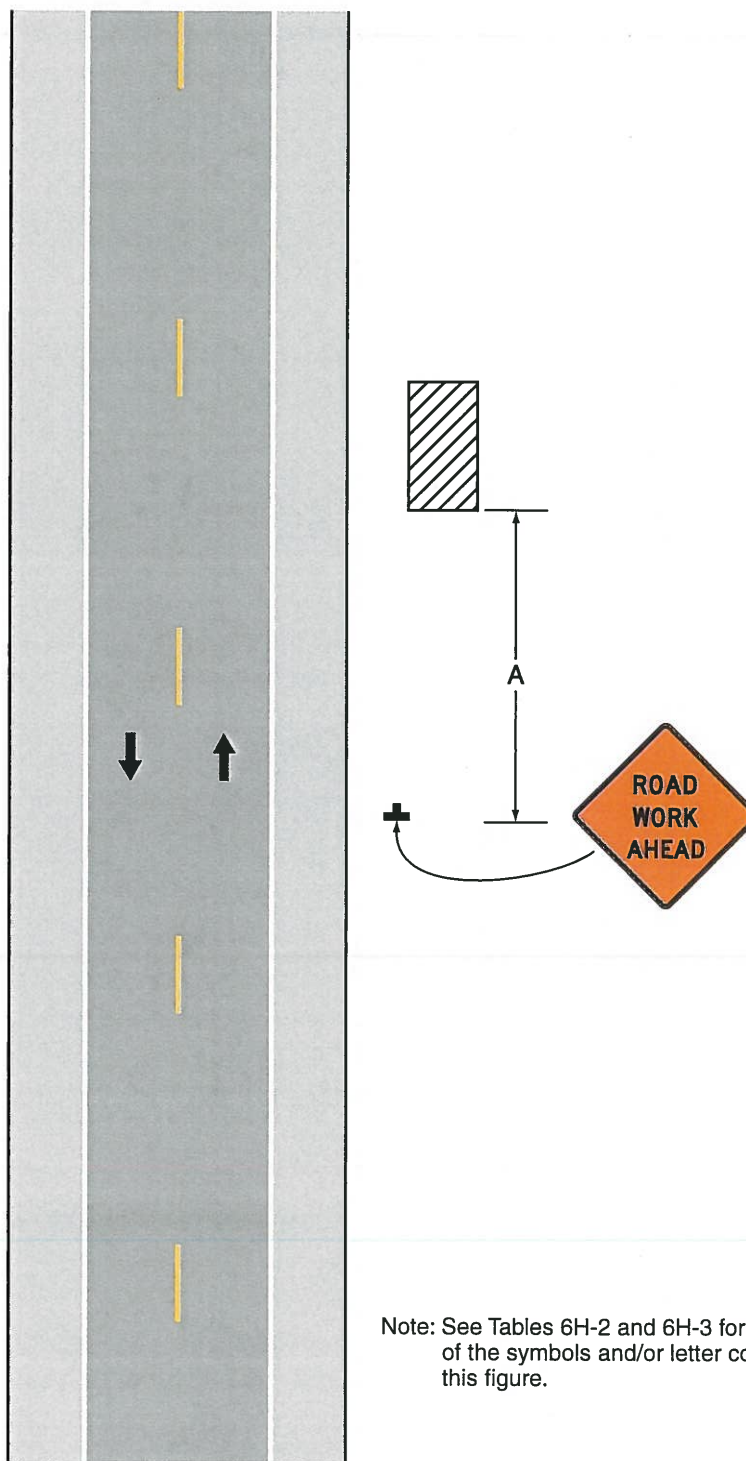
Option:

2. The ROAD WORK AHEAD sign may be replaced with other appropriate signs such as the SHOULDER WORK sign. The SHOULDER WORK sign may be used for work adjacent to the shoulder.
3. The ROAD WORK AHEAD sign may be omitted where the work space is behind a barrier, more than 24 inches behind the curb, or 15 feet or more from the edge of any roadway.
4. For short-term, short duration or mobile operation, all signs and channelizing devices may be eliminated if a vehicle with activated high-intensity rotating, flashing, oscillating, or strobe lights is used.
5. Vehicle hazard warning signals may be used to supplement high-intensity rotating, flashing, oscillating, or strobe lights.

Standard:

6. **Vehicle hazard warning signals shall not be used instead of the vehicle's high-intensity rotating, flashing, oscillating, or strobe lights.**

Figure 6H-1. Work Beyond the Shoulder (TA-1)



Note: See Tables 6H-2 and 6H-3 for the meaning of the symbols and/or letter codes used in this figure.

Typical Application 1

EXHIBIT 4

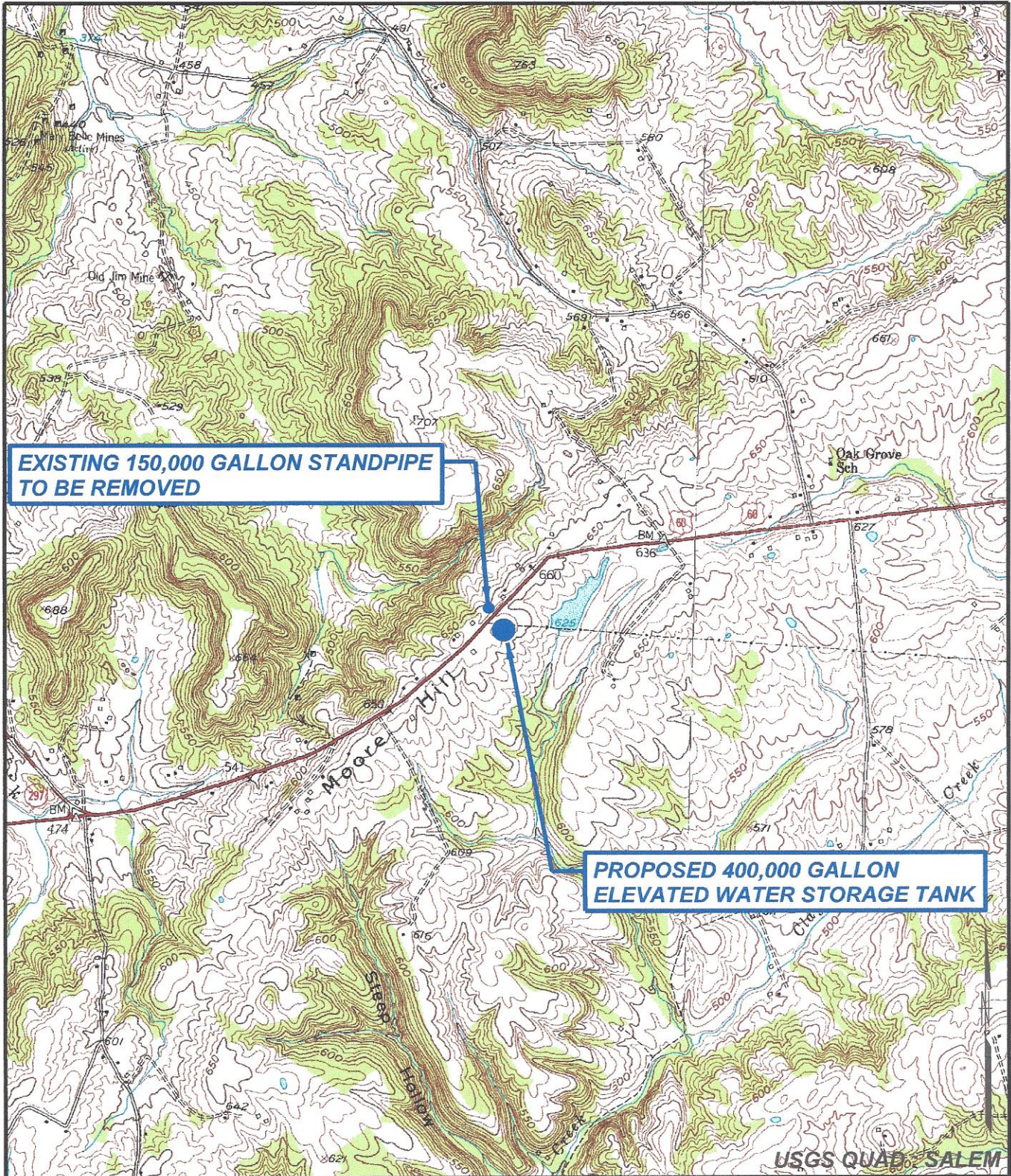
**Crittenden-Livingston County Water District
Proposed Location of Proposed Water Storage Facility**

The proposed 400,000 gallon elevated water storage tank will be installed on a 3.2 acre plot of land in Crittenden County, Kentucky on the south side of U.S. Highway 60 at Mile Point 6.1. The coordinates for the proposed water storage facility are: Latitude - 37°19'18.4"N, Longitude - 88°08'10.1"W

EXHIBIT 5

Maps Showing the Location of the Proposed Water Storage Tank

<u>Tab No.</u>	<u>Description</u>
5-A	Topographical Map of Proposed Site (Source: US Geological Survey)
5-B	Aerial Map of Proposed Site (Source: Google Maps)
5-C	Map of the Proposed Site and Other Water Facilities within General Vicinity (Source: Kentucky Water Resource Information System) (Proposed Water Storage Tank is identified by its WRIS Project Number – WX21055009)



PROPOSED PROJECT LOCATION

DATE
JULY 2015



**STIGALL
ENGINEERING
ASSOCIATES, INC.**

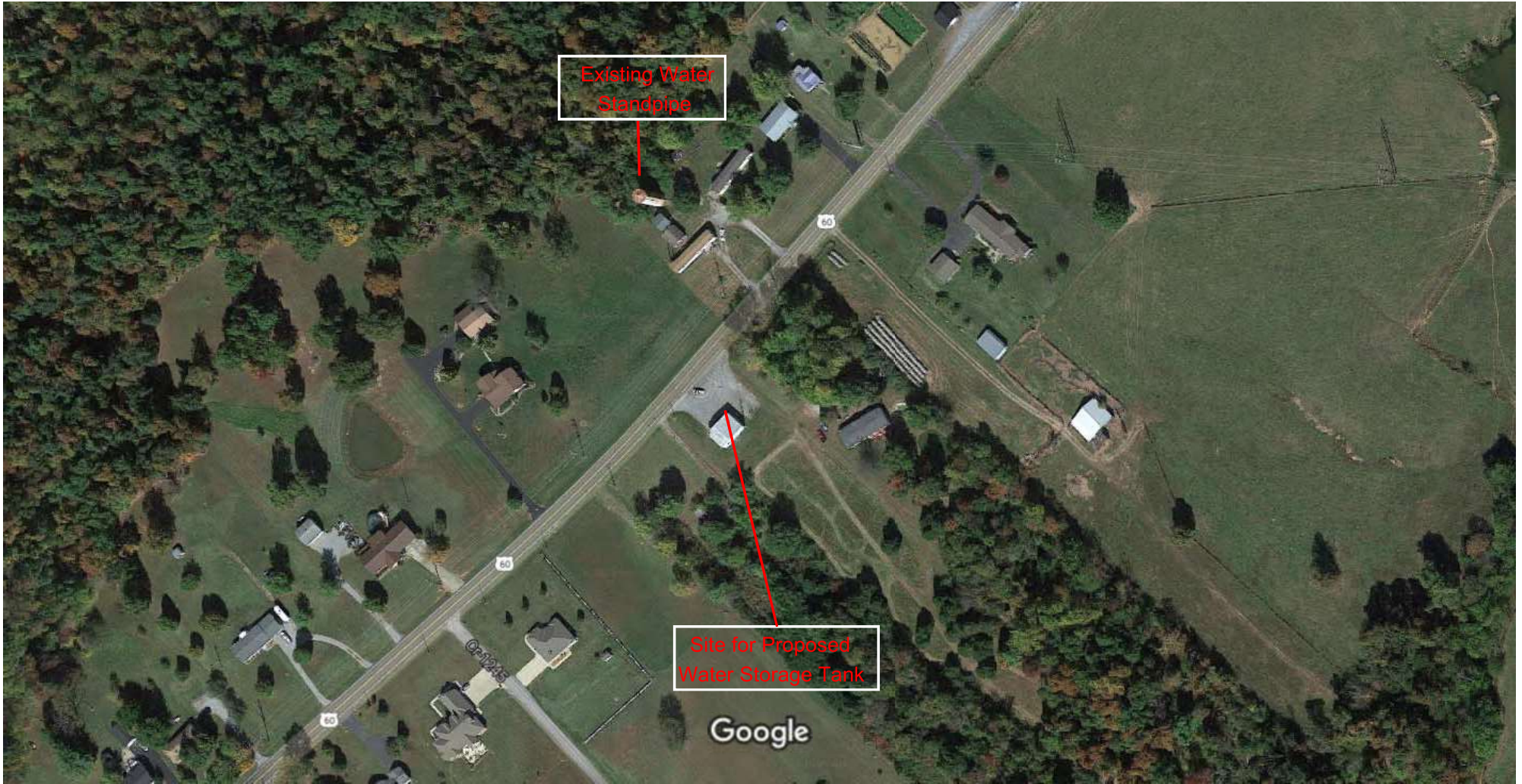
2015 WATER SYSTEM IMPROVEMENTS
FOR
CRITTENDEN/LIVINGSTON CO. WATER DISTRICT
400,000 GAL. ELEVATED
WATER STORAGE TANK


SCALE
1" = 2000'

