

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF THE)
MARTIN COUNTY WATER DISTRICT)
FOR ALTERNATIVE RATE ADJUSTMENT)
)

CASE NO. 2018-00017

NOTICE OF COMPLIANCE

Comes the Martin County Water District (hereinafter District), by counsel, and hereby gives Notice of Compliance of the provision in the Commission’s February 21, 2019 Order in case number 2018-00017 requiring the District to amend its requests for proposals for management services within ten days to remove paragraph 6 under “Other Services Requested” page 17, by addendum. A copy of the Addendum to the Request for Proposals which have been mailed this day is attached hereto.



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WATER DISTRICT
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INEZ, KY 41224
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CERTIFICATE OF SERVICE

This will certify that a true and correct copy of the foregoing was emailed & mailed, postage pre-paid, on this the 4 day of March, 2019, to the following:

Public Service Commission
ATTN: Brittany Koenig
P.O. Box 615
Frankfort, KY 40602

Hon. Mary Varson Cromer
Appalachian Citizens' Law Center, Inc.
317 Main Street
Whitesburg, KY 41858
mary@appalachianlawcenter.org

Hon. M. Todd Osterloh
Hon. James Wilson Gardner
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street, Ste. 1400
Lexington, KY 40507
tosterloh@sturgillturner.com
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BRIAN CUMBO

MARTIN COUNTY UTILITY BOARD

ADDENDUM NO. 1

Request for Proposals (RFP)
for the
Utility Management, Operations and Maintenance
of
Water and Wastewater Facilities
of the
Martin County Water District
and
Martin County Sanitation District

Issued

March 1, 2019

Prepared by BlueWater Kentucky



1.0 GENERAL INFORMATION

Addendum No. 1 is issued in accordance with the Kentucky Public Service Commission (KY PSC) Order of February 21, 2019, as shown in Appendix C. The KY PSC Order was issued in response to a motion (Appendix D) filed by the Martin County Water District (MCWD) and the Martin Country Concerned Citizens (MCCC) to extend the time allowed for Contractors to submit proposals as identified in the original RFP dated January 18, 2019.

The KY PSC Order provides for a revised schedule, with the deadline for Proposals moved from March 18, 2019 to May 17, 2019. In addition, the KY PSC ordered the RFP be amended to remove the Rate Study requirement in Section 2.2 (6) Other Services Requested (on page 17 of the RFP).

The Martin County Utilities Board has also determined that the requirement for the Contractor to provide a 10-year Capital Improvement Plan as detailed in Section 2.2 (5) Other Services Requested (on page 17 of the RFP) is no longer needed. The Abandoned Mile Lands (AML) grant outlined in Section 2.3 will be performed Bell Engineering as part of the \$3.4 million AML project.

The Contractors attending the Pre-Proposal Meetings on February 5-6, 2019 provided input on the RFP and submitted Questions by the February 8, 2019 deadline. Addendum No. 1 provides information for clarification on the RFP and Scope of Work and provides responses for Questions submitted by Contractors on February 8, 2019.

2.0 PSC ORDER OF FEBRUARY 21, 2019

The KY PSC Order issued February 21, 2019 provides the following direction for the MCWD:

- Issue an Addendum within ten (10) days of the PSC Order (by March 3, 2019),
- Remove paragraph 6 in Section 2.2 Other Services Requested on page 17 of the RFP,
- Received Statements of Qualification and proposals up through May 17, 2019,
- File copies of the Proposals with the KY PSC by May 21, 2019,
- Review the Proposals from May 17 to 31, 2019,
- Submit recommendations for approval to the KY PSC by June 1, 2019
- Attend a formal confidential conference on June 18, 2019 at 10:00 AM EDT
- Notify Contractor of recommendation following the selection on June 18, 2019,
- Conduct contract negotiations with selected Contractor between June 18 and July 19, 2019,
- Attend a formal confidential conference on July 30, 2019 for review and approval of the contract,
- Execute a contract for management, operations and maintenance by July 31, 2019.
-

The KY PSC Order is included in Appendix C.

3.0 MODIFICATIONS TO THE SCOPE OF WORK

The following modifications are included in this Addendum #1 and are incorporated into the RFP issued January 18, 2019.

3.1 Revised Schedule

A revised schedule has been established for the RFP, and replaces the schedule included in Section 3.1 of the RFP.