DRAWING NO.
FIGURE I

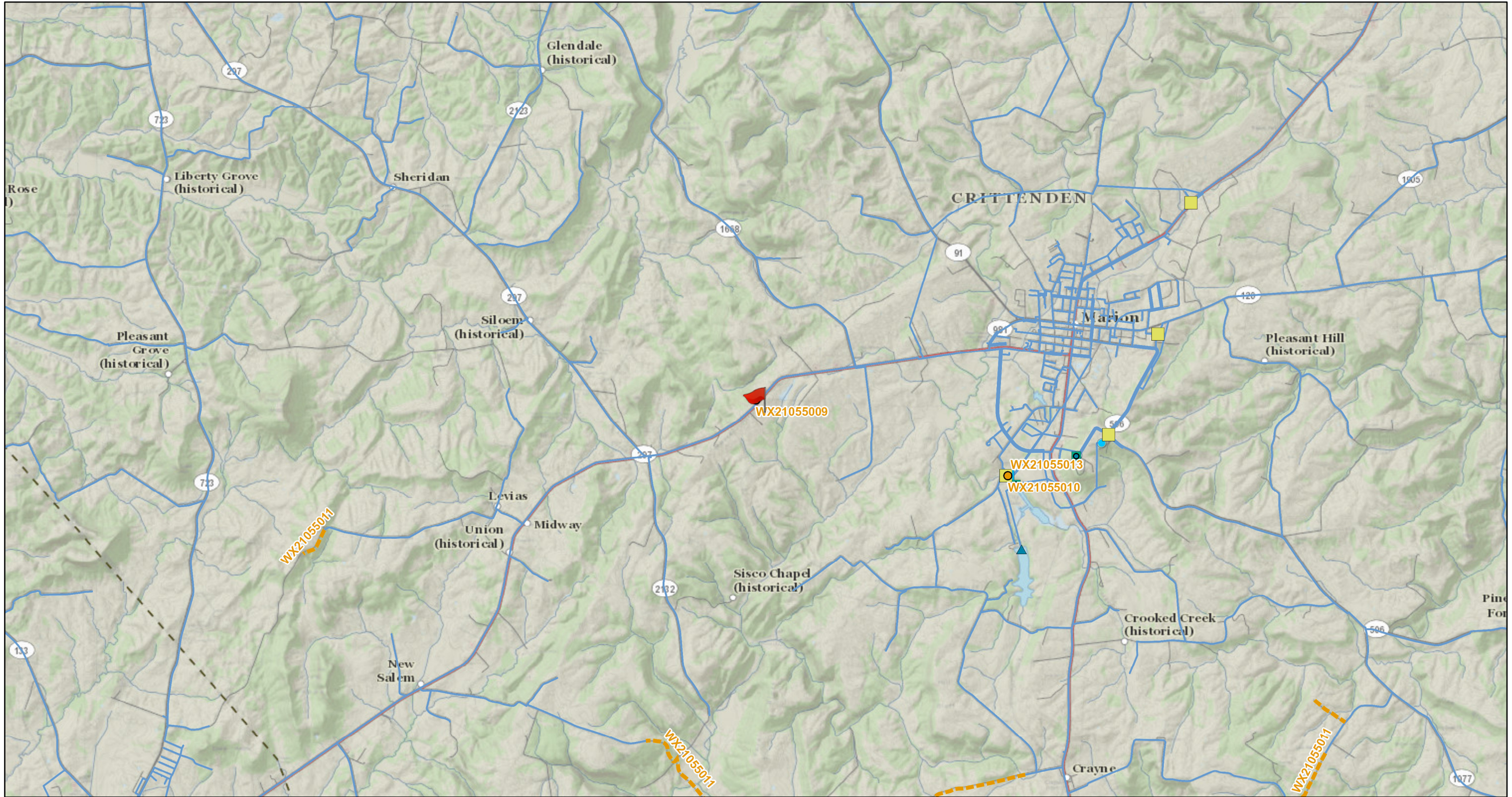
4117 HILLSBORO PIKE - SUITE 206
NASHVILLE, TENNESSEE 37215

TELEPHONE : (615) 460-7515
FACSIMILE : (615) 460-7517



Imagery ©2016 Google, Map data ©2016 Google 100 ft 

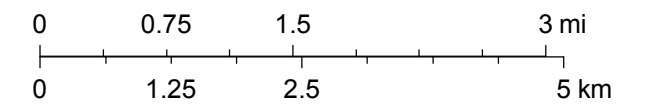
Ky Water Web Map



August 9, 2016

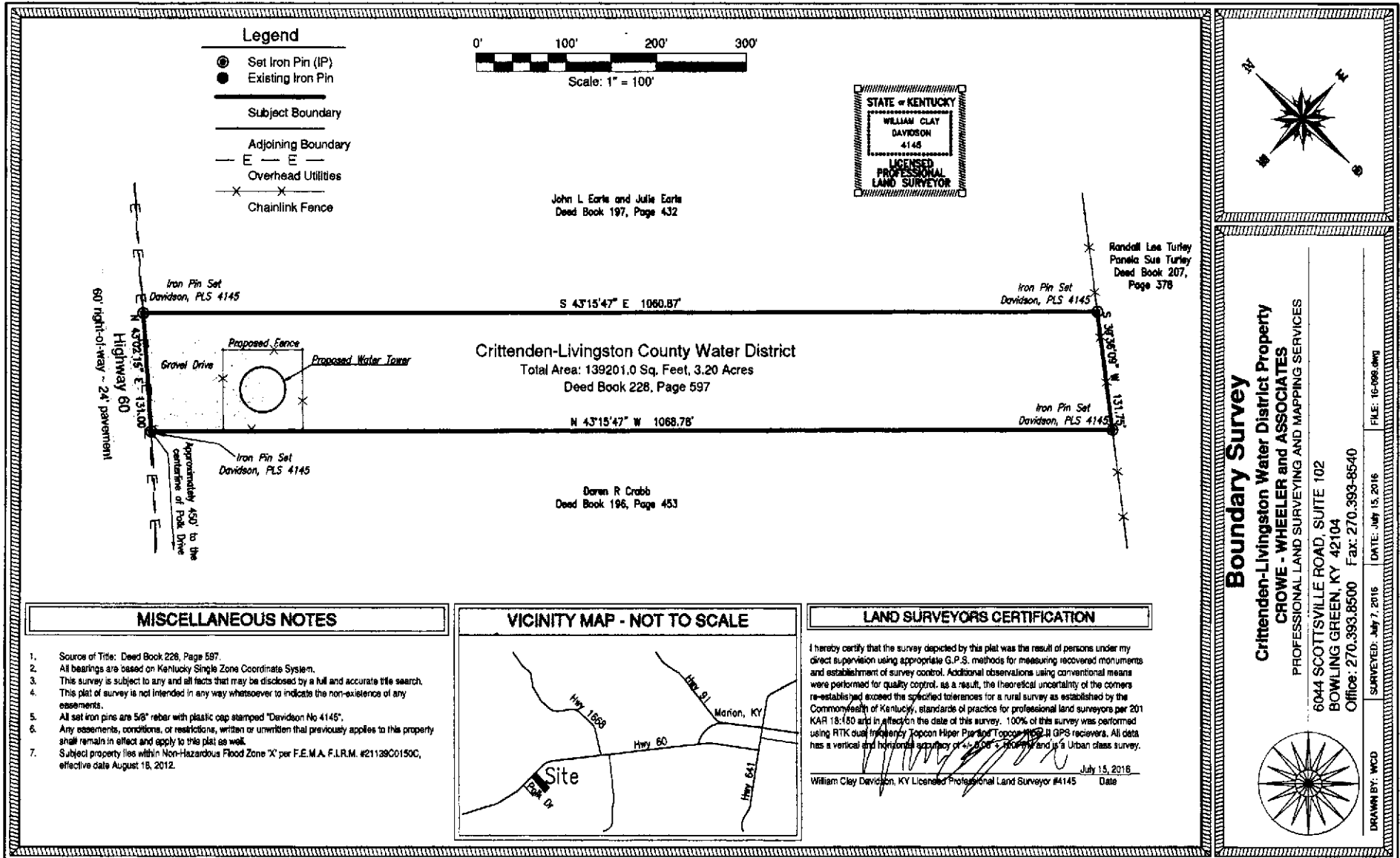
1:72,224

- | | |
|-----------------------------|---------------------------|
| Proposed Water Improvements | Pump Stations |
| Non-Community Points | Water Tanks |
| Water Pumps | Water Treatment Plants |
| Purchase Sources | Well Sources |
| Surface and Spring Sources | Proposed Water Extensions |
| Water Meters | Water Lines |



Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

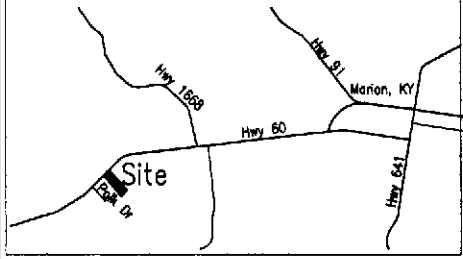
EXHIBIT 6



MISCELLANEOUS NOTES

1. Source of Title: Deed Book 228, Page 597.
2. All bearings are based on Kentucky Single Zone Coordinate System.
3. This survey is subject to any and all facts that may be disclosed by a full and accurate title search.
4. This plat of survey is not intended in any way whatsoever to indicate the non-existence of any easements.
5. All set iron pins are 5/8" rebar with plastic cap stamped "Davidson No 4145".
6. Any easements, conditions, or restrictions, written or unwritten that previously applies to this property shall remain in effect and apply to this plat as well.
7. Subject property lies within Non-Hazardous Flood Zone "X" per F.E.M.A. F.I.R.M. #21138G0150C, effective date August 18, 2012.

VICINITY MAP - NOT TO SCALE



LAND SURVEYORS CERTIFICATION

I hereby certify that the survey depicted by this plat was the result of persons under my direct supervision using appropriate G.P.S. methods for measuring recovered monuments and establishment of survey control. Additional observations using conventional means were performed for quality control, as a result, the theoretical uncertainty of the corners re-established exceed the specified tolerances for a rural survey as established by the Commonwealth of Kentucky, standards of practice for professional land surveyors per 201 KAR 18:150 and in effect on the date of this survey. 100% of this survey was performed using RTK dual frequency Topcon Hyper Pro and Topcon HPS-2 II GPS receivers. All data has a vertical and horizontal accuracy of +/- 0.005 m and is a Urban class survey.

William Clay Davidson, KY Licensed Professional Land Surveyor #4145
Date July 15, 2016

Boundary Survey

Crittenden-Livingston Water District Property
CROWE - WHEELER and ASSOCIATES
PROFESSIONAL LAND SURVEYING AND MAPPING SERVICES

6044 SCOTTSDALE ROAD, SUITE 102
BOWLING GREEN, KY 42104
Office: 270.393.8500 Fax: 270.393.8540

DRAWN BY: WCD
SURVEYED: July 7, 2016
DATE: July 15, 2016
FILE: 16-098.dwg

3.20 Acres

A certain parcel of land in Kentucky lying in Crittenden Co. west the community of Marion, Kentucky more particularly described as follows:

Unless stated otherwise, any monument referred to herein as an iron pin set is a 5/8" rebar 18" in length with plastic cap stamped "Davidson PLS 4145". All bearings are based on Kentucky Single Zone Coordinate System by G.P.S., using geoid 09.

Beginning at an iron pin set in the southeast right-of-way of Highway 60 (60' right-of-way) a corner to Daren R. Crabb (Deed Book 196, Page 453) lying approximately 450' northeast of the centerline of Polk Drive. Thence with said right-of-way N 43°02'15" E a distance of 131.00' to an iron pin set a corner to John L. Earls and Julie Earls (Deed Book 197, Page 432);

Thence with John L. Earls and Julie Earls S 43°15'47" E a distance of 1060.87' to an iron pin set in the line of Randall Lee Turley and Pamela Sure Turley (Deed Book 207, Page 378);

thence with Randall Lee Turley and Pamela Sure Turley S 39°36'09" W a distance of 131.75' to an iron pin set a corner to aforesaid Daren R Crabb;

thence with Daren R Crabb N 43°15'47" W a distance of 1068.78' to the point of beginning, having an area of 139200.96 square feet, 3.196 acres according to this survey performed by William Clay Davidson, KY PLS No. 4145.

Dated: June 15, 2016, Job No. 16-099

EXHIBIT 7



EXHIBIT 8

PROVIDED AS SEPARATE DOCUMENT

EXHIBIT 9

PROVIDED AS SEPARATE DOCUMENT

EXHIBIT 10

PRELIMINARY ENGINEERING REPORT

**CRITTENDEN-LIVINGSTON
COUNTY WATER DISTRICT
MOORE HILL TANK REPLACEMENT**

Prepared by:

**Stigall Engineering Associates, Inc.
4117 Hillsboro Pike, Suite 206
Nashville, Tennessee 37215**

**July 2015
SEA Project No. 0650**



7-2-15

**CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT
2015 DISTRICT STORAGE PROJECT**

Table of Contents

- I. Introduction
- II. Distribution System Improvements
 - A. 400,000 Gallon Elevated Tank
- III. Financial Considerations

I. INTRODUCTION

The Crittenden-Livingston County Water District has added many miles of distribution piping in the last fifteen years in an effort to provide service to a large majority of its service area. The District is a relatively new water district having been in operation a little over thirty years. As most financial resources over the last seventeen years have been allocated to distribution lines, the system has grown to the point that additional storage is needed to alleviate some distribution supply problems in the system.

II. DISTRIBUTION SYSTEM IMPROVEMENTS

(A) 400,000 Gallon Elevated Tank

The Crittenden-Livingston County Water District needs additional storage to keep pace with the growing demands of the many customers it has added during the last few years.

Also, this proposed tank is needed to help serve the District's largest tank, a 600,000 gallon elevated tank located in Marion, Kentucky. Water is pumped from the District's water treatment facility to the existing Moore Hill tank which is a 150,000 gallon standpipe built with the initial system. In 2000, the District built a 600,000 gallon elevated tank in Marion which serves the majority of its customers. A pump station was built on the Moore Hill tank site to serve the 600,000 gallon tank.

During normal conditions, this operation works reasonably well. However, if there is a large demand on the 600,000 gallon tank, or a line breaks in the area of the larger tank, the Moore Hill tank and pump station struggle to refill the tank. This is a result of the Moore Hill tank being a standpipe and the District can only use the upper one third, or 50,000 gallons of the tank without creating low pressure problems for some of its customers.

When the 600,000 gallon tank drops to about $\frac{3}{4}$ full, it takes 150,000 gallons to fill the tank in excess of the demand on the tank. As Moore Hill can only provide about 50,000 gallons during a cycle, it takes a very long time for the 600,000 gallon tank to recover.

A new 400,000 gallon elevated tank that would allow the majority of its volume to be used to serve the 600,000 gallon tank would be tremendously helpful. In addition, it would add much needed storage to the system which would prove very beneficial during periods of power outages.

The District experienced an ice storm on February 11, 2008 and over 2,000 customers were without water services as the 600,000 gallon was emptied. The proposed tank would have minimized this loss of service.

Figure I, shown in the back of this report shows the pertinent components of the District's existing and proposed facilities.

III. FINANCIAL CONSIDERATIONS

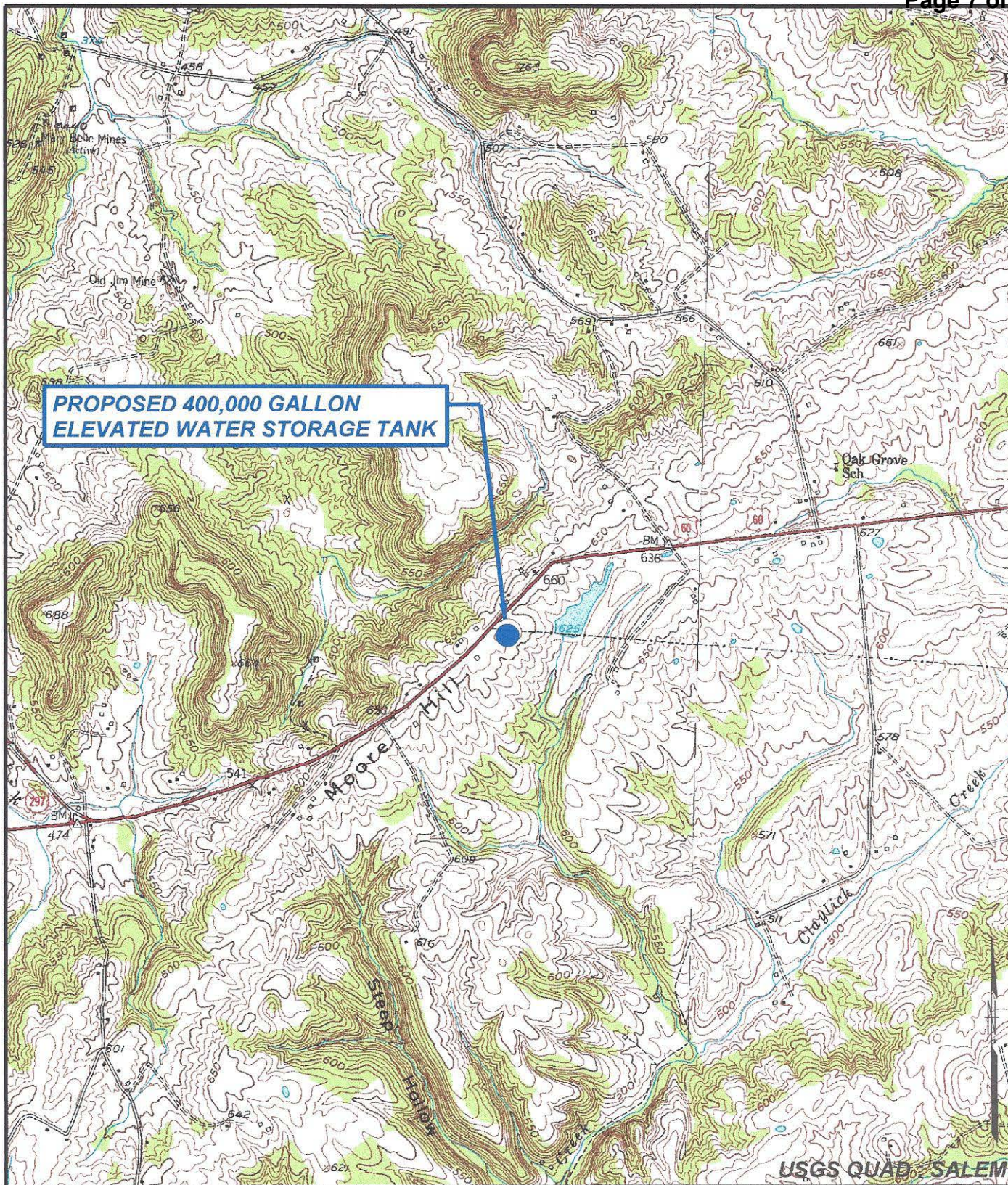
The following construction and project budgets should be adequate to construct the improvements as previously described.

Estimated Construction Cost:

Moore Hill 400,000 Gallon Tank Replacement (lump sum)	\$ 780,000
Piping and road bores (lump sum)	\$ 20,000
Demolition of existing tank & property restoration (lump sum)	<u>\$ 10,000</u>
Total Estimated Construction Cost	\$ 810,000

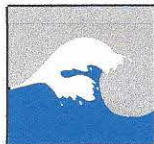
Estimated Project Budget:

Construction	\$ 810,000
Land acquisition	\$ 10,000
Legal	\$ 10,000
Administrative	\$ 49,500
Design	\$ 68,250
Inspection	\$ 40,300
Surveying and geotechnical	\$ 9,000
Contingencies	<u>\$ 42,450</u>
Total Estimated Project Budget	\$ 1,039,500



PROPOSED PROJECT LOCATION

DATE
JULY 2015



STIGALL
ENGINEERING
ASSOCIATES, INC.

2015 WATER SYSTEM IMPROVEMENTS
FOR
CRITTENDEN/LIVINGSTON CO. WATER DISTRICT
400,000 GAL. ELEVATED
WATER STORAGE TANK

SCALE
1" = 2000'

DRAWING NO.
1 of 1

4117 HILLSBORO PIKE - SUITE 206
NASHVILLE, TENNESSEE 37215

TELEPHONE : (615) 460-7515
FACSIMILE : (615) 460-7517

EXHIBIT 11

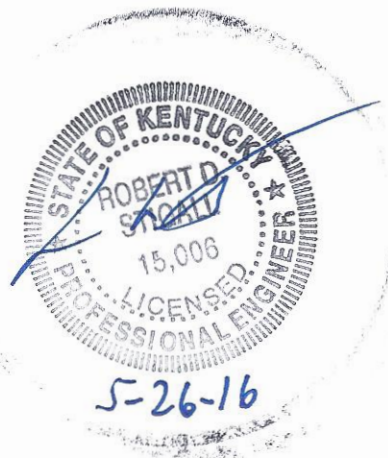
FINAL ENGINEERING REPORT

**CRITTENDEN-LIVINGSTON
COUNTY WATER DISTRICT
MOORE HILL TANK REPLACEMENT**

Prepared by:

**Stigall Engineering Associates, Inc.
4117 Hillsboro Pike, Suite 206
Nashville, Tennessee 37215**

**May 2016
SEA Project No. 0650**



CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT
2015 DISTRICT STORAGE PROJECT

Table of Contents

- I. Project Purpose
- II. Project Description
 - a. Project Summary
 - b. Description of Project Construction Contract
 - c. Owner & Operator of the Facility
 - d. Location of the Facility
- III. Bidding Information
- IV. Major Project Components
- V. Project Costs
 - a. Estimated Construction & Project Budgets
 - b. As-bid Construction & Project Budgets
 - c. Amount, Sources and Status of All Funding Sources
- VI. Conclusion

I. PROJECT PURPOSE

The Crittenden-Livingston County Water District has added many miles of distribution piping in the last fifteen years in an effort to provide service to a large majority of its service area. The District is a relatively new water district having been in operation a little over thirty years. As most financial resources over the last seventeen years have been allocated to distribution lines, the system has grown to the point that additional storage is needed to alleviate some distribution supply problems in the system.

II. PROJECT DESCRIPTION

(a) Project Summary

The Crittenden-Livingston County Water District needs additional storage to keep pace with the growing demands of the many customers it has added during the last few years.

Also, this proposed tank is needed to help serve the District's largest tank, a 600,000 gallon elevated tank located in Marion, Kentucky. Water is pumped from the District's water treatment facility to the existing Moore Hill tank which is a 150,000 gallon standpipe built with the initial system. In 2000, the District built a 600,000 gallon elevated tank in Marion which serves the majority of its customers. A pump station was built on the Moore Hill tank site to serve the 600,000 gallon tank.

During normal conditions, this operation works reasonably well. However, if there is a large demand on the 600,000 gallon tank, or a line breaks in the area of the larger tank, the Moore Hill tank and pump station struggle to refill the tank. This is a result of the Moore Hill tank being a standpipe and the District can only use the upper one third, or 50,000 gallons of the tank without creating low pressure problems for some of its customers.

When the 600,000 gallon tank drops to about $\frac{3}{4}$ full, it takes 150,000 gallons to fill the tank in excess of the demand on the tank. As Moore Hill can only provide about 50,000 gallons during a cycle, it takes a very long time for the 600,000 gallon tank to recover.

A new 400,000 gallon elevated tank that would allow the majority of its volume to be used to serve the 600,000 gallon tank would be tremendously helpful. In addition, it would add much needed storage to the system which would prove very beneficial during periods of power outages.

The District experienced an ice storm on February 11, 2008 and over 2,000 customers were without water services as the 600,000 gallon was emptied. The proposed tank would have minimized this loss of service.

Figure I, shown in the back of this report shows the pertinent components of the District's existing and proposed facilities.

(b) Description of Project Construction Contract

The Crittenden-Livingston County Water District Moore Hill Tank Replacement project was bid on May 23, 2016 with 300 calendar days allocated for construction.

(c) Owner and Operator of the Facility

The owner and operator of the facility would be the Crittenden-Livingston County Water District.

(d) Location of the Facility

The proposed Moore Hill Tank Replacement project is located at 3419 U.S. Highway 60W in Marion, Kentucky.

III. BIDDING INFORMATION

The following pages show the bid tabulations and the letter of recommendation to the Board based upon the results of the bid opening conducted on May 23, 2016 at the Crittenden-Livingston County Water District office.

STIGALL ENGINEERING ASSOCIATES, INC.

4117 Hillsboro Pike, Suite 206 • Nashville, Tennessee 37215 • Telephone: 615-460-7515 • Facsimile: 615-460-7517

May 23, 2016

Mr. Randell O'Bryan, Chairman
Crittenden-Livingston County Water District
Post Office Box 495
Salem, Kentucky 42078-0495

Re: Crittenden Livingston County Water District
Moore Hill Tank Replacement
SEA Project Number 0650

Dear Mr. O'Bryan:

Separate sealed bids were received until 11:00 a.m. on Monday May 23, 2016 for the referenced project. We have reviewed and certified the bids received and have enclosed a copy of the bid tabulation for your review. Following is a summary of the results of the bid openings:

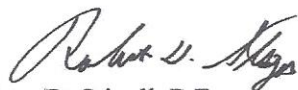
	Contractor	Bid Amount
1.	Phoenix Fabricators & Erectors, Inc. Avon, Indiana	
	Base Bid	\$ 793,950.00
	Additive Alternate Bid	\$ 867,135.00
2.	Caldwell Tanks, Inc. Louisville, Kentucky	
	Base Bid	\$ 915,000.00
	Additive Alternate Bid	\$ 976,000.00

Based on the results of the bid opening, it is our recommendation that the project be awarded to the low bidder, Phoenix Fabricators & Erectors, Inc., in the base bid amount of \$793,950.00, contingent upon concurrence by the Kentucky Infrastructure Authority and upon the Kentucky Public Service Commission issuing a Certificate of Public Convenience and Necessity to the Crittenden-Livingston County Water District for the proposed project.

May 23, 2016
Page 2 of 2

We remain appreciative of the opportunity to work with you and the District and please contact me if additional information would be helpful.

Sincerely,
STIGALL ENGINEERING ASSOCIATES, INC.



Robert D. Stigall, P.E.
President

Enclosure

RDS/mac

cc: Mr. Ronnie Slayden, Superintendent
Crittenden-Livingston County Water District

Mr. Jamie Lawrence
Pennyrite Area Development District

Mr. Joel Murphy
SRF & SPAP Section, Kentucky Division of Water

STIGALL ENGINEERING ASSOCIATES, INC.

4117 Hillsboro Pike, Suite 206 • Nashville, Tennessee 37215 • Telephone: 615-460-7515 • Facsimile: 615-460-7517

Certified Bid Tabulation

Crittenden-Livingston County Water District Moore Hill Tank Replacement

Monday May 23, 2016

11:00 a.m. (local time)

Phoenix Fabricators & Erectors
182 South County Road 900 East
Avon, Indiana 46123

BASE BID

01.	<u>LUMP SUM</u> : Construct a 400,000 gallon elevated water storage facility including all piping, valves and sitework as shown on the drawings and as specified for	\$ 768,650.00
02.	<u>BID ALLOWANCE</u> : Installation of electric light beacon	\$ 15,000.00
03.	<u>LUMP SUM</u> : Demolition of existing 150,000 gallon tank And property restoration	\$ 10,300.00
	TOTAL AMOUNT BASE BID; ITEMS 1 – 3 INCLUSIVE	\$ 793,950.00

ADDITIVE ALTERNATE BID

01.	<u>LUMP SUM</u> : Construct a 500,000 gallon elevated water storage facility including all piping, valves and sitework as shown on the drawings and as specified for	\$ 841,835.00
02.	<u>BID ALLOWANCE</u> : Installation of electric light beacon	\$ 15,000.00
03.	<u>LUMP SUM</u> : Demolition of existing 150,000 gallon tank And property restoration	\$ 10,300.00
	TOTAL AMOUNT BASE BID; ITEMS 1 – 3 INCLUSIVE	\$ 867,135.00

Certified Bid Tabulation (continued)
Crittenden-Livingston County Water District
Moore Hill Tank Replacement
Monday May 23, 2016 @ 11:00 a.m. (local time)

Caldwell Tanks, Inc.
4000 Tower Road
Louisville, Kentucky 40219

BASE BID

01.	<u>LUMP SUM</u> : Construct a 400,000 gallon elevated water storage facility including all piping, valves and sitework as shown on the drawings and as specified for	\$ 890,000.00
02.	<u>BID ALLOWANCE</u> : Installation of electric light beacon	\$ 15,000.00
03.	<u>LUMP SUM</u> : Demolition of existing 150,000 gallon tank And property restoration	\$ 10,000.00
	TOTAL AMOUNT BASE BID; ITEMS 1 – 3 INCLUSIVE	\$ 915,000.00

ADDITIVE ALTERNATE BID

01.	<u>LUMP SUM</u> : Construct a 500,000 gallon elevated water storage facility including all piping, valves and sitework as shown on the drawings and as specified for	\$ 951,000.00
02.	<u>BID ALLOWANCE</u> : Installation of electric light beacon	\$ 15,000.00
03.	<u>LUMP SUM</u> : Demolition of existing 150,000 gallon tank And property restoration	\$ 10,000.00
	TOTAL AMOUNT BASE BID; ITEMS 1 – 3 INCLUSIVE	\$ 976,000.00

Certified Bid Tabulation (continued)
Crittenden-Livingston County Water District
Moore Hill Tank Replacement
Monday May 23, 2016 @ 11:00 a.m. (local time)

I hereby certify that the preceding is a true and accurate transcription of the bids, as received.



Robert D. Stigall, P.E., President
Stigall Engineering Associates, Inc.
4117 Hillsboro Pike, Suite 206
Nashville, Tennessee 37215-2728
Kentucky Registration No. 15,006

IV. MAJOR PROJECT COMPONENTS

The major components of the project are construction of a new 400,000 gallon elevated tank, the demolition of an existing 150,000 gallon standpipe which is in very poor condition and a relatively small amount of piping from the existing water line to the new tank site.