| <u>Revised Schedule</u> | |
|---|--------------------------------|
| <u>for Martin County Water/Wastewater</u> | |
| <u>Contract Management, Operations and Maintenance</u> | |
| <u>Item</u> | <u>Date</u> |
| 1. Issue RFP | January 18, 2019 |
| 2. Advertise RFP | January 18 to February 1, 2019 |
| 3. Pre-proposal conference and facilities tour | 11:00 AM EST February 5, 2019 |
| 4. Pre-proposal conference and facilities tour | 11:00 AM EST February 6, 2019 |
| 5. Deadline for submission of questions | 4:00 PM EST February 8, 2019 |
| 6. Responses to questions | February 22, 2019 |
| <u>REVISIONS TO SCHEDULE:</u> | |
| 7. Issue Addendum No. 1 | March 1, 2019 |
| 8. Facilities Inspection (by Appointment Only) | March 25 to April 5, 2019 |
| 9. Deadline for Additional Questions | 4:00 PM EDT April 12, 2019 |
| 10. Responses to Additional Questions | April 26, 2019 |
| 11. Receive Statements of Qualifications and Proposals | 4:00 PM EDT May 17, 2019 |
| 12. Submit copies of Proposal to KY PSC | May 21, 2019 |
| 13. Review Proposals (and interviews if needed) | May 17-31, 2019 |
| 14. Recommendations submitted to KY PSC | June 1, 2019 |
| 15. Formal Conference with KY PSC | June 18, 2019 |
| 16. Contract Negotiations | June 19 to July 19, 2019 |
| 17. Submit proposed contract to KY PSC | July 20, 2019 |
| 18. Formal Conference with KY PSC | July 30, 2019 |
| 19. MCUB Board approves and executes Contract | July 31, 2019 |
| 20. Transition Period | August 1 to August 31, 2019 |
| 21. Contract Operations Begins | September 1, 2019 |

3.2 Removal of 10 Year Capital Improvement Plan from Scope of Work

The requirement for submitting a cost for a 10-year Water and Wastewater Capital Improvement Plan is removed from the Scope of Work and the Cost Proposal Worksheet. Bell Engineering has been retained to prepare a 10-Year Capital Improvement Plan. The Drinking Water CIP will be funded by the \$3.4 million AML grant awarded to Martin County. The Wastewater CIP will be funded by the MCUB from the 2020 MCSD budget.

3.3 Removal of Water and Wastewater Rate Study from Scope of Work

By Order of the KY PSC, the Water Rate Study identified in Section 2.2 Other Services Requested on page 17 has been removed from the Scope of Work and the Cost Proposal Worksheets. The Wastewater Rate Study has also been removed from the Scope of Work and the Cost Proposal Worksheet. MCUB has arranged for Kentucky Rural water to prepare a Cost of Service Rate Study for wastewater services.

3.4 Clarifications, Changes and Additions to Scope of Work

After review of the questions and input received from Contractors, the following clarifications changes and additions are made to the Scope of Work:

- 3.4.1 M&I Plan** - The M&I Plan identified in Section 2.2 paragraph 4, page 17 must be completed by October 1, 2019 for submission to the KY PSC for approval by November 5, 2019. The cost of developing the M&I plan must be included in the Cost Proposal Worksheet. The M&I Plan must include a detailed operating plan and approach to reduce water loss to less than 15 percent within a three-year period of plan approval by the KY PSC. The M&I Plan does not include the capital project requirements to reduce water loss. The capital project requirements to reduce water loss will be included in a 10-year Capital Improvement Plan being prepared by Bell Engineering as part of the \$3.4 million AML project identified in Section 2.3 of the RFP.
- 3.4.2 Employee Health Benefits** – MCUB will pay for employees to receive health benefits through COBRA the first 6 months of employment with the Contractor. After 6 months, the Contractor will be responsible for providing health and other benefits in accordance with Contractor’s benefits policy.
- 3.4.3 Employee Vacation/Sick Leave** – The Contractor will be required to carry over the full-time employee’s accrued vacation time and sick time as of the Contract start date (not to exceed 15 vacation days (120 hours) and 15 sick days (120 hours). Exhibit 1.6 of the RFP has been updated to include employee certifications and employee vacation and sick time accrued through January 31, 2019. Following employment by the Contractor, the employees will be eligible for vacation and sick time in accordance with the Contractor’s benefit policy.

EXHIBIT 1.6 - EMPLOYEE LIST (REVISED 3-1-19)