V. PROJECT COSTS

(a) Estimated Construction & Project Budgets

Estimated Construction Cost:

Moore Hill 400,000 Gallon Tank Replacement (lump sum)	\$ 780,000
Piping and road bores (lump sum)	\$ 20,000
Demolition of existing tank & property restoration (lump sum)	<u>\$ 10,000</u>
Total Estimated Construction Cost	\$ 810,000

Estimated Project Budget:

Construction	\$ 810,000
Land acquisition	\$ 10,000
Legal	\$ 10,000
Administrative	\$ 49,500
Design	\$ 68,250
Inspection	\$ 40,300
Surveying and geotechnical	\$ 9,000
Contingencies	<u>\$ 42,450</u>
Total Estimated Project Budget	\$1,039,500

(b) As-bid Construction & Project Budgets

As-Bid Construction Cost:

Moore Hill 400,000 Gallon Tank Replacement, including All piping, valves and sitework (lump sum)	\$ 768,650
Installation of electric light beacon	\$ 15,000
Demolition of existing 150,000 gallon tank & property restoration (lump sum)	<u>\$ 10,300</u>
Total As-Bid Construction Cost	\$ 793,950

As-Bid Project Budget:

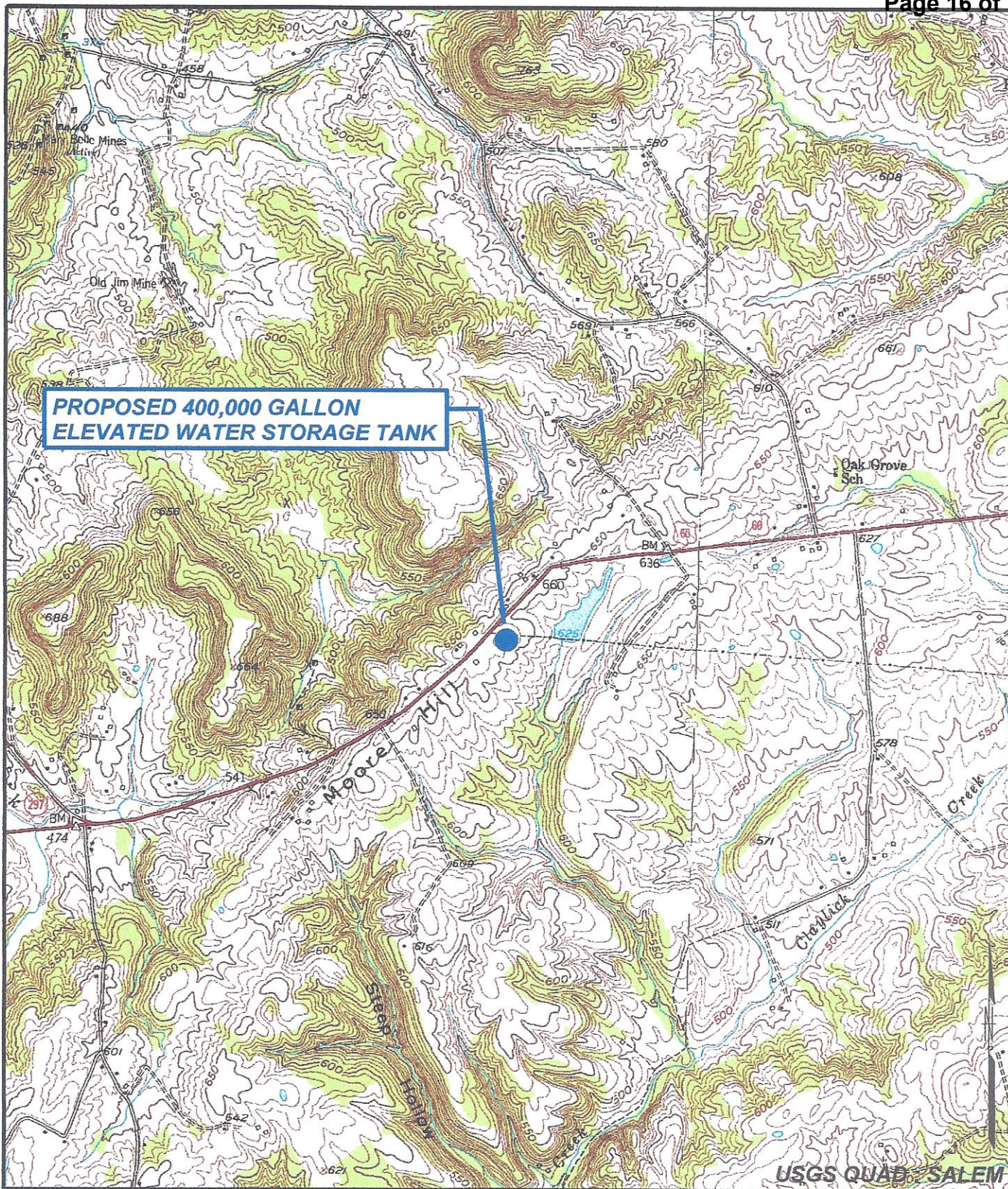
Construction	\$ 793,950
Legal	\$ 10,000
Administrative	\$ 49,500
Design	\$ 68,250
Inspection	\$ 40,300
Surveying and geotechnical	\$ 9,000
Contingencies	<u>\$ 68,500</u>
Total As-Bid Project Budget	\$ 1,039,500

(c) Amount, Sources and Status of All Funding Sources.

Kentucky Infrastructure Authority loan in the amount of \$1,039,500. The interest rate is to be 1.75%

VI. CONCLUSION

It is our opinion that the Crittenden-Livingston County Water District Moore Hill Tank Replacement project is sound and feasible when supported by the proposed Kentucky Infrastructure Authority funding stated in this report. The only additional annual costs will be additional depreciation as the tank to be removed has been significantly depreciated at this time.



PROPOSED PROJECT LOCATION



**STIGALL
ENGINEERING
ASSOCIATES, INC.**

4117 HILLSBORO PIKE - SUITE 206
NASHVILLE, TENNESSEE 37215

TELEPHONE : (615) 460-7515
FACSIMILE : (615) 460-7517

2015 WATER SYSTEM IMPROVEMENTS
FOR
CRITTENDEN/LIVINGSTON CO. WATER DISTRICT
400,000 GAL. ELEVATED
WATER STORAGE TANK

DATE
JULY 2015

SCALE
1" = 2000'

DRAWING NO.
1 of 1

EXHIBIT 12

TIME FROM INITIATION OF EPS = 27.0000 HOURS							
T-1(2)	333.53	732.69	17.69	235916.	59.0	FILLING	19.19
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T-1(2)	323.96	737.15	22.15	295375.	73.8	FILLING	23.61
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T-1(2)	317.68	740.05	25.05	334060.	83.5	FILLING	26.48
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TIME FROM INITIATION OF EPS = 51.0000 HOURS							
T-1(2)	343.94	727.79	12.79	170469.	42.6	FILLING	14.33
TIME FROM INITIATION OF EPS = 52.0000 HOURS							
T-1(2)	340.67	729.33	14.33	191105.	47.8	FILLING	15.87
TIME FROM INITIATION OF EPS = 53.0000 HOURS							
T-1(2)	337.42	730.87	15.87	211545.	52.9	FILLING	17.38
TIME FROM INITIATION OF EPS = 54.0000 HOURS							
T-1(2)	334.19	732.38	17.38	231790.	57.9	FILLING	18.89

FILLING 22-34 HRS

DRAINING

35-48 HRS

FILLING
49-61

TIME FROM INITIATION OF EPS = 55.0000 HOURS							
T-1(2)	330.97	733.89	18.89	251842.	63.0	FILLING	20.38
TIME FROM INITIATION OF EPS = 56.0000 HOURS							
T-1(2)	327.78	735.38	20.38	271700.	67.9	FILLING	21.85
TIME FROM INITIATION OF EPS = 57.0000 HOURS							
T-1(2)	324.61	736.85	21.85	291367.	72.8	FILLING	23.31
TIME FROM INITIATION OF EPS = 58.0000 HOURS							
T-1(2)	321.45	738.31	23.31	310843.	77.7	FILLING	24.76
TIME FROM INITIATION OF EPS = 59.0000 HOURS							
T-1(2)	318.32	739.76	24.76	330130.	82.5	FILLING	26.19
TIME FROM INITIATION OF EPS = 60.0000 HOURS							
T-1(2)	315.20	741.19	26.19	349229.	87.3	FILLING	27.61
TIME FROM INITIATION OF EPS = 61.0000 HOURS							
T-1(2)	312.10	742.61	27.61	368141.	92.0	FILLING	29.02
TIME FROM INITIATION OF EPS = 62.0000 HOURS							
T-1(2)	-312.00	744.02	29.02	386867.	96.7	DRAINING	27.61
TIME FROM INITIATION OF EPS = 63.0000 HOURS							
T-1(2)	-312.00	742.61	27.61	368147.	92.0	DRAINING	26.21
TIME FROM INITIATION OF EPS = 64.0000 HOURS							
T-1(2)	-312.00	741.21	26.21	349427.	87.4	DRAINING	24.80
TIME FROM INITIATION OF EPS = 65.0000 HOURS							
T-1(2)	-312.00	739.80	24.80	330707.	82.7	DRAINING	23.40
TIME FROM INITIATION OF EPS = 66.0000 HOURS							
T-1(2)	-312.00	738.40	23.40	311987.	78.0	DRAINING	22.00
TIME FROM INITIATION OF EPS = 67.0000 HOURS							
T-1(2)	-312.00	737.00	22.00	293267.	73.3	DRAINING	20.59
TIME FROM INITIATION OF EPS = 68.0000 HOURS							
T-1(2)	-312.00	735.59	20.59	274547.	68.6	DRAINING	19.19
TIME FROM INITIATION OF EPS = 69.0000 HOURS							
T-1(2)	-312.00	734.19	19.19	255827.	64.0	DRAINING	17.78
TIME FROM INITIATION OF EPS = 70.0000 HOURS							
T-1(2)	-312.00	732.78	17.78	237107.	59.3	DRAINING	16.38
TIME FROM INITIATION OF EPS = 71.0000 HOURS							
T-1(2)	-312.00	731.38	16.38	218387.	54.6	DRAINING	14.98
TIME FROM INITIATION OF EPS = 72.0000 HOURS							
T-1(2)	-312.00	729.98	14.98	199667.	49.9	DRAINING	13.57

FILLING 49-61 HRS

DRAINING 61-72 HRS

EXHIBIT 13

STIGALL ENGINEERING ASSOCIATES, INC.

4117 Hillsboro Pike, Suite 206 • Nashville, Tennessee 37215 • Telephone: 615-460-7515 • Facsimile: 615-460-7517

Certified Bid Tabulation

Crittenden-Livingston County Water District Moore Hill Tank Replacement

Monday May 23, 2016

11:00 a.m. (local time)

Phoenix Fabricators & Erectors
182 South County Road 900 East
Avon, Indiana 46123

BASE BID

01.	<u>LUMP SUM</u> : Construct a 400,000 gallon elevated water storage facility including all piping, valves and sitework as shown on the drawings and as specified for	\$ 768,650.00
02.	<u>BID ALLOWANCE</u> : Installation of electric light beacon	\$ 15,000.00
03.	<u>LUMP SUM</u> : Demolition of existing 150,000 gallon tank And property restoration	\$ 10,300.00
	TOTAL AMOUNT BASE BID; ITEMS 1 – 3 INCLUSIVE	\$ 793,950.00

ADDITIVE ALTERNATE BID

01.	<u>LUMP SUM</u> : Construct a 500,000 gallon elevated water storage facility including all piping, valves and sitework as shown on the drawings and as specified for	\$ 841,835.00
02.	<u>BID ALLOWANCE</u> : Installation of electric light beacon	\$ 15,000.00
03.	<u>LUMP SUM</u> : Demolition of existing 150,000 gallon tank And property restoration	\$ 10,300.00
	TOTAL AMOUNT BASE BID; ITEMS 1 – 3 INCLUSIVE	\$ 867,135.00

Certified Bid Tabulation (continued)
Crittenden-Livingston County Water District
Moore Hill Tank Replacement
Monday May 23, 2016 @ 11:00 a.m. (local time)

Caldwell Tanks, Inc.
4000 Tower Road
Louisville, Kentucky 40219

BASE BID

01.	<u>LUMP SUM</u> : Construct a 400,000 gallon elevated water storage facility including all piping, valves and sitework as shown on the drawings and as specified for	\$ 890,000.00
02.	<u>BID ALLOWANCE</u> : Installation of electric light beacon	\$ 15,000.00
03.	<u>LUMP SUM</u> : Demolition of existing 150,000 gallon tank And property restoration	\$ 10,000.00
	TOTAL AMOUNT BASE BID; ITEMS 1 – 3 INCLUSIVE	\$ 915,000.00

ADDITIVE ALTERNATE BID

01.	<u>LUMP SUM</u> : Construct a 500,000 gallon elevated water storage facility including all piping, valves and sitework as shown on the drawings and as specified for	\$ 951,000.00
02.	<u>BID ALLOWANCE</u> : Installation of electric light beacon	\$ 15,000.00
03.	<u>LUMP SUM</u> : Demolition of existing 150,000 gallon tank And property restoration	\$ 10,000.00
	TOTAL AMOUNT BASE BID; ITEMS 1 – 3 INCLUSIVE	\$ 976,000.00

Certified Bid Tabulation (continued)
Crittenden-Livingston County Water District
Moore Hill Tank Replacement
Monday May 23, 2016 @ 11:00 a.m. (local time)

I hereby certify that the preceding is a true and accurate transcription of the bids, as received.



Robert D. Stigall, P.E., President
Stigall Engineering Associates, Inc.
4117 Hillsboro Pike, Suite 206
Nashville, Tennessee 37215-2728
Kentucky Registration No. 15,006

EXHIBIT 14

STIGALL ENGINEERING ASSOCIATES, INC.

4117 Hillsboro Pike, Suite 206 • Nashville, Tennessee 37215 • Telephone: 615-460-7515 • Facsimile: 615-460-7517

May 23, 2016

Mr. Randell O'Bryan, Chairman
Crittenden-Livingston County Water District
Post Office Box 495
Salem, Kentucky 42078-0495

Re: Crittenden Livingston County Water District
Moore Hill Tank Replacement
SEA Project Number 0650

Dear Mr. O'Bryan:

Separate sealed bids were received until 11:00 a.m. on Monday May 23, 2016 for the referenced project. We have reviewed and certified the bids received and have enclosed a copy of the bid tabulation for your review. Following is a summary of the results of the bid openings:

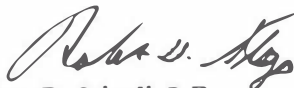
	Contractor	Bid Amount
1.	Phoenix Fabricators & Erectors, Inc. Avon, Indiana	
	Base Bid	\$ 793,950.00
	Additive Alternate Bid	\$ 867,135.00
2.	Caldwell Tanks, Inc. Louisville, Kentucky	
	Base Bid	\$ 915,000.00
	Additive Alternate Bid	\$ 976,000.00

Based on the results of the bid opening, it is our recommendation that the project be awarded to the low bidder, Phoenix Fabricators & Erectors, Inc., in the base bid amount of \$793,950.00, contingent upon concurrence by the Kentucky Infrastructure Authority and upon the Kentucky Public Service Commission issuing a Certificate of Public Convenience and Necessity to the Crittenden-Livingston County Water District for the proposed project.

May 23, 2016
Page 2 of 2

We remain appreciative of the opportunity to work with you and the District and please contact me if additional information would be helpful.

Sincerely,
STIGALL ENGINEERING ASSOCIATES, INC.



Robert D. Stigall, P.E.
President

Enclosure

RDS/mac

cc: Mr. Ronnie Slayden, Superintendent
Crittenden-Livingston County Water District

Mr. Jamie Lawrence
Pennyrite Area Development District

Mr. Joel Murphy
SRF & SPAP Section, Kentucky Division of Water

EXHIBIT 15

**STATEMENT OF ANNUAL COST OF OPERATION
OF THE PROPOSED FACILITIES**

Crittenden-Livingston County Water District estimates that the annual cost of operating the proposed water storage tank will be \$10,000. It assumes that the proposed water storage tank will require rehabilitation once every 20 years at a cost of approximately \$200,000. It further assumes that proposed water storage tank will have a useful life of 50 years. Based upon that useful life and the estimated construction costs of \$793,950, Crittenden-Livingston will also incur annual depreciation expense of \$15,879 associated with the proposed water storage tank. When depreciation expense is considered, the total annual cost of operating the proposed water storage tank will be approximately \$25,879.

EXHIBIT 16

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CRITTENDEN-)
LIVINGSTON COUNTY WATER DISTRICT)
FOR AUTHORIZATION TO ENTER AN)
ASSISTANCE AGREEMENT WITH THE)
KENTUCKY INFRASTRUCTURE) **CASE NO. 2016-00292**
AUTHORITY AND FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY)
TO CONSTRUCT A WATER STORAGE)
FACILITY)

DIRECT TESTIMONY OF
ROBERT D. STIGALL
STIGALL ENGINEERING ASSOCIATES, INC.

Filed: August 19, 2016

1 **Q. Please state your name, position, and business address.**

2 A. My name is Robert D. Stigall. I am President of Stigall Engineering Associates, Inc.,
3 a consulting engineering firm. My business address is 4117 Hillsboro Pike,
4 Suite 206, Nashville, Tennessee.

5 **Q. Briefly describe your educational and professional background.**

6 A. I hold a bachelor's degree in civil engineering from Vanderbilt University. I am
7 licensed as a professional engineer in the states of Tennessee and Kentucky. I am an
8 active member of the Tennessee Association of Utility Districts, Tennessee Society of
9 Professional Engineers, Tennessee Gas Association and the National Society of
10 Professional Engineers. A professional resume, which contains a more complete list
11 of my memberships, my work experience, and my professional recognitions, is
12 attached to my testimony as **Exhibit RDS-1**.

13 **Q. Are you currently engaged by Crittenden-Livingston County Water District**
14 **(“Crittenden-Livingston District”)?**

15 A. Yes. I have provided engineering services for Crittenden-Livingston District since
16 1988. In 1995, when I established Stigall Engineering Associates, Inc., Crittenden-
17 Livingston District retained my firm as its consulting engineer.

18 **Q. Are you familiar with the proposed water storage tank for which Crittenden-**
19 **Livingston District has applied for a certificate of public convenience and**
20 **necessity?**

21 A. Yes. My firm began studying the possibility of replacing the existing water standpipe
22 that is located on Moore Hill in 2000. In 2008 I prepared a preliminary engineering

1 report on the subject, which I revised in July 2015. A copy of the revised report is
2 attached to Crittenden-Livingston District's Application as Exhibit 10.

3 **Q. Please describe the proposed water storage tank.**

4 A. Crittenden-Livingston District proposes to construct a 400,000 gallon elevated water
5 storage tank on a 3.2 acre site adjacent to U.S. Highway 60 in Crittenden County,
6 Kentucky. The proposed water storage tank will be situated at approximately Mile
7 6.1 of U.S. Highway 60 on the southern side of the highway. It will connect to an 8-
8 inch water main that runs along the north side of U.S. Highway 60. Upon completion
9 of the proposed water storage tank, an existing 150,000 gallon water standpipe that is
10 located near the site of the proposed water storage tank will be demolished. The
11 pumping station that is located on the same tract of land as the water standpipe will
12 remain in service and be used to pump water to an existing 600,000 gallon tank
13 located on the outskirts of Marion.

14 **Q. Why is the existing water standpipe being replaced?**

15 A. The water standpipe has outlived its usefulness and now limits Crittenden-
16 Livingston District's ability to serve the area in which the majority of its customers
17 are located. The city of Salem, Kentucky constructed the water standpipe on Moore
18 Hill in 1972 to obtain water from the city of Marion, Kentucky. In 1985, Crittenden-
19 Livingston acquired the standpipe and approximately nine miles of the water

1 transmission main which Salem used to transport water purchased from Marion.¹ It
2 subsequently switched the direction of the water flow to transport water from its
3 water treatment plant, which is located near Pinckeyville, Kentucky, to customers in
4 Crittenden County, Kentucky. All water moving from Crittenden-Livingston
5 District's water treatment plant to southeast Crittenden County must go through the
6 Moore Hill standpipe.

7 In 2000 Crittenden-Livingston District constructed a 600,000 gallon elevated
8 water storage tank on the outskirts of Marion, Kentucky and the pumping station on
9 the Moore Hill site to serve this storage tank. These improvements were intended to
10 address demands placed on its distribution system by significant customer growth in
11 Crittenden County.

12 Under normal conditions, these improvements have enabled Crittenden-
13 Livingston District's to meet the needs of its customers in southeast Crittenden
14 County. However, when a large demand is placed on the 600,000 gallon water
15 storage tank or a water main breaks in the vicinity of the larger tank, the existing
16 Moore Hill water standpipe and pumping station struggle to refill the 600,000 gallon
17 tank. The primary reason for this struggle is the limited capacity of the Moore Hill
18 water standpipe. While the standpipe has a capacity of 150,000 gallons, it has an

¹ See *The Application of the Crittenden-Livingston County Water District, A Water District Organized Pursuant To Chapter 74 of Kentucky Revised Statutes, of Crittenden and Livingston Counties, Kentucky, For (1) A Certificate of Public Convenience And Necessity Authorizing and Permitting Said Water District To Acquire and Construct A New Waterworks System, Consisting of A Water Treatment Plant, Pumping Stations And the Necessary Distribution System and Lines Needed To Service Water To Said District; (2) Approval of the Proposed Plan of Financing of Said Project; (3) Approval of the Water Rates Proposed To Be Charged By the District To Customers of the District*, Case No. 8985 (Ky. PSC Mar. 1, 1985) (approving the acquisition of the standpipe and other facilities).

1 effective storage capacity of only 50,000 gallons.² Crittenden-Livingston District can
2 only use the upper one third the storage tank without creating low pressure problems
3 for some of its customers. When the 600,000 gallon tank drops to about 75 percent
4 level full, it takes 150,000 gallons of water to fill the tank in excess of the demand on
5 the tank. As the Moore Hill standpipe can only provide about 50,000 gallons of water
6 during a cycle, the recovery time for the 600,000 gallon tank is considerable.

7 As an elevated storage tank, the bulk of the volume of the proposed water
8 storage tank can be used to serve the 600,000 gallon tank. It would reduce the time
9 necessary to replenish the 600,000 gallon storage tank. The proposed water storage
10 tank also represents additional reserve storage available in the event of a power
11 shortage or a water main break upstream.

12 One additional benefit of the proposed water storage tank is reduced wear and
13 tear on the pumps and motors at the water treatment plant and intermediate pumping
14 stations. Because of the limited storage capacity at the Moore Hill Standpipe, the
15 pumps at the water treatment plant and intermediate pumping stations operate on a
16 shorter cycle as the standpipe empties and fills. The number of these cycles would
17 decrease and the length of the cycles increase as the time of necessary to fill and
18 empty the proposed tank would increase. Longer and fewer cycles of operation are
19 likely to result in less strain on pumps and motors and extend their useful life.

20 **Q. Did you prepare a computer model of the proposed water storage tank's**
21 **operation to determine the filling and emptying cycle of the proposed water**
22 **storage tank?**

² See *The Application of U.S. 60 Water District of Shelby and Franklin Counties, Kentucky For A Certificate of Public Convenience and Necessity To Construct Pursuant To The Provisions of KRS 278.020 and KRS 278.0300*, Case No. 2014-00101 (Ky. PSC May 30, 2014) (recognizing the concept of effective capacity).

1 A. Yes. A copy of the hydraulic calculations that reflect the operation of the proposed
2 water storage tank for a 72-hour period is attached as Exhibit 12 to Crittenden-
3 Livingston District’s Application. These calculations demonstrate that, under normal
4 demand conditions, the proposed water storage tank will completely fill and drain
5 three times over a 72-hour period.

6 **Q. Describe the present condition of the Moore Hill Standpipe.**

7 A. The standpipe is 44 years old. It was last inspected in 2013. A copy of the report of
8 this inspection is attached to my testimony as **Exhibit RDS-2**. The inspection
9 revealed significant problems and indicated that several repairs were necessary if the
10 standpipe was to remain in service.

11 **Q. What will happen to the Moore Hill Standpipe upon completion of the proposed**
12 **water storage tank?**

13 A. The Moore Hill Standpipe will be demolished. Crittenden-Livingston District will
14 retain the property upon which the standpipe is currently located. The pumping
15 station that is located on that property will remain in service.

16 **Q. Is the proposed water storage tank necessary to meet the water storage**
17 **requirements set forth in 807 KAR 5:066, Section 4(4)?**

18 A. No. Public Service Commission Regulation 807 KAR 5:066, Section 4(4), requires a
19 water utility to have a minimum storage capacity “equal to the average daily
20 consumption.” The Public Service Commission uses an annual period of utility
21 operations is to determine average daily consumption.³ In 2014, the most recent
22 calendar year period for which it has submitted an annual report to the Public Service

³ See, e.g., *Application of Jessamine-South Elkhorn Water District For A Certificate of Public Convenience and Necessity To Construct and Finance A Waterworks Improvements Project Pursuant To KRS 278.020 and 278.300*, Case No. 2012-00470 (Ky. PSC Apr. 30, 2013).

1 Commission, Crittenden-Livingston District reported annual water consumption of
2 362,518,163 gallons, or an average daily consumption of 993,201 gallons.⁴ If its
3 clear well storage facilities are considered, Crittenden-Livingston District has
4 1,750,000 gallons of water storage⁵ and already satisfies the regulatory requirement.

5 The proposed water storage tank is necessary to overcome the existing
6 limitations of Crittenden-Livingston District's water transmission and distribution
7 system. The Moore Hill Standpipe represents a chokepoint in that system. All water
8 transported to southeast Crittenden County and, more specifically, to the 600,000
9 gallon elevated water storage tank that serves southeast Crittenden County, must pass
10 through the standpipe. The standpipe lacks sufficient storage capacity to meet the
11 demands on the 600,000 gallon water storage tank. While Crittenden-Livingston
12 District has sufficient storage capacity to meet the requirements of 807 KAR 5:066,
13 Section 4(4), that storage is not in the necessary location to meet the demands of
14 Crittenden-Livingston District's customers.

15 **Q. Did you prepared or supervise the preparation of the plans and specifications for**
16 **the proposed water storage tank?**

17 A. Yes, I did. A copy of the plans for the proposed water storage tank is attached as
18 Exhibit 8 to Crittenden-Livingston District's Application. The specifications for the
19 proposed water storage tank are attached as Exhibit 9 to the Application.

20 **Q. Has the Kentucky Division of Water ("KDOW") approved the plans for the**
21 **proposed water storage tank?**

⁴ Annual Report of Crittenden-Livingston County Water District to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2014 ("2014 Annual Report") at 30.

⁵ *Id.* at 30.

1 A. Yes. The KDOW has reviewed the plans and specifications for the proposed water
2 storage tank and has approved them with respect to sanitary features of design. A
3 copy of the letter in which the KDOW stated its approval is set forth at Exhibit 2 of
4 Crittenden-Livingston District's Application.

5 **Q. Has Crittenden-Livingston District received all of the required permits from**
6 **KDOW to proceed with the construction of the proposed water storage tank?**

7 A. Yes.

8 **Q. What other approvals or permits are required for the proposed water storage**
9 **tank?**

10 A. Aside from a certificate of public convenience and necessity, the project requires an
11 encroachment permit from the Kentucky Department of Highways to permit a 16-
12 inch bore under U.S. Highway 60 and the installation of an 8-inch water main that
13 will connect the water storage tank to an existing 8-inch water main that runs along
14 the north side of that highway. Crittenden-Livingston District received this permit, a
15 copy of which is attached as Exhibit 3 to Crittenden-Livingston District's
16 Application.

17 **Q. Has Crittenden-Livingston District acquired the site for the proposed water**
18 **storage tank?**

19 A. Yes. It has purchased the property. No other property, including easements, must be
20 acquired.

21 **Q. Has Crittenden-Livingston District requested bids for a contract to construct the**
22 **proposed water storage tank?**

1 A. Yes. Crittenden-Livingston District requested and received bids on the construction
2 of the proposed water storage tank. It opened bids on May 23, 2016. A copy of the
3 certified bid tabulations and my recommendation are attached as Exhibits 13 and 14
4 Crittenden-Livingston District's Application.

5 **Q. What was your recommendation?**

6 A. Crittenden-Livingston District received two bids for the proposed project. The bid of
7 Phoenix Fabricators and Erectors, Inc., of Avon, Indiana at \$793,950 was the lower of
8 the two bids. I recommended that the lower bid be accepted. Crittenden-Livingston
9 District's Board of Commissioners accepted this recommendation and has selected
10 Phoenix Fabricators and Erectors, Inc. to construct the proposed water storage tank.

11 **Q. Based upon the accepted bid, how much will the proposed water storage tank
12 cost?**

13 A. Based upon the accepted bids and including such other costs as inspection,
14 engineering, and legal fees and contingencies, I estimate the total cost of the Proposed
15 Facilities to be \$1,039,500.

16 **Q. Did you prepare a detailed estimate of the property that Crittenden-Livingston
17 District will acquire as a result of the proposed project?**

18 A. Yes. This estimate, arranged according to the Uniform System of Accounts for Class
19 A/B Water Districts and Associations, is attached to Crittenden-Livingston District's
20 Application as Exhibit 19.

21 **Q. Did you determine the cost of operating the proposed water storage tank upon
22 its completion?**

1 A. Yes, I did. Based upon my calculations, the approximate annual cost of operation of
2 the proposed water storage tank will be \$25,879.

3 **Q. How did you determine these costs?**

4 A. The proposed water storage tank will require rehabilitation once every 20 years at a
5 cost of approximately \$200,000. Amortizing this cost over a 20-year period results in
6 an annual cost of \$10,000. Furthermore, the proposed water storage tank will have a
7 useful life of 50 years. Based upon that useful life and the bid construction costs of
8 \$793,950, Crittenden-Livingston will incur annual depreciation expense of \$15,879
9 associated with the proposed water storage tank. When depreciation expense is
10 considered, the total annual cost of operating the proposed water storage tank will be
11 approximately \$25,879.

12 **Q. How does Crittenden-Livingston District intend to finance the cost of the**
13 **proposed water storage tank?**

14 A. Crittenden-Livingston District proposes to finance the cost of the proposed water
15 storage tank with a loan not to exceed \$1,039,500 from the Kentucky Infrastructure
16 Authority's ("KIA") Fund F Infrastructure Revolving Loan Program. The proposed
17 loan will bear interest at a rate of 1.75 percent per annum and must be repaid over a
18 period not to exceed 20 years from the date on which the Proposed Facilities begin
19 operation. Interest on the proposed loan will accrue from the time that Crittenden-
20 Livingston District begins drawing funds from KIA. The proposed loan will be
21 secured by a pledge of Crittenden-Livingston District's revenues. A copy of
22 Conditional Commitment Letter in which KIA advised Crittenden-Livingston of its

1 intent to make the proposed loan and of the conditions for such loan is found at
2 Exhibit 17 of Crittenden-Livingston's Application.

3 **Q. What effect will the proposed loan have on Crittenden-Livingston District's**
4 **rates for water service?**

5 A. Crittenden-Livingston District does not anticipate any immediate effect on its rates
6 for water service. KIA Staff performed an analysis of Crittenden-Livingston
7 District's financial condition when KIA was considering Crittenden-Livingston
8 District's application for a loan. This analysis, a copy of which is attached to my
9 testimony as **Exhibit RDS-3**, projects that Crittenden-Livingston District will have
10 adequate cash flow at its present rates for water service to meet its debt service
11 obligations through at least 2020.

12 **Q. What is your recommendation concerning the proposed water storage tank?**

13 A. The proposed water storage tank is necessary for Crittenden-Livingston District to
14 provide safe, adequate, and reliable water service to its customers. I recommend that
15 the Commission grant Crittenden-Livingston District a certificate of public
16 convenience and necessity to construct the proposed water storage tank and that it
17 authorize Crittenden-Livingston District to enter the proposed Assistance Agreement
18 with KIA.

19 **Q. Does this conclude your testimony?**

20 A. Yes.

21 **Affiant States Nothing Further**

VERIFICATION

STATE OF TENNESSEE)
) SS:
COUNTY OF DAVIDSON)

The undersigned, **Robert D. Stigall**, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing testimony and that the answers contained therein are true and correct to the best of his information, knowledge and belief.