| Employee | Job Title/Description | Status | Class | Certification(s) | Hire Date | Vacation | Sick |
|--|--------------------------|-----------------------|------------|--|----------------------------|------------------|------------------|
| | | | | | | Time | Time |
| | | | | | | As of 1/31/19 | As of 1/31/19 |
| | | | | | | Hours | Hours |
| Greg Scott | Interim General Manager | Full Time | Exempt | | | N/A | N/A |
| MARTIN COUNTY WATER DISTRICT | | | | | | | |
| MCWD Treatment Plant | | | | | | | |
| Tom Alley | Lead Plant Operator | Full Time | Non-Exempt | DW Treatment Class IVA #17562 DW Distribution Class II #2414 | 3/1/1991 | 523.50 | 477.26 |
| Mike Sartin | Plant Operator | Full Time | Non-Exempt | DW Treatment Class IVA # 21944 DW Distribution Class III #14410 | 9/1/1993 | 392.14 | 275.82 |
| Cameron Justice | Plant Operator | Full Time (was PT) | Non-Exempt | DW Treatment Class IIIA #30123 | 2/1/2019 FT 3/9/2015 PT | N/A | N/A |
| Elbert Osborne | Plant Operator-Part Time | Part Time | Non-Exempt | DW Treatment Class IIA #27800 | 8/14/2013 | N/A | N/A |
| Vacant | Maintenance Mechanic | Full Time | Non-Exempt | | | | |
| MCWD Distribution | | | | | | | |
| John Stafford | Distribution Supervisor | Full Time | Non-Exempt | | 8/3/2015 | 158.00 | 143.93 |
| Ryan Smith | Electrician | Full Time | Non-Exempt | | 11/1/2017 | 80.00 | 54.11 |
| Justin Scott | A-Crew Leader | Full Time | Non-Exempt | | 6/1/2012 | 80.00 | 252.84 |
| Larry Gartin | Laborer | Full Time | Non-Exempt | | 2/14/2019 | 0.00 | 0.00 |
| Jonathan Horn | B-Crew Leader | Full Time | Non-Exempt | | 3/20/2018 | | 81.21 |
| Steven Jude | Laborer | Full Time | Non-Exempt | | 11/1/2018 | | 24.00 |
| Billy Patrick | Leak Detection | Full Time | Non-Exempt | | 8/6/2018 | | 36.00 |
| Vacant | Leak Detection | Full Time | Non-Exempt | | | N/A | N/A |
| Troy Horn | Pump Technician | Full Time | Non-Exempt | | 1/24/2014 | 88.00 | 27.65 |
| MCWD Office Staff | | | | | | | |
| Katrina Sansom | Accounting Clerk | Full Time | Non-Exempt | | 12/1/2010 | 124.50 | 71.56 |
| Marcie Dials | Billing | Full Time | Non-Exempt | | 9/4/2007 | 120.00 | 12.00 |
| Debbie Osborne | Clerk-Part Time | Part Time | Non-Exempt | | 12/6/2018 | N/A | N/A |
| MCWD Contract Employees | | | | | | | |
| Kathery Carter | Meter Reader | Contract | Contract | | 8/13/2004 | N/A | N/A |
| Brandi Moore | Meter Reader | Contract | Contract | | 4/14/2018 | N/A | N/A |
| MARTIN COUNTY SANITATION DISTRICT | | | | | | | |
| Samuel Fletcher | Plant Operator | Full Time | Non-Exempt | WW Class III Treatment #26183 WW Class III Collections #28928 | 1/24/2011 | 96.00 | 412.20 |
| Kyle Sammons | Plant Operator | Full Time | Non-Exempt | | 12/12/2011 | 0.00 | 10.50 |
| Ed (Clarence) Kazee | Plant Operator | Full Time | Non-Exempt | WW Class I Collections #57295 | 6/17/2016 | 80.00 | 121.00 |
| Helen Proctor | Office Clerk | Full Time | Non-Exempt | | 10/11/2011 | 160.00 | 140.30 |

- 3.4.4 Power Costs** - MCUB shall retain the responsibility to purchase power for the operations of the drinking water and wastewater systems, including source pumping, water/wastewater treatment, booster pumping, storage, distribution, collections, bio-solids).
- 3.4.5 Wholesale Water Purchases** – The Contractor will be responsible for managing and payment of water purchased from the wholesale water suppliers (City of Prestonsburg (KY), Mountain Water District (KY), Kermit (WV)). The Contractor will be required to manage the daily operations of the production of water at the treatment plant and the water supplied from wholesale providers. The Contractor is required to optimize the supply from multiple sources with an objective to provide a reliable supply of water meeting all drinking water regulations in the most cost-efficient manner.
- 3.4.6 Devella/Honey Branch Pressure Zone** – The Devella/Honey Branch pressure zone includes the Devella pump station, the Honey Branch one (1) million gallon storage tank, and approximately 7 miles of pipeline (from pump station to storage tank) that supplies water to the East Kentucky Business Park, the Big Sandy Regional Airport, the United States Penitentiary (USP) and approximately 100 customers along Highway 3. This area is served with a dual supply from Martin County Water District and the City of Prestonsburg under a Joint Operating Agreement (JOA) executed July 3, 2000. Martin County is responsible for providing up to 50 percent of the water to the USP. The USP is a customer of the City of Prestonsburg, while the airport and businesses located in the East Kentucky Business Park are customers of the District. The Contractor will be responsible to operate the Devella/Honey Branch pressure zone to meet the District’s obligations under the JOA and maximize the revenue to the District. A copy of the JOA is included in the ERL.
- 3.4.7 Control Systems** - The Contractor will be responsible to operate and maintain the existing process control systems (SCADA and Process Control) for operations of water treatment, pumping, storage, distribution and wastewater collections, treatment and discharge. The Contractor may upgrade the control system hardware, software and communications equipment with the approval of the MCUB. The control systems hardware, software, communications equipment and licenses will be transferred to the MCUB at the end of the contract.

- 3.4.8 Health and Safety** – The Contractor will be responsible for managing and operating the water and wastewater systems in compliance with all health and safety regulations, and include the cost for training, tools, and equipment.
- 3.4.9 Vehicles, Equipment, Tools and Fuel** – The Contractor will be responsible for providing all vehicles, equipment, tools, and fuel for management, operations and maintenance of the water and wastewater system.
- 3.4.10 Facility and Grounds Security and Maintenance** - The Contractor will be responsible for managing all facilities, buildings and grounds used in operations, including security, fire, safety and maintenance.
- 3.4.11 Administrative Office** – The Contractor will maintain an administrative Office at the Roy Collier Community Center for the purposes of paying water and wastewater bills and other administrative duties. An alternative location must be approved by the MCUB. The Contractor will be responsible for payment of the administrative office lease and applicable utility and communications services, including electric, phone, internet, water and sewer services.
- 3.4.12 Contract Administrator** – MCUB will appoint a Contract Administrator that will be responsible for administering the Contract and assuring all contract obligations are met and the Contractor performs all duties included in the Contract. The Contract Administrator will also be responsible for activities retained by the MCUB.
- 3.4.13 Annual Budget** - The Contractor will be responsible to submit a proposed Annual Budget to the MCUB for water and wastewater management, operations and maintenance by December 1 of each year (prior to beginning of the calendar year). The Annual Budget should include recommendations for operating and capital improvements.
- 3.4.14 Monthly Board Reports** – The Contractor will be responsible for submitting a Monthly Board Reports (MBR) to the MCUB, including a summary of management, operations, maintenance, accounts receivable/payable, financial reports of revenue and expense compared to budget and other operating activities requested by the MCUB.
- 3.4.15 Monthly Operating Reports** – The Contractor will be responsible for submitting Monthly Operating Reports (MORs) and Daily Monitoring Reports (DMRs) for Water and Wastewater to the Kentucky Division of Water.

- 3.4.16 KY PSC Reporting** – The Contractor will be responsible for monthly and other periodic reporting to the KY PSC, including water loss reports, operating reports, financial reports and other reports required by the KY PSC.
- 3.4.17 Permits and Operator Certifications** - The Contractor will be responsible to maintain compliance with all environmental permits, including KPDES permits and Operator Certification requirements for drinking water treatment/distribution and wastewater treatment/collections required by the Kentucky Division of Water.
- 3.4.18 Sanitary Surveys** – The Contractor will be responsible for coordinating Sanitary Surveys with the Kentucky Division of Water and take timely corrective action of any items identified in the Sanitary Surveys.
- 3.4.19 Water and Wastewater Residuals** – The Contractor will be responsible for managing all water and wastewater residuals and bio-solids, including a monitoring, reporting and disposal in accordance with all regulatory requirements.
- 3.4.20 Septic Tank, Grinder Pump and Sewer Lateral Maintenance** - The Contractor will be responsible to maintain private septic tanks, grinder pumps and lateral sewer lines, including repair and replacement of failed tanks, pumps and lateral sewer lines.
- 3.4.21 Cross Connection and FOG Program** – The Contractor will be responsible to develop a Cross Connection Control Program and a Fats, Oils and Grease (FOG) Program including development of a draft ordinance for approval by MCUB and Martin County Fiscal Court.
- 3.4.22 Meter Maintenance Replacement Program** - The Contractor will be responsible to establish a meter testing, maintenance and replacement program consistent with industry practice and compliance with KY PSC regulations.
- 3.4.23 Distribution Water Sampling Program** - The Contractor will be responsible to develop a Distribution Water Sampling Program in compliance with Kentucky drinking water regulations.
- 3.4.24 Distribution System Flushing Program** - The Contractor will be responsible to develop a Distribution System Flushing Program to maintain

drinking water compliance and assure high quality water is delivered to customers.

3.4.25 Asset Maps and Records – The Contractor will be responsible to develop and maintain asset maps and records for operations and maintenance of the water and wastewater system, using a Geographic Information System (GIS) platform compatible with the Kentucky Water Resource Information System (WRIS). The asset maps and records in GIS format will be available for access and use by the MCUB during the term of the Contract and must be transferred to the MCUB at the end of the contract.

3.4.26 Term of Contract – The initial contract period will be for five years, with an optional for renewal for up to 3 additional 5-year terms for a total of 20 years.

3.4.27 Contract Pricing – The Cost Proposal Worksheet includes firm pricing for three years. The annual contract cost will be adjusted up or down in Year 4 and Year 5 by the Consumer Price Index for Urban Areas in the US – Water and Sewer Services (CPI-U Water and Sewer Services).

3.4.28 Activities Retained by MCUB – Various activities and duties retained by the MCUB, include the following:

- Annual Audits and Financial Oversight
- Rate Studies
- Engineering Studies
- Engineering Design and Construction Services
- Grant Application and Administration
- Payment and Review of Power for Operations

3.5 Facility Inspections March 25 to April 5, 2019

MCUB will provide an opportunity for Contractors to inspect water and wastewater operating facilities between March 25 and April 5, 2019. Contractors MUST make an appointment in advance, by contacting the Project Administrator, Eric Ratliff, at (606) 886-2374 Extension 358 or email at eric.ratliff@bigsandy.org.

3.6 Cost Proposal Worksheets

The Cost Proposal Worksheets have been revised to reflect changes identified in Addendum No. 1 and are included in Appendix A1 and A2.

3.7 Contractor Certification Form

The Contractor Certification Form must be signed and submitted with the Proposal. Failure to submit a signed Contractor Certification Form may result in disqualification.

4.0 RESPONSES TO QUESTIONS SUBMITTED FEBRUARY 8, 2019

The responses to Questions submitted by Contractors on February 8, 2019 are included in Appendix D of Addendum No 1 and also posted on the ERL on the Big Sandy website (www.bigsandy.org).