Robert D. Stigall
ROBERT D. STIGALL

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 15th day of August, 2016.

Jeffrey S. Letzler (SEAL)
Notary Public



Notary ID: _____
My Commission Expires: 3/6/2018

EXHIBITS TO THE DIRECT TESTIMONY OF
ROBERT D. STIGALL

Exhibit

Document

RDS-1	Professional Resume of Robert D. Stigall
RDS-2	Jay L. Hoffman, "Ground Storage Inspection Report" (Spring 2013)
RDS-3	Excerpt from Kentucky Infrastructure Authority, Board Meeting Booklet for October 1, 2015

EXHIBIT RDS-1

ROBERT D. STIGALL

4117 Hillsboro Pike, Suite 206 · Nashville, Tennessee 37215 · Telephone: 615.460.7515

Personal Resumé

Education:

Bachelor Degree Civil Engineering
Vanderbilt University - 1981

Professional Registrations:

- Tennessee Registration No. 18,048
- Kentucky Registration No. 15,006

Active Member of the following Associations:

- Tennessee Association of Utility Districts
- Tennessee Society of Professional Engineers
- National Society of Professional Engineers
- Tennessee Gas Association

Professional Recognition:

Started own Consulting Engineering firm and currently works with over 25 Municipalities, Utility Districts and Water Districts.

Nashville Chapter Director of National "MATHCOUNTS" program from 1988 – 1993.

Received the Nashville Chapter of the Tennessee Society of Professional Engineers *Young Engineer of the Year* award (1993)

State Director of National "MATHCOUNTS" program from 1994 – 1997.

Served on the Tennessee Gas Association Distribution Committee (1994)

President of the Nashville Chapter of the Tennessee Society of Professional Engineers (1997-1998)

Served as "Expert Witness" in Texas Eastern Pipeline versus Wright & Lopez lawsuit.

EXHIBIT RDS-2

Ground Storage Inspection Report

Inspected By **WET OR DRY WATER TANK INSPECTION**

Year Built: **1978**

Original Builder: **Caldwell**

Date of Inspection: **Spring 2014**

Location: **Moore Hill**

City: **Salem** State **Ky.**

Present Owner: **Crit-Livingston Water** Original Owner: **Same**

Type of Tank **Standpipe**

PART I

Description of Tank : **Standard Standpipe**

1. Capacity: **150,000** Year Built: **1978**
2. Diameter Tank: **19'**
3. Number of Panels **8 Sections**
4. Type Construction (Riveted, Welded): **Welded**
5. Type Roof: **Domed**
6. Height **64'**

Part II

Foundation Conditions

1. Are there any indications of foundation settlement? **No**
Describe:
2. Is concrete or grout chipped or cracked? **Yes.**

Describe:
3. Is soil around base of tank saturated with water? Are there any indications of underground pipe leaks? **No.**
4. What is condition of pump house? **NA**

C. Condition of Paint on outside of tank:

1. Outside of Tank Shell:

General condition of topcoat or coats. **Poor**

Estimated percentage of topcoat or coats in good condition. **25%**

General condition of primer **Poor**

Estimated percentage of primer in good condition: **25%**

2. Outside of Tank Roof:

General condition of topcoat or coats: **Poor**

Estimated percentage of topcoat or coats in good condition. **25%**

3. Are roof manhole and finiel vent well covered by paint? **No**

4. General comments about any paint failure. **Age**

D. Condition of Paint on inside of tank:

1. Underside of roof and inside of shell above high water line: **See video footage.**

General condition of topcoat or coats: **See video footage.**

Estimated percentage of topcoat or coats in good condition? **10%**

General condition of primer. **Poor**

Estimated percentage of primer in good condition. **10%**

2. Inside of Tank Shell:

General condition of topcoat or coats: **Poor**

Estimated percentage of topcoat or coats in good condition: **10%**

General condition of primer: **Poor**

Estimated percentage of primer in good condition: **10%**

3. Inside Tank Bottom:

General condition of top coat or coats: **Poor**

Estimated percentage of topcoat or coats in good condition: **10%**

General condition of primer: **Poor**

Estimated percentage of primer in good condition: **10%**

Is bottom covered with mud or scale? **Yes**

What Depth? **2-3 inches.**

4. General comments about any paint failure: **See last page**

5. General comments about any paint failure on inside of tank: **See last page**

E. Recommendations for cleaning and painting: SEE LAST PAGE

PART IV

Condition of Metal

A. Shell:

1. Are anchor bolts and nuts in good condition? **There is extensive coating failure.**

Are anchor bolt nuts tight? **Yes**

2. Condition of anchor bolt connections to sidewall. **Heavy rust**

Are anchor bolt connections or chairs on columns and cylinder in good condition? **Heavy rust**

Describe:

3. Has dirt or rust accumulated on roof? **Yes**

Is roof in good condition? **Yes**

4. General comments on condition of shell: **See last page**

B. Outside of Tank:

1. Is there any rusting or pitting on the outside of the tank? **Yes- there are numerous large sections where the coating has failed and primer have been exposed. Subsequently there are a small number of small areas of pitting and rusting. There are no larger areas where rusting and pitting have yet occurred.**

2. Is there any rusting or pitting on the outside of the tank roof? **No**

Describe: **See pictures**

3. Is the connection of roof to shell in good condition? **Yes**

4. If the tank is riveted, state the condition of laps and rivets on outside of shell and roof? **N/A**

5. Are there any indications of leaks in shell? **No.**

Describe:

6. General comments on condition of shell metal: **Excellent**

C. Inside of Tank:

1. Was the tank emptied for inspection? **No**
If not completely emptied, state how far down: **8'**

2. If the tank is riveted, have lapped seams and rivet heads been seal welded? **N/A**

Describe any previous repairs to inside areas: **None found.**

General comments on condition of metal inside bottom: **Good**

Is pitting local or general? **General**

General comments on condition of metal inside roof: **Good**

PART V

Condition of Accessories

A. Is ladder safe? **Yes**

Type of climbing safety device: **Cable**

B. Is shell ladder fixed or revolving? **Fixed**

Is it safe? **Yes**

Are lugs and bolts in good condition? **Yes**

C. Is roof ladder fixed or revolving: **Fixed** Is it safe? **Yes**

Are lugs, bolts, trolley, etc. in good condition? **NA**

Describe:

Type of climbing safety device on roof ladder: **None**

Condition: **Very Good**

If no climbing safety device length of ladder: **N/A**

D. Is finial or vent in good condition? **Yes**

Are bolts in good condition? **N/A**

Describe:

E. Is roof manhole in good condition? **Yes**

Describe: **Manway is well-coated and in good condition.**

F. Does tank have a float-type indicator? **Yes**

Is it in good condition and working? **No, on bottom of tank**

G. Does tank have inside tank ladder? **See video footage.** Is it in good condition? **N/A**
Is it safe? Describe:

H. Does tank have inside spider? **No** Is it in good condition?

Size number? Describe :

I. Are any pipes or valves leaking? **No**

J. Do pipes in valve fit have frost casing? **N/A**

Are they in good condition and well supported? **N/A**
Describe:

K. Does tank have a cathodic protection system? **No**

If so, give manufacturer and condition of anodes:

M. Type of overflow? **Pipe.** Size: **4"**

Condition: **Pipe cap is in very poor condition.**

N. Other accessories: **None**

PART VI

Repairs and Recommended Repairs

1. Repairs made by inspector: None
2. Recommended Repairs:

Tank comments:

Exterior: It is time to repaint, the current coating we feel is lead containing, and recommend an overcoat of the exterior to avoid having to deal with the lead issues and everything that comes along with them as well as the expense. There are very specific products on the market for this purpose, Some of which offer a 10 year warranty.

Interior:

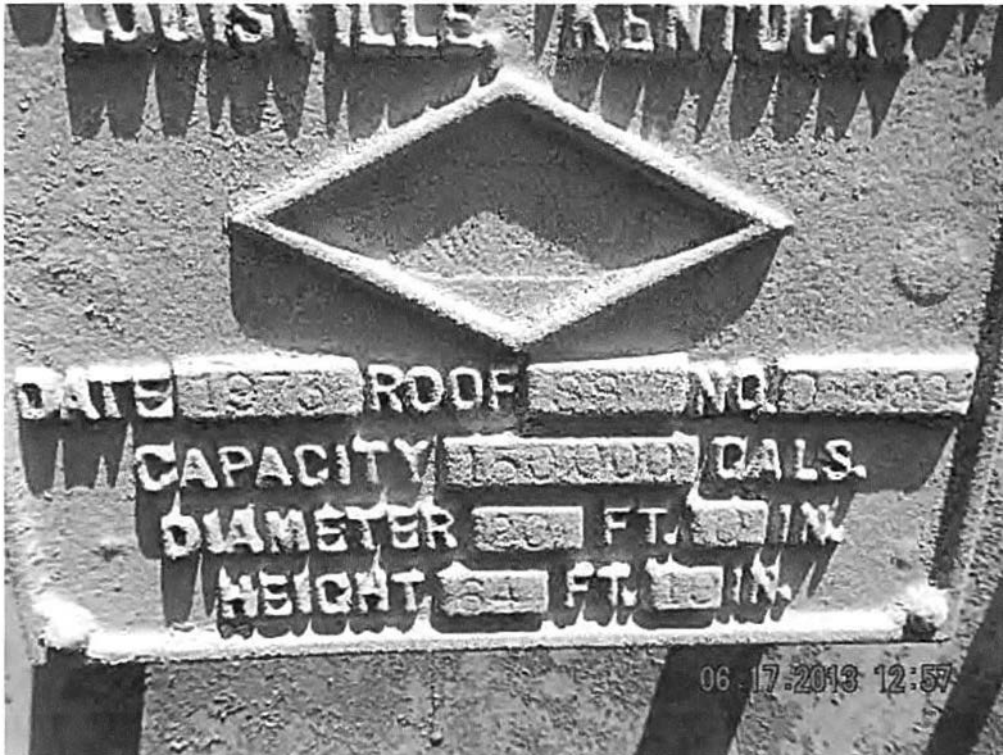
Needs attention this year, the protective coating is providing little if any protection of the steel, (see video). The interior needs to be completely removed and replaced with a high performance coating product

Date: Spring 2013

Signature of Inspector: *Jay L. Hoffman*

National Association of Corrosion Engineers (NACE) # 4250

Tank Photos













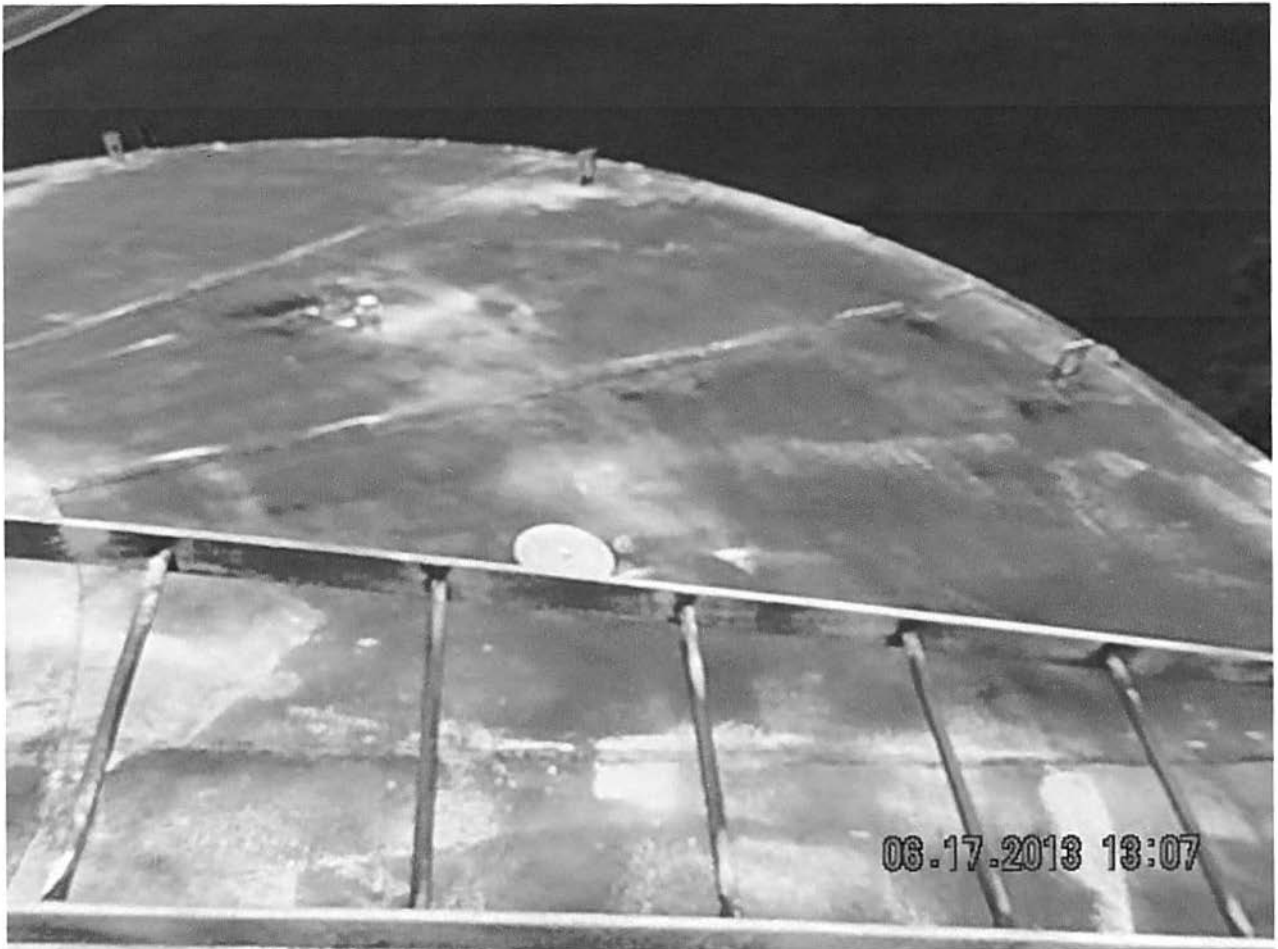














































EXHIBIT RDS-3

EXECUTIVE SUMMARY		Reviewer	Sarah Aitken	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	October 1, 2015	
FUND F, FEDERALLY ASSISTED DRINKING WATER		KIA Loan Number	F16-021	
REVOLVING LOAN FUND		WRIS Number	WX21055009	
BORROWER	CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT CRITTENDEN COUNTY			
BRIEF DESCRIPTION				
The project will construct a 400,000 gallon elevated water tank on Moore Hill to replace a smaller standpipe tank installed in 1972. The project will increase pressure and relieve a bottle neck in the system allowing more water to be fed into the 600,000 gallon tank in the City of Marion. The new tank will provide an additional 250,000 gallons of storage.				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$1,039,500	RD Fee %	Actual %	
		Administrative Expenses		\$49,500
		Legal Expenses		10,000
		Land, Easements		10,000
		Planning		9,000
		Eng - Design / Const	9.1%	8.0%
		Eng - Insp	5.9%	4.7%
		Construction		810,000
		Contingency		42,450
TOTAL	\$1,039,500	TOTAL		\$1,039,500
REPAYMENT	Rate	1.75%	Est. Annual Payment	\$64,424
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Robert Stigall		
	Bond Counsel	Peck, Shaffer, & Williams, a division of Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Apr-16		
	Construction Start	May-16		
	Construction Stop	Mar-17		
DEBT PER CUSTOMER	Existing	\$3,461		
	Proposed	\$3,435		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES	Current	Users	Avg. Bill	
		3,499	\$50.68 (for 4,000 gallons)	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2013	1,160,105	844,426	315,679	1.4
Audited 2014	1,260,875	1,038,984	221,891	1.2
Projected 2015	1,294,143	1,048,832	245,311	1.2
Projected 2016	1,335,874	1,037,535	298,339	1.3
Projected 2017	1,315,804	1,065,839	249,965	1.2
Projected 2018	1,297,984	1,070,205	227,779	1.2
Projected 2019	1,279,808	1,070,249	209,559	1.2
Projected 2020	1,261,268	1,076,562	184,706	1.2

Reviewer: Sarah Aitken
Date: October 1, 2015
Loan Number: F16-021

**KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND "F")
CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT
CRITTENDEN COUNTY
PROJECT REVIEW
WX21055009**

I. PROJECT DESCRIPTION

The Crittenden-Livingston County Water District is requesting a Fund "F" loan in the amount of \$1,039,500 for the Moore Hill Tank project. The project will construct a 400,000 gallon elevated water tank on Moore Hill to replace a smaller standpipe tank installed in 1972. The project will increase pressure and relieve a bottle neck in the system allowing more water to be fed into the 600,000 gallon tank in the City of Marion. The new tank will provide an additional 250,000 gallons of storage.