5.0 ELECTRONIC RESOURCE LIBRARY

The Electronic Resource Library (ERL) will be used to communicate to all interested parties in this RFP. The ERL is available for access at the Big Sandy Area Development District website (www.bigsandy.org). Contractors should access the ERL frequently to gain access to files updated and posted to the ERL.

6.0 QUESTIONS REGARDING ADDENDUM NO.1

Questions regarding Addendum No. 1 should be directed to the Project Administrator:

Eric Ratliff

Project Administrator/Developer

Big Sandy Area Development District

110 Resource Court

Prestonsburg, KY 41653

606-886-2374 Extension 358

eric.ratliff@bigsandy.org

6.0 ADDENDUM NO. 1 AUTHOR

This Addendum No. 1 was prepared by BlueWater Kentucky (www.bluewaterky.com) in response to KY PSC Order dated February 21, 2019 in Case # 2018-0017. BlueWater Kentucky has been retained by the Martin County Water District to provide management consulting services.



MODIFIED APPENDIX A1

WATER COST PROPOSAL WORKSHEET

(Excel Spreadsheet available in Electronic Resource Library)

| ATTACHMENT A1 (revised) - MARTIN COUNTY WATER DISTRICT | | | | | |
|--|---|---------------|---------------|---------------|--------------|
| COST PROPOSAL | | | | | |
| Contractor: | | | | | |
| Date: | | | | | |
| Submitted By: | | | | | |
| Signature Line: | | | | | |
| Category: | Contract Year ==> | Year 1 | Year 2 | Year 3 | Total |
| Annual Services | | | | | |
| 1. Labor Costs | | \$ - | \$ - | \$ - | \$ - |
| 2. Labor Related Overhead | | \$ - | \$ - | \$ - | \$ - |
| 3. Purchased Water | | \$ - | \$ - | \$ - | \$ - |
| 4. Power (Treatment and Pumping only) | | N/A | N/A | N/A | N/A |
| 5. Chemicals (Treatment only) | | \$ - | \$ - | \$ - | \$ - |
| 6. Maintenance and Repair | | \$ - | \$ - | \$ - | \$ - |
| 7. Equipment | | \$ - | \$ - | \$ - | \$ - |
| 8. Materials and Supplies | | \$ - | \$ - | \$ - | \$ - |
| 9. Utilities, Rental, Leases | | \$ - | \$ - | \$ - | \$ - |
| 10. Professional Contract Services | | \$ - | \$ - | \$ - | \$ - |
| 11. Miscellaneous Contract Services | | \$ - | \$ - | \$ - | \$ - |
| 12. Insurance and Bonds | | \$ - | \$ - | \$ - | \$ - |
| 13. Other (Contractor to specify) | | \$ - | \$ - | \$ - | \$ - |
| 14. Other (Contractor to specify) | | \$ - | \$ - | \$ - | \$ - |
| 15. Other (Contractor to specify) | | \$ - | \$ - | \$ - | \$ - |
| 14. Sub-Total Cost of Services | | \$ - | \$ - | \$ - | \$ - |
| 15. Overhead Percentage (insert %) | 0.00% | \$ - | \$ - | \$ - | \$ - |
| 16. Profit Percentage (insert %) | 0.00% | \$ - | \$ - | \$ - | \$ - |
| 17. Total Annual Cost of Service | | \$ - | \$ - | \$ - | \$ - |
| Other Services: | | | | | |
| 18. Management and Infrastructure Plan | | \$ - | N/A | N/A | \$ - |
| 19. Capital Improvement Plan | | N/A | N/A | N/A | N/A |
| 20. Water Rate Study | | N/A | N/A | N/A | N/A |
| 21. Total Other Services Cost | | \$ - | N/A | N/A | \$ - |
| NOTES: | <p>1. Contractor should fill in each yellow cell. The green cells will automatically calculate the sum.</p> <p>2. Year 1 (FY2020) begins July 1, 2019; Year 2 (FY 2021) begins July 1, 2020; Year 3 (FY 2022) begins July 1, 2021.</p> <p>3. Year 2 (FY2021) and Year 3 (FY2022) entries must include any increase in annual costs from prior year.</p> <p>4. Other Services Cost (Items 18,19,20) are a one time total cost to provide the services requested and includes overhead, markup and profit.</p> <p>5. The Contract Year will begin on the operations start date identified in the Contract.</p> <p>6. Addendum #1 removes the cost of power for water operations from the Scope of Work. MCWD will pay the power costs directly.</p> <p>7. Addendum #1 removes the Capital Improvement Plan (line 19) and the Water Rate Study (line 20) from the scope of work.</p> <p>8. Addendum #1 notifies Contractor that Year 4 and 5 costs will be adjusted using the CPI-U for Water and Wastewater Services.</p> | | | | |

MODIFIED APPENDIX A2

WASTEWATER COST PROPOSAL WORKSHEET

(Excel Spreadsheet available in Electronic Resource Library)

| ATTACHMENT A2 (revised) - MARTIN COUNTY SANITATION DISTRICT | | | | | |
|--|-----------------------------|---------------|---------------|---------------|--------------|
| COST PROPOSAL | | | | | |
| Contractor: | | | | | |
| Date: | | | | | |
| Submitted By: | | | | | |
| Signature Line: | | | | | |
| Category: | Contract Year ==> | Year 1 | Year 2 | Year 3 | Total |
| Annual Services: | | | | | |
| 1. Labor Costs | | \$ - | \$ - | \$ - | \$ - |
| 2. Labor Related Overhead | | \$ - | \$ - | \$ - | \$ - |
| 3. Purchased Water | | \$ - | \$ - | \$ - | \$ - |
| 4. Power (Treatment and Pumping only) | | N/A | N/A | N/A | N/A |
| 5. Chemicals (Treatment only) | | \$ - | \$ - | \$ - | \$ - |
| 6. Maintenance and Repair | | \$ - | \$ - | \$ - | \$ - |
| 7. Equipment | | \$ - | \$ - | \$ - | \$ - |
| 8. Materials and Supplies | | \$ - | \$ - | \$ - | \$ - |
| 9. Utilities, Rental, Leases | | \$ - | \$ - | \$ - | \$ - |
| 10. Professional Contract Services | | \$ - | \$ - | \$ - | \$ - |
| 11. Miscellaneous Contract Services | | \$ - | \$ - | \$ - | \$ - |
| 12. Insurance and Bonds | | \$ - | \$ - | \$ - | \$ - |
| 13. Other (Contractor to specify) | | \$ - | \$ - | \$ - | \$ - |
| 14. Other (Contractor to specify) | | \$ - | \$ - | \$ - | \$ - |
| 15. Other (Contractor to specify) | | \$ - | \$ - | \$ - | \$ - |
| 14. Sub-Total Cost of Services | | \$ - | \$ - | \$ - | \$ - |
| 15. Overhead Percentage (insert %) | 0.00% | \$ - | \$ - | \$ - | \$ - |
| 16. Profit Percentage (insert %) | 0.00% | \$ - | \$ - | \$ - | \$ - |
| 17. Total Annual Cost of Service | | \$ - | \$ - | \$ - | \$ - |
| Other Services: | | | | | |
| 18. Capital Improvement Plan | | N/A | N/A | N/A | N/A |
| 19. Water Rate Study | | N/A | N/A | N/A | N/A |
| 20. Total Other Services Cost | | N/A | N/A | N/A | N/A |
| NOTES: | | | | | |
| 1. Contractor should fill in each yellow cell. The green cells will automatically calculate the sum. | | | | | |
| 2. Year 1 (FY2020) begins July 1, 2019; Year 2 (FY 2021) begins July 1, 2020; Year 3 (FY 2022) begins July 1, 2021. | | | | | |
| 3. Year 2 (FY2021) and Year 3 (FY2022) entries must include any increase in annual costs from prior year. | | | | | |
| 4. Other Services Cost (Items 18,19) are a one time total cost to provide the services requested and includes overhead, markup and profit. | | | | | |
| 5. The Contract Year will begin on the operations start date identified in the Contract. | | | | | |
| 6. Addendum #1 removes the cost of power for wastewater operations from the Scope of Work. MCWD will pay the power costs directly. | | | | | |
| 7. Addendum #1 removes the Capital Improvement Plan (line 19) and the Wastewater Rate Study (line 20) from the scope of work. | | | | | |
| 8. Addendum #1 notifies Contractor that Year 4 and 5 costs will be adjusted using the CPI-U for Water and Wastewater Services. | | | | | |

APPENDIX B
CONTRACTOR CERTIFICATION FORM

CONTRACTOR CERTIFICATIONS
MARTIN COUNTY WATER AND WASTEWATER PROPOSAL

Contractor Name: _____

Address: _____

City/State/Zip: _____

On behalf of _____, I hereby certify the following statements are true. If any conflict arises from this certification, I realize that our proposal may be rejected.

1. I certify that our Statement of Qualification and Cost Proposal is made without collusion or fraud and that my firm has not offered or received any kickbacks or inducements, monetary or otherwise, from any other contractor, supplier, manufacturer or subcontractor in connection with its proposal, and that we have not granted, offered, or otherwise conferred on any public employee having any official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.
2. I certify that our firm has control of sufficient equipment, personnel, and fiscal resources to perform the actions necessary for management, operation and maintenance of the water and wastewater systems, and will fully commit same to the MCUB as proposed in this Statement of Qualification and Cost Proposal, subject to a negotiated contract.
3. I certify that no county or municipal official in Martin County, Kentucky, including the Commissioners of the MCUB, MCWD or MCSD or any employee, or any person who is paid in whole or in part by the MCUB, MCWD, or MCSD has any direct or indirect personal fiduciary interest in the Contractor's firm. Where such a relationship exists, I have attached the persons name and relations to this Affidavit.