The District provides services for Caldwell, Crittenden, and Livingston counties. Providers that purchase water from this system include Grand Rivers Water System, Ledbetter Water District, Lyon County Water District, Marion Water Department, Salem Municipal Water System and Smithland Water and Sewer System.

II. PROJECT BUDGET

	Total
Administrative Expenses	\$ 49,500
Legal Expenses	10,000
Land, Easements	10,000
Planning	9,000
Engineering Fees - Design / Const	68,250
Engineering Fees - Inspection	40,300
Construction	810,000
Contingency	42,450
Total	\$ 1,039,500

III. PROJECT FUNDING

	Amount	%
Fund F Loan	\$ 1,039,500	100%
Total	\$ 1,039,500	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 1,039,500
Amortized Loan Amount	\$ 1,039,500
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 61,825
Administrative Fee (0.25%)	2,599
Total Estimated Annual Debt Service	\$ 64,424

V. PROJECT SCHEDULE

Bid Opening	April 2016
Construction Start	May 2016
Construction Stop	March 2017

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	3,487
Commercial	12
Industrial	0
Total	3,499

B) Rates

	Current	Prior
Date of Last Rate Increase	05/01/15	03/01/14
First 1,000	\$18.73	\$17.84
Next 9,000 Gallons	10.65	10.14
Next 10,000 Gallons	9.12	8.69
Over 20,000 Gallons	7.20	6.86
Cost for 4,000 gallons	\$50.68	\$48.26
Increase %	5.0%	
Affordability Index (Rate/MHI)	1.4%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2009-2013, the District's service area population was 9,036 with a Median Household Income (MHI) of \$36,344. The median household income for the Commonwealth is \$43,036. The project will qualify for a 1.75% interest rate because the District's service

area MHI is above 80% of the State’s MHI.

Year	Population			Unemployment		
	City	% Change	County	% Change	Date	Rate
1980	833		9,219		June 2004	6.0%
1990	770	-7.6%	9,062	-1.7%	June 2009	10.9%
2000	769	-0.1%	9,804	8.2%	June 2013	8.3%
2010	752	-2.2%	9,519	-2.9%	June 2014	7.1%
Current	838	11.4%	9,467	-0.5%		
Cumulative %		0.6%		2.7%		

VIII. 2014 CAPITALIZATION GRANT EQUIVALENCIES

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

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the audited financial statements for the years ended December 31, 2012 through December 31, 2014. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Revenues increased 6% from \$2,206,049 in 2012 to \$2,345,511 in 2014 due to previously approved rate increases. Operating expenses increased 6% from \$785,291 in 2012 to \$839,604 in 2014. The debt coverage ratio was 1.1, 1.4 and 1.2 for 2012, 2013 and 2014, respectively. The balance sheet reflects a current ratio of 2.1, a debt to equity ratio of 1.5 and the number of months of operating expenses in unrestricted cash is 2.5.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase approximately 2.5% in 2015 and 2016 to account for the 5% rate increase effective May 1, 2015, and will remain flat thereafter.
- 2) Operating expenses will increase 2% annually for inflation.
- 3) Debt coverage ratio will be 1.2 in 2017 when principal and interest repayments begin.

Based on the proforma assumptions, the District shows adequate cash flow to repay the KIA Fund F loan.

REPLACEMENT RESERVE

The annual replacement cost is \$2,600. This amount should be added to the replacement account each December 1 until the balance reaches \$26,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Waterworks Revenue Bond, Series 1995	651,000	2035
Waterworks Revenue Bond, Series 2000	1,642,000	2040
Waterworks Revenue Bond, Series 2008	1,365,000	2030
KIA, B11-10	281,405	2033
KIA,F01-05	717,952	2023
Kentucky Rural Water, 2013 Flexible Term	3,485,000	2029
Kentucky Rural Water, 2013 Flexible Term	2,070,000	2040
KACo Lease Payable	2,419,167	2039
Total	12,631,524	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

None.

XII. CONTACTS

Legal Applicant	
Entity Name	Crittenden-Livingston County Water District
Authorized Official	Ronnie Slayden (Superintendent)
County	Livingston
Email	slaydenronnie@yahoo.com
Phone	270-988-2680
Address	P.O. Box 495 Salem, KY 42078

Applicant Contact	
Name	Ronnie Slayden
Organization	Crittenden-Livingston Water District
Email	slaydenronnie@yahoo.com
Phone	270-988-2680
Address	620 East Main Salem, KY 42078

Project Administrator

Name	Jamie Lawrence
Organization	Pennyrile Area Development District
Email	jamie.lawrence@ky.gov
Phone	270-866-9484
Address	300 Hammond Drive Hopkinsville, KY 42240

Consulting Engineer

PE Name	Robert Stigall
Firm Name	Stigall Engineering Associates, Inc.
Email	rstigall@bellsouth.net
Phone	615-460-7515
Address	4117 Hillsboro Pike Nashville, TN 37215

XIII. RECOMMENDATIONS

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

CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT (WATER FUND)
FINANCIAL SUMMARY (DECEMBER YEAR END)

Balance Sheet

	Audited <u>2012</u>	Audited <u>2013</u>	Audited <u>2014</u>	Projected <u>2015</u>	Projected <u>2016</u>	Projected <u>2017</u>	Projected <u>2018</u>	Projected <u>2019</u>	Projected <u>2020</u>
Assets									
Current Assets	1,034,774	989,343	1,117,424	1,125,475	1,133,775	1,133,775	1,133,775	1,193,334	1,228,040
Other Assets	21,514,040	20,830,045	20,306,575	19,242,391	19,270,737	18,159,196	17,025,454	15,814,013	14,602,571
Total	22,548,814	21,819,388	21,423,999	20,367,866	20,404,512	19,292,971	18,159,229	17,007,347	15,830,611

Liabilities & Equity

Current Liabilities	448,577	528,217	531,114	621,319	631,743	651,641	648,006	654,295	665,923
Long Term Liabilities	13,378,380	13,031,479	12,483,058	11,692,319	12,162,130	11,573,782	10,990,333	10,401,884	9,803,122
Total Liabilities	13,826,957	13,559,696	13,014,172	12,313,638	12,793,873	12,225,423	11,638,339	11,056,179	10,469,045

Net Assets	8,721,857	8,259,692	8,409,827	8,054,228	7,610,639	7,067,548	6,520,890	5,951,168	5,361,566
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Cash Flow

Revenues	2,206,049	2,216,137	2,345,511	2,402,934	2,461,793	2,461,793	2,461,793	2,461,793	2,461,793
Operating Expenses	989,019	1,056,840	1,092,773	1,109,565	1,126,693	1,146,763	1,164,583	1,182,759	1,201,299
Other Income	1,222	808	8,137	774	774	774	774	774	774

Cash Flow Before Debt Service	1,218,252	1,160,105	1,260,875	1,294,143	1,335,874	1,315,804	1,297,984	1,279,808	1,261,268
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Debt Service

Existing Debt Service	1,112,746	844,426	1,038,984	1,048,832	1,037,535	1,033,627	1,005,781	1,005,825	1,012,138
Proposed KIA Loan	0	0	0	0	0	32,212	64,424	64,424	64,424
Total Debt Service	1,112,746	844,426	1,038,984	1,048,832	1,037,535	1,065,839	1,070,205	1,070,249	1,076,562

Cash Flow After Debt Service	105,506	315,679	221,891	245,311	298,339	249,965	227,779	209,559	184,706
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Ratios

Current Ratio	2.3	1.9	2.1	1.8	1.8	1.7	1.7	1.8	1.8
Debt to Equity	1.6	1.6	1.5	1.5	1.7	1.7	1.8	1.9	2.0
Days Sales in Accounts Receivable	48.6	55.4	51.5	51.5	51.5	51.5	51.5	51.5	51.5
Months Operating Expenses in Unrestricted Cash	2.7	1.3	2.5	2.5	2.5	2.4	2.4	2.9	3.2
Debt Coverage Ratio	1.1	1.4	1.2	1.2	1.3	1.2	1.2	1.2	1.2

EXHIBIT 17



KENTUCKY INFRASTRUCTURE AUTHORITY

1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
Phone (502) 573-0260
Fax (502) 573-0157
<http://kia.ky.gov>

Steven L. Beshear
Governor

October 9, 2015

Crittenden-Livingston County Water District
Ronnie Slayden, Superintendent
P.O. Box 495
Salem, KY 42078

2015 OCT 28 PM 2 36
RECEIVED
KENTUCKY INFRASTRUCTURE
AUTHORITY

KENTUCKY INFRASTRUCTURE AUTHORITY FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND CONDITIONAL COMMITMENT LETTER (F16-021)

Dear Mr. Slayden:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On October 1, 2015, the Authority approved your loan for the Crittenden-Livingston County Water District, Moore Hill Tank Project, subject to the conditions stated below. The total cost of the project shall not exceed \$1,039,500 of which the Authority loan is the sole source of the funding. The final loan amount will be equal to the Authority's portion of estimated project cost applied to the actual project cost. Attachment A incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the Crittenden-Livingston County Water District upon satisfactory performance of the conditions set forth in this letter. You must meet the conditions set forth in this letter and enter into an Assistance Agreement by October 9, 2016 (twelve months from the date of this letter). A one-time extension of up to six months may be granted for applicants that experience extenuating circumstances. Funds will be available for disbursement only after execution of the Assistance Agreement.

The Assistance Agreement and this commitment shall be subject, but not limited to, the following terms:

1. The Authority project loan shall not exceed \$1,039,500.

Ronnie Slayden
October 9, 2015
Page 2

2. This project does not qualify for principal forgiveness.
3. The loan shall bear interest at the rate of 1.75 percent per annum commencing with the first draw of funds.
4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1, or December 1, immediately succeeding the date of the initial draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1, or December 1, which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid.
5. Full principal payments will commence on the appropriate June 1, or December 1, within twelve months from initiation of operation. Full payments will be due each six months thereafter until the loan is repaid.
6. The loan shall be repaid over a period not to exceed 20 years from the date of initiation of operation for the project.
7. A loan servicing fee of 0.25% of the annual outstanding loan balance shall be payable to the Authority as a part of each interest payment.
8. Loan funds will only be disbursed after execution of the Assistance Agreement as project costs are incurred.
9. The Authority loan funds must be expended within six months of the official date of initiation of operation.
10. Fund "F" loan funds may be considered to be federal funds. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations, requires that all recipients and subrecipients **expending \$500,000 or more in a year in federal awards must have a single or program-specific audit conducted for that year** in accordance with the Circular. If the federal amount expended plus all other federal funds expended exceeds the threshold, you are required to arrange for an A-133 audit to be performed by an independent, licensed CPA, or in special cases, the Auditor of Public Accounts of the Commonwealth of Kentucky. Please note that the guidance for single audit requirements changed for calendar or fiscal years beginning after December 26, 2014. Please consult with your independent auditor as soon as possible to understand

Ronnie Slayden
October 9, 2015
Page 3

how the changes will affect you.

11. The Authority requires an annual financial audit be provided for the life of the loan.
12. The final Assistance Agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.

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

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

Ronnie Slayden
October 9, 2015
Page 4

Comments.

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

Ronnie Slayden
October 9, 2015
Page 5

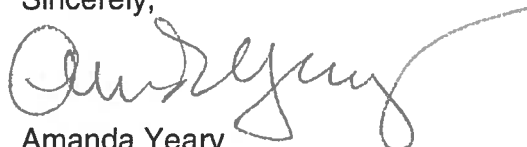
satisfactory proof, based on then existing conditions, that the revenue projections in the attached descriptions are still obtainable and that the projections of operating expenses have not materially changed. The "as bid" project budget shall be reviewed and approved by the consulting engineer.

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

Any special conditions stated in Attachment A must be resolved.

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

Sincerely,

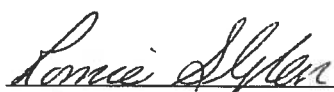


Amanda Yearly
Kentucky Infrastructure Authority

Attachments

cc: Amy Frogue, Pennyriple Area Development District
Ronnie Slayden, Superintendent
Dirk Bedarff, Peck, Shaffer & Williams LLP
State Local Debt Office, DLG
Borrower File - Crittenden-Livingston County Water District - F16-021

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


Accepted

10/22/2015
Date

EXHIBIT 18



STOLL
KEENON
OGDEN
PLLC

2000 PNC PLAZA
500 WEST JEFFERSON STREET
LOUISVILLE, KY 40202-2828
MAIN: (502) 333-6000
FAX: (502) 333-6099

GERALD WUETCHER
DIRECT DIAL: (859) 231-3017
DIRECT FAX: (859) 258-3517
gerald.wuetcher@skofirm.com

August 11, 2016

Ms. Sandra K. Dunahoo
State Local Debt Officer
Department for Local Government
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601

Re: Statutory Notice/Debt Notification for Crittenden-Livingston County Water District

Dear Commissioner Dunahoo:

Pursuant to KRS 65.117, Crittenden-Livingston County Water District gives notice of its intent upon receiving authorization from the Kentucky Public Service Commission to enter an Assistance Agreement with the Kentucky Infrastructure Authority to borrow an amount not to exceed \$1,039,500. Enclosed is a completed Notification of Intent to Finance and Application for Debt Approval as well as the analysis of the Kentucky Infrastructure Authority indicating Crittenden-Livingston County Water District's ability to pay the proposed loan.

Crittenden-Livingston County Water District believes the enclosed materials meet the statutory notice requirements and respectfully requests written acknowledgement from your office that the required notification procedures have been met.