Signed: _____

Title: _____

Date: _____

APPENDIX C – RESPOSNES TO QUESTIONS SUBMITTED BY CONTRACTORS FEBRUARY 8, 2019

| Martin County Utility Board RFP Answers to Questions Submitted February 8, 2019 Posted 2/25/19 | | | | |
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| Question # | Reference # | Question | Submitted By: | Answer: |
| 1 | V1 | Define current employee benefit package | Veolia | <i>The employee benefits are outlined in the MCUB Policy Manual posted on the ERL. Employees are eligible for the following benefits, including: CERS retirement, health, holidays, sick days, vacation days, and bereavement.</i> |
| 2 | V2 | Provide copy of ordinance concerning the Cross Connection Control Program (latest version). | Veolia | <i>Martin County does not have a Cross Connection Control Ordinance.</i> |
| 3 | V3 | Define Drinking Water Sampling Program. Provide a copy of all regulatory required Drinking Water sampling assigned to the District. | Veolia | <i>The Drinking Water Sampling Procedure is posted on the ERL.</i> |
| 4 | V4 | Provide a copy of the WWTP KPDES permit. | Veolia | <i>Inez WWTP KPDES Permit #0079316; Tug Valley WWTP KPDES Permit #0107905.</i> |
| 5 | V5 | Obtain a map of the District's Water Distribution System and Wastewater Collection System. | Veolia | <i>A map of the drinking water system is provided in Figure 1.2 (page 7) and Figure 1.3 (page 8) of the RFP. A map of the wastewater collection system is provided in Figure 1.4 (page 9) of the RFP. Water and sewer lines are also available on the KIA website: kia.ky.gov/WRIS. MCUB does not have a current GIS database/map of the water/wastewater systems.</i> |
| 6 | V6 | the District's Water and Wastewater Treatment Plant/distribution system/collection system without employee names, but including position / title. | Veolia | <i>The employee list with job titles is included in Figure 1.6 (page 12) of the RFP. An updated employee list with operator certifications is posted on the ERL.</i> |
| 7 | V7 | Provide any current or planned capital improvement plans for the water and wastewater system. What will be the Operators role? | Veolia | <i>MCUB does not have a comprehensive Capital Improvement Plan for water and wastewater. Bell Engineering has been commissioned to develop a 10-year Capital Improvement Plan as part of the \$3.4 million Abandon Mine Lands (AML) grant project. The operators role will be to coordinate operations with capital project engineering and construction, including transition from construction contractor to operations contractor.</i> |
| 8 | V8 | Provide a copy of the last two Sanitary Surveys performed by KY DOW. | Veolia | <i>The 2014 Sanitary Survey is posted on the ERL.</i> |
| 9 | V9 | Provide a copy of the last Division of Water audit performed by KY DOW for the water treatment plant and wastewater plants. | Veolia | <i>MCWD and MCSDD are not aware of any water and audits performed by KDOW.</i> |
| 10 | V10 | Provide copies of the District's Monthly Operating Reports (monitoring and operating MORs) submitted to KY DOW between the periods of January 2018 through January 2019. | Veolia | <i>The available 2018 Monthly Operating Reports for the MCWD and MCSDD are posted on the ERL (same as Question 34)</i> |
| 11 | V11 | Provide copies of the WWTP DMR for the period of January 2018 to January 2019. | Veolia | <i>The 2018 Discharge Monitoring Reports are posted on the ERL.</i> |
| 12 | V12 | Provide copies of the electric bills which reflect the period of January 2018 through January 2019. Is the District aware of any planned rate increases from the electric co-op (electric for plant, maintenance building, tank site, and each lift station). | Veolia | <i>Power Bills for 2018 are posted on the ERL (Same as Question 32).</i> |
| 13 | V13 | Does the Operator provide maintenance and technical support for security system, fire protection, private surveillance and alarm? | Veolia | <i>The Contractor will be responsible for operations, maintenance and technical support for security system, fire protection, private surveillance and alarm.</i> |
| 14 | V14 | Does the Operator provide grounds maintenance for all District owned property? If no which properties will be excluded? | Veolia | <i>The Contractor will be responsible to provide grounds maintenance for all District owned property.</i> |
| 15 | V15 | Define the District's Water Distribution System Flushing Program. Provide a copy of Water Distribution System Flushing Program and map. When was the last flushing? | Veolia | <i>The Distribution Flushing Procedure is posted on the ERL.</i> |
| 16 | V16 | Is there any District rolling stock, vehicles, equipment (beyond stationary equipment) supplied to the Operator in performing Operation & Maintenance Services? If so, please provide a list of these assets. | Veolia | <i>A vehicle inventory and materials inventory is posted on the ERL.</i> |
| 17 | V17 | Is there any District hand tools, health & safety assets, expendable supplies and spare parts inventory supplied to the Operator in performing Operation & Maintenance Services? If so, please provide a list of these items. | Veolia | <i>The hand tools, health and safety assets, supplies and spare parts inventory is not available as of February 22, 2019.</i> |
| 18 | V18 | Provide copies of Safety Data Sheets concerning all process chemicals used by the District at the water treatment plant, wastewater treatment plants, distribution system, and collection system. | Veolia | <i>Safety Data Sheets are posted on the ERL.</i> |