Very truly yours,

Stoll Keenon Ogden PLLC

Gerald Wuetcher

Enclosures

cc: Ronnie Slayton (via electronic mail)
Damon R. Talley (via electronic mail)

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**NOTIFICATION OF INTENT TO FINANCE
AND APPLICATION FOR DEBT APPROVAL**

Form # SLDO-1
Revised 1/1/2011

For DLG staff use only:

File # _____
Received _____

Completion and delivery of this form to the address below shall satisfy the requirements of KRS 65.117, which prohibits any city, county, urban-county, consolidated local government, charter county, special district, or taxing district from entering into any financing obligation of any nature, except leases under \$200,000, without first notifying the state local debt officer in writing. This form shall also serve as application for approval of debt issuance when applicable. An electronic version of the form is available at www.dlg.ky.gov.

✓ **Type of debt to be issued (must check one):** **SLDO Approval Required** **Complete Sections**

<input type="checkbox"/> Short Term Borrowing - KRS 65.7701 et seq.	No	A, B, C
<input type="checkbox"/> Lease from \$200,000 - \$500,000 - KRS 65.940 et seq.	No	A, B, D
<input type="checkbox"/> Lease exceeding \$500,000 - KRS 65.940 et seq.	Yes (Counties only)	A, B, D
<input type="checkbox"/> General Obligation Bond - KRS Chapter 66	Yes (Counties only)	A, B, E
<input type="checkbox"/> Public Project Rev. Bond - KRS Chapter 58	No	A, B, E
<input type="checkbox"/> Public Project Rev. Bond w/Lease - KRS 66.310(2)	Yes (Counties only)	A, B, D, E
<input type="checkbox"/> Industrial Revenue Bond - KRS Chapter 103	Yes (All Borrowers)	A, B, F
<input type="checkbox"/> Other Bonds (True Revenue, Utility Assessment, TIF)	No	A, B, E

X Loan from Kentucky Infrastructure Authority - KRS Chapter 224

Section A - Borrower Information

Agency Name	Crittenden-Livingston County Water District		
Governing Body	Board of Commissioners		
Street Address	620 East Main Street		
P.O. Box #	495	City	Salem
County	Livingston	Zip	42078
Authorized Official	Ronnie Slayden, Superintendent		

Section B - Terms of Financial Obligation

Please provide all relevant information. Fields in **bold** are mandatory.

Principle Amount:	1,039,500	Date of Issue:	Estimated Date 06/30/2017
Maturity Date(s):	Estimated Date 06/30/2037	Payment Schedule:	(must attach schedule)
Term:	Not to exceed 20 yrs from closing	Number of Renewal Periods:	0
Interest Rate(s):	1.75	Type of Interest (fixed or variable):	Fixed
Retirement Method:	From water system revenues		
Lender's Name:	Kentucky Infrastructure Authority		
Lender's Address:	1024 Capital Center Drive, Suite 340, Frankfort, Kentucky 40601		
Right of Termination:	Not Applicable		
Termination Penalties:	Not Applicable		
Prepayment Provisions:	May prepay & retire entire amount at any time without penalty upon five days advance written notice		
Trustee or Paying Agent:	None		
AOC Funded Percentage:	0.00		

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**NOTIFICATION OF INTENT TO FINANCE
AND APPLICATION FOR DEBT APPROVAL**

Form # SLDO-1
Revised 1/1/2011

Section C - Note (Loan) Information/Documentation

Purpose - Briefly explain the documented need that necessitates this note (loan) and the public purpose it is intended to address. (Attach additional information if necessary):

Proceeds will be used to finance the construction of a 400,000 gallon elevated water storage facility to replace an existing 44-year old water standpipe

Pledge of Taxes/Description:

None

Pledge of Revenue/Description:

Water System revenues will be used to repay borrowed funds

Pledge of Project Revenues (Attach documentation which substantiates the revenue projections):

Have bids been sought by the local governments to determine the financial and programmatic competitiveness of the note (loan) proposal? Yes No

If No, explain what steps were taken to ensure adequate competition.

Loan was obtained from the Kentucky Infrastructure Authority pursuant to KRS Chapter 224A

Required Attachments

1. Certification from local government attesting to the ability to meet additional financial commitments necessitated by the note and statement as to taxes and revenues to be collected during the term of the note.

Section D - Lease Information/Documentation

Describe the real or personal property to be acquired or constructed:

Not applicable to the proposed transaction

Type of Lease : General Obligation Revenue

Is Lease Annually Renewable? Yes No

Does Agency seek approval without a hearing? Yes No Justification: Revenue Refunding

If yes, must attach certification from counsel regarding county obligation.

Does this lease refund a prior lease? Yes No

If yes, please state the name, date and principal amount of original issue(s) being refunded:

Required Attachments (If lease requires SLDO approval)

1. Minutes from the local public hearing
2. Affidavit of publication of SLDO hearing (if hearing is required) and newspaper advertisement tear sheet
3. Copy of lease
4. Executed copy of ordinance/resolution of fiscal court authorizing the lease
5. Certification from local government attesting to the ability to meet additional financial commitments necessitated by the lease and statement as to taxes and revenues to be collected during the term of the lease.

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**NOTIFICATION OF INTENT TO FINANCE
AND APPLICATION FOR DEBT APPROVAL**

Form # SLDO-1
Revised 1/1/2011

Section E - Bond Information/Documentation

Please provide all relevant information. Fields in **bold** are mandatory

Describe the purpose of the bond:

NOT APPLICABLE - Crittenden-Livingston County Water District will not be issuing any bonds

Bond Counsel:

Counsel Address:

Financial Advisor:

Advisor Address:

Bond Series:

Call Date:

Does this bond refund a prior bond? Yes No

If yes, please state the name, date and principal amount of original issue(s) being refunded:


Required Attachments (If SLDO Approval is Required)

1. Minutes from the local public hearing
2. Affidavit of publication of SLDO hearing and newspaper advertisement tear sheet
3. Executed copy of ordinance/resolution of fiscal court authorizing financial plan for the issuance of the bonds
4. Proposed plan of financing
5. Preliminary official statement (if applicable)
6. Sources and uses table

Additional Required Attachments for KRS Chapter 103 Bonds

1. Documentation in an appropriate form substantiating the project's eligibility under KRS 103.2101(1)(a)-(e).
2. If the project requires approval of the reduction in property taxes, attach any documentation provided to agency responsible for approval.

By signing below, the Authorized Official certifies that the foregoing is true and accurate to the best of his or her knowledge.

Name (please print)Ronnie Slayden	Date: 08/11/2016
Title: Superintendent	Signature: 

Mail to:
Department for Local Government
Attn: State Local Debt Officer
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601

Fax to: 502-573-3712

Reviewer: Sarah Aitken
Date: October 1, 2015
Loan Number: F16-021

**KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND "F")
CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT
CRITTENDEN COUNTY
PROJECT REVIEW
WX21055009**

I. PROJECT DESCRIPTION

The Crittenden-Livingston County Water District is requesting a Fund "F" loan in the amount of \$1,039,500 for the Moore Hill Tank project. The project will construct a 400,000 gallon elevated water tank on Moore Hill to replace a smaller standpipe tank installed in 1972. The project will increase pressure and relieve a bottle neck in the system allowing more water to be fed into the 600,000 gallon tank in the City of Marion. The new tank will provide an additional 250,000 gallons of storage.

The District provides services for Caldwell, Crittenden, and Livingston counties. Providers that purchase water from this system include Grand Rivers Water System, Ledbetter Water District, Lyon County Water District, Marion Water Department, Salem Municipal Water System and Smithland Water and Sewer System.

II. PROJECT BUDGET

	Total
Administrative Expenses	\$ 49,500
Legal Expenses	10,000
Land, Easements	10,000
Planning	9,000
Engineering Fees - Design / Const	68,250
Engineering Fees - Inspection	40,300
Construction	810,000
Contingency	42,450
Total	\$ 1,039,500

III. PROJECT FUNDING

	Amount	%
Fund F Loan	\$ 1,039,500	100%
Total	\$ 1,039,500	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 1,039,500
Amortized Loan Amount	\$ 1,039,500
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 61,825
Administrative Fee (0.25%)	2,599
Total Estimated Annual Debt Service	\$ 64,424

V. PROJECT SCHEDULE

Bid Opening	April 2016
Construction Start	May 2016
Construction Stop	March 2017

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	3,487
Commercial	12
Industrial	0
Total	3,499

B) Rates

	Current	Prior
Date of Last Rate Increase	05/01/15	03/01/14
First 1,000	\$18.73	\$17.84
Next 9,000 Gallons	10.65	10.14
Next 10,000 Gallons	9.12	8.69
Over 20,000 Gallons	7.20	6.86
Cost for 4,000 gallons	\$50.68	\$48.26
Increase %	5.0%	
Affordability Index (Rate/MHI)	1.4%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2009-2013, the District's service area population was 9,036 with a Median Household Income (MHI) of \$36,344. The median household income for the Commonwealth is \$43,036. The project will qualify for a 1.75% interest rate because the District's service

area MHI is above 80% of the State’s MHI.

Year	Population			Unemployment		
	City	% Change	County	% Change	Date	Rate
1980	833		9,219		June 2004	6.0%
1990	770	-7.6%	9,062	-1.7%	June 2009	10.9%
2000	769	-0.1%	9,804	8.2%	June 2013	8.3%
2010	752	-2.2%	9,519	-2.9%	June 2014	7.1%
Current	838	11.4%	9,467	-0.5%		
Cumulative %		0.6%		2.7%		

VIII. 2014 CAPITALIZATION GRANT EQUIVALENCIES

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

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the audited financial statements for the years ended December 31, 2012 through December 31, 2014. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Revenues increased 6% from \$2,206,049 in 2012 to \$2,345,511 in 2014 due to previously approved rate increases. Operating expenses increased 6% from \$785,291 in 2012 to \$839,604 in 2014. The debt coverage ratio was 1.1, 1.4 and 1.2 for 2012, 2013 and 2014, respectively. The balance sheet reflects a current ratio of 2.1, a debt to equity ratio of 1.5 and the number of months of operating expenses in unrestricted cash is 2.5.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase approximately 2.5% in 2015 and 2016 to account for the 5% rate increase effective May 1, 2015, and will remain flat thereafter.
- 2) Operating expenses will increase 2% annually for inflation.
- 3) Debt coverage ratio will be 1.2 in 2017 when principal and interest repayments begin.

Based on the proforma assumptions, the District shows adequate cash flow to repay the KIA Fund F loan.

REPLACEMENT RESERVE

The annual replacement cost is \$2,600. This amount should be added to the replacement account each December 1 until the balance reaches \$26,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Waterworks Revenue Bond, Series 1995	651,000	2035
Waterworks Revenue Bond, Series 2000	1,642,000	2040
Waterworks Revenue Bond, Series 2008	1,365,000	2030
KIA, B11-10	281,405	2033
KIA,F01-05	717,952	2023
Kentucky Rural Water, 2013 Flexible Term	3,485,000	2029
Kentucky Rural Water, 2013 Flexible Term	2,070,000	2040
KACo Lease Payable	2,419,167	2039
Total	12,631,524	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

None.

XII. CONTACTS

Legal Applicant

Entity Name	Crittenden-Livingston County Water District
Authorized Official	Ronnie Slayden (Superintendent)
County	Livingston
Email	slaydenronnie@yahoo.com
Phone	270-988-2680
Address	P.O. Box 495 Salem, KY 42078

Applicant Contact

Name	Ronnie Slayden
Organization	Crittenden-Livingston Water District
Email	slaydenronnie@yahoo.com
Phone	270-988-2680
Address	620 East Main Salem, KY 42078

Project Administrator

Name	Jamie Lawrence
Organization	Pennyriple Area Development District
Email	jamie.lawrence@ky.gov
Phone	270-866-9484
Address	300 Hammond Drive Hopkinsville, KY 42240

Consulting Engineer

PE Name	Robert Stigall
Firm Name	Stigall Engineering Associates, Inc.
Email	rstigall@bellsouth.net
Phone	615-460-7515
Address	4117 Hillsboro Pike Nashville, TN 37215

XIII. RECOMMENDATIONS

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

CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT (WATER FUND)
FINANCIAL SUMMARY (DECEMBER YEAR END)

Balance Sheet

	Audited 2012	Audited 2013	Audited 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
Assets									
Current Assets	1,034,774	989,343	1,117,424	1,125,475	1,133,775	1,133,775	1,133,775	1,193,334	1,228,040
Other Assets	21,514,040	20,830,045	20,306,575	19,242,391	19,270,737	18,159,196	17,025,454	15,814,013	14,602,571
Total	22,548,814	21,819,388	21,423,999	20,367,866	20,404,512	19,292,971	18,159,229	17,007,347	15,830,611

Liabilities & Equity

Current Liabilities	448,577	528,217	531,114	621,319	631,743	651,641	648,006	654,295	665,923
Long Term Liabilities	13,378,380	13,031,479	12,483,058	11,692,319	12,162,130	11,573,782	10,990,333	10,401,884	9,803,122
Total Liabilities	13,826,957	13,559,696	13,014,172	12,313,638	12,793,873	12,225,423	11,638,339	11,056,179	10,469,045
Net Assets	8,721,857	8,259,692	8,409,827	8,054,228	7,610,639	7,067,548	6,520,890	5,951,168	5,361,566

Cash Flow

Revenues	2,206,049	2,216,137	2,345,511	2,402,934	2,461,793	2,461,793	2,461,793	2,461,793	2,461,793
Operating Expenses	989,019	1,056,840	1,092,773	1,109,565	1,126,693	1,146,763	1,164,583	1,182,759	1,201,299
Other Income	1,222	808	8,137	774	774	774	774	774	774
Cash Flow Before Debt Service	1,218,252	1,160,105	1,260,875	1,294,143	1,335,874	1,315,804	1,297,984	1,279,808	1,261,268

Debt Service

Existing Debt Service	1,112,746	844,426	1,038,984	1,048,832	1,037,535	1,033,627	1,005,781	1,005,825	1,012,138
Proposed KIA Loan	0	0	0	0	0	32,212	64,424	64,424	64,424
Total Debt Service	1,112,746	844,426	1,038,984	1,048,832	1,037,535	1,065,839	1,070,205	1,070,249	1,076,562
Cash Flow After Debt Service	105,506	315,679	221,891	245,311	298,339	249,965	227,779	209,559	184,706

Ratios

Current Ratio	2.3	1.9	2.1	1.8	1.8	1.7	1.7	1.8	1.8
Debt to Equity	1.6	1.6	1.5	1.5	1.7	1.7	1.8	1.9	2.0
Days Sales in Accounts Receivable	48.6	55.4	51.5	51.5	51.5	51.5	51.5	51.5	51.5
Months Operating Expenses in Unrestricted Cash	2.7	1.3	2.5	2.5	2.5	2.4	2.4	2.9	3.2
Debt Coverage Ratio	1.1	1.4	1.2	1.2	1.3	1.2	1.2	1.2	1.2

EXHIBIT 19

**Detailed Estimate of Acquired Property Classified According
To The Uniform System of Accounts For
Class A/B Water Districts and Associations**

Account No.	Account Description	Estimate
303	Land and Land Rights	\$ 30,000
304	Structures and Improvements	\$117,550
330	Distribution Reservoirs and Standpipes	\$765,950
331	Transmission and Distribution Mains	\$ 25,000
335	Hydrants	\$ 3,000
	TOTAL	\$941,500