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| 19 | V19 | Are operations / process control analysis data documented in a Computerized Operations Management System (HachWIMS, Operator 10, etc.)? | Veolia | <i>MCWD uses a Rockwell Automation Factory Talk process control system in 2009. Tank levels are controlled by the Micro-Comm control system.</i> |
| 20 | V20 | Is the District currently under an agreed order with the KYDOW and are there current NOV's issued to the District for the water treatment plant, distribution system, collection system, or wastewater treatment plant. If so please provide a copy of any current NOV or agreed order. | Veolia | <i>The MCSD is under an Agreed Order for wastewater, a copy is provided in the ERL. MCWD is not under an Agreed Order for drinking water. (same as Question 33).</i> |
| 21 | V21 | Provide a summary of water quality complaints for 2017 and 2018 year to date by: Color, Red Water/Iron Bacteria, Odor, Low Pressure/Loss of Pressure, Low Residual Chlorine Residual Level | Veolia | <i>A summary of water quality complaints is not available as of February 22, 2019.</i> |
| 22 | V22 | Please provide a copy of Wholesale Water Agreements between the District and third parties. | Veolia | <i>MCWD has three wholesale water agreements with Kermit, WV; Mountain Water District; and Prestonsburg. An operating agreement with Prestonsburg City Utilities is posted on the ERL.</i> |
| 23 | V23 | Please provide the date and findings of the last inspection of the water storage tanks and clearwell. | Veolia | <i>Records are not available for the inspections of the water storage tanks and clearwell.</i> |
| 24 | V24 | Does the District have a water meter replacement program? If so please provide a breakdown of type of meter reading system and how old meters are. | Veolia | <i>The MCWD replaces meters when meters fail or burst. Financial resources have not been available for a proactive meter replacement program. An inventory of meter by size is posted on the ERL. A database age is not available as of February 22, 2019.</i> |
| 25 | V25 | Please provide three years of current budgets for the Water District and Wastewater Systems. | Veolia | <i>The 2018 and 2019 budgets are posted on the ERL. The 2017 budget is not available. (same as Question 38)</i> |
| 26 | V26 | Please provide a current copy of the District's 2 WWTP Permits and the Water Treatment Plant Water Withdrawal permit. | Veolia | <i>The Inez and Warfield WWTP permit is posted on the ERL.</i> |
| 27 | V27 | What is the current state assigned Class of the WTP, 2- WWTPs, Distribution System, and Collection System? | Veolia | <i>Martin County Water Treatment Plant PWSID #800273, Plant A, Class 3. Inez Wastewater Treatment Plant Facility ID/KPDES Permit #0079316. Tug Valley (Warfield) Wastewater Treatment Plant Facility ID/KPDES Permit #0107905.</i> |
| 28 | V28 | Please clarify the number of wastewater customers. Also verify number of septic tanks and grinder pumps maintained by the District and would become the responsibility of the operator. | Veolia | <i>As of January 2019, MCSD 894 active, billed sewer customers. MCSD maintains an estimated 800 septic tanks and 400 grinder pumps on private property. The maintenance of both septic tanks and grinder pumps is the responsibility of the Contractor.</i> |
| 29 | V29 | Please clarify the number of water customers and miles of distribution system. | Veolia | <i>As of January 2019, MCWD has 3527 active, billed water customers and 894 active, billed sewer customers. The estimated number of miles of distribution pipe is 232 miles as shown on page 6 (Section 1.2) of the RFP.</i> |
| 30 | V30 | Please clarify and define the finance and accounting role of the Operator. | Veolia | <i>The Contractor will be required to manage the day to day accounts payable and accounts receivable and provide monthly financial reporting of income and expenses to the MCUB. MCUB will be responsible for securing annual audits.</i> |
| 31 | V31 | Please clarify and define the scope of work to be performed by the operator within the Management and Infrastructure Plan and financial resources available to achieve the 15% water loss objective. | Veolia | <i>The Management and Infrastructure Plan is described in Section 2.2 (page 17) of the RFP. The M&I Plan includes the operating and maintenance requirements to reduce water loss to 15 percent over a 3 year period and does not include the capital investments needed to reduce water loss. The M&S Surcharge approved by the KY PSC will fund the M&I Plan.</i> |
| 32 | AW1 | Can we get the last two years of energy bills related to the RFP? | Alliance Water | <i>Power Bills for 2018 are posted on the ERL (Same as Question 12).</i> |
| 33 | AW2 | Can we get a copy of the wastewater degree issued? | Alliance Water | <i>copy is provided in the ERL. MCWD is not under an Agreed Order for drinking water. (same as Question 20).</i> |
| 34 | AW3 | Can we get a copy of the last 12 months of monitoring reports for water and wastewater? | Alliance Water | <i>The available 2018 Monthly Operating Reports for the MCWD and MCSD are posted on the ERL. (same as Question 34).</i> |
| 35 | AW4 | Can we get a fixed number of septic tanks on the systems that may at some time be required to service? | Alliance Water | <i>MCSD maintains an estimated 800 septic tanks and 400 grinder pumps on private property. The maintenance of both septic tanks and grinder pumps is the responsibility of the Contractor.</i> |
| 36 | AW5 | Can we get a list of any know pumps or motors with a value of \$1250.00 or more that is currently not working properly? | Alliance Water | <i>A list of failed pumps and motors is not available as of February 22, 2019.</i> |
| 37 | AW6 | Can we get the last wastewater bio solids report submitted that had bio solids removed? | Alliance Water | <i>A bio-solids report is not available as of February 22, 2019.</i> |
| 38 | AW7 | Can we get a copy of the last two years budget that was approved? | Alliance Water | <i>The 2018 and 2019 budgets are posted on the ERL. The 2017 budget is not available. (same as Question 25).</i> |