

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:

**ELECTRONIC APPLICATION OF ADAIR COUNTY )  
WATER DISTRICT FOR THE ISSUANCE OF A )  
CERTIFICATE OF PUBLIC CONVENIENCE AND )  
NECESSITY TO CONSTRUCT A SEWER SYSTEM )  
IMPROVEMENTS PROJECT AND AN ORDER ) Case No. 2021 - 00156  
AUTHORIZING THE ISSUANCE OF SECURITIES )  
PURSUANT TO THE PROVISIONS OF )  
KRS 278.020, KRS 278.300 AND 807 KAR 5:001 )**

\*\*      \*\*\*      \*\*\*\*      \*\*\*\*\*      \*\*\*\*      \*\*\*      \*\*

**APPLICATION**

The Applicant, Adair County Water District, d/b/a Columbia/Adair Utilities District ("Adair District"), files this Application pursuant to KRS 278.020(1), KRS 278.300 and KAR 5:001, and all other applicable laws and regulations, and requests that the Kentucky Public Service Commission (the "Commission") grant Adair District a Certificate of Public Convenience and Necessity ("CPCN") to construct a sewer system improvements project (the "Project") and an order authorizing the issuance of securities to finance said Project. In support of this Application, and in compliance with the rules and regulations of the Commission, Adair District states as follows:

1. Adair District was established in accordance with the provisions of Chapter 74 of the Kentucky Revised Statutes pursuant to an Order of the Adair County Judge/Executive, which Order is on file in the County Court Order Books in the office of the Adair County Clerk. Adair District is now, and has been since its inception, regulated by the Commission, and all records and

proceedings of the Commission with reference to Adair District are incorporated in this Application by reference. Adair District does not have any Articles of Incorporation due to the fact that it is a statutory entity.

2. The governing body of Adair District is its Board of Commissioners which is a public body corporate, with power to make contracts in furtherance of its lawful and proper purpose as provided for in KRS 74.070 and all applicable law and regulations.

3. The mailing address of Adair District is as follows:

Adair County Water District d/b/a Columbia/Adair Utilities District  
c/o Mr. Lenny Stone, General Manager  
109 Grant Lane  
Columbia, Kentucky 42728  
Telephone: (270) 384-2181  
Fax: (270) 384-3437  
Email: [lenny.stone@caud.net](mailto:lenny.stone@caud.net)

4. A general description of Adair District's system property, together with a statement of the original cost, is contained in Adair District's Annual Report for 2019 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. Pursuant to 807 KAR 5:001, Section 15 - Applications for Certificates of Public Convenience and Necessity, Adair District hereby responds as follows:

(i) Section 15(2)(a): Facts Relied Upon to Show Public Necessity: The proposed Project and the need for the Project is described in **Exhibit "A"** attached hereto.

(ii) Section 15(2)(b): Copies of Permits: Required permits are attached hereto as **Exhibit "B"**.

- (iii) Section 15(2)(c): Description of Proposed Location or Route. Construction of the Project is being performed within the boundaries of Adair District and is detailed in the location map referred to in paragraph 5(iv) below. The proposed Project will not compete with any other public utilities and will not result in any wasteful duplication.
- (iv) Section 15(2)(d)(1): Maps to Suitable Scale: Three copies (two paper medium and one electronic storage medium) of maps to suitable scale showing the location of the proposed Project, as well as the location of like facilities owned by others located anywhere within the map area are being filed with this Application.
- (v) Section 15(2)(d)(2): Plans and Specifications: The signed, sealed and dated Plans and Specifications in .pdf format on electronic storage medium are being filed with this Application.
- (vi) Section 15(2)(e) Financing: Adair District is financing the Project with the proceeds of a loan from the Kentucky Infrastructure Authority ("KIA") Federally Assisted Wastewater Revolving Loan Fund (A20-016) in the principal amount not to exceed \$2,104,870 (the "KIA Loan"). The KIA Loan will be evidenced by an Assistance Agreement between Adair District and KIA and Adair District has received a conditional commitment letter dated March 6, 2020 (the "Commitment"). A copy of the Commitment is attached hereto as **Exhibit "C"**. KIA approved an extension of time to meet the conditions of the Commitment such extension expiring on September 6,

2021. A copy of the KIA extension letter dated March 10, 2021 is attached hereto as **Exhibit "D"**.

- (vii) Section 15(2)(f) Statement of Estimated Annual Cost of Operation: a statement of the estimated annual cost of operation after the Project is placed in service is titled Proposed Operating Budget and is attached hereto as **Exhibit "E"**.

6. The detailed Statement of Net Position; Statement of Revenue, Expenses and Changes in Net Position; and Statement of Cash Flows for the twelve month periods ending on December 31, 2018 and 2019 are attached hereto as **Exhibit "F"** respectively.

7. Pursuant to 807 KAR 5:001, Section 12 - Financial Exhibit; Adair District hereby responds as follows:

- (i) Section 12(1)(a): Adair District states that it had less than \$5,000,000 in gross annual revenue in the immediate past calendar year and that no material changes have occurred since December 31, 2019.
- (ii) Section 12(2)(a), (b) and (c) Stock: Adair District does not have any authorized, issued or outstanding stock as of the date hereof.
- (iii) Section 12(2)(d) Mortgages: Adair District does not have any outstanding mortgages as of the date hereof.
- (iv) Section 12(2)(e), (f) and (g) Indebtedness: The information concerning the outstanding indebtedness of Adair District is contained in the financial statements which have been filed with the Commission and are incorporated herein by reference.

- (v) Section 12(2)(h) Dividends: Adair District has no outstanding stock and therefore pays no dividends.
  - (vi) Section 12(2)(i) Financial Statements: See **Exhibit "F"** attached hereto.
8. Pursuant to 807 KAR 5:001, Section 18, Adair District hereby responds as follows:
- (i) Section 18(1)(a): Adair District has complied with the requirements of 807 KAR 5:001, Section 14.
  - (ii) Section 18(1)(b): A general description of Adair District's property, its field of operation and a statement of original cost of said property and the cost to Adair District is contained in Adair District's 2019 Annual Report on file with this Commission.
  - (iii) Section 18(1)(c): Adair District is not issuing any stock as part of this financing. The information concerning the proposed KIA Loan is contained in this Application and the supporting exhibits. The KIA Loan will be secured by and payable from the gross revenues of Adair District's water and sewer system.
  - (iv) Section 18(1)(d): Adair District is not refunding any outstanding obligations in connection with this Project. The proceeds of the KIA Loan are being used for the construction of the Project described in **Exhibit "A"**.
  - (v) Section 18(1)(e): See paragraph 5(i) above and paragraph 8(x) below.
  - (vi) Section 18(1)(f): Adair District is not refunding any outstanding obligations in connection with this Project.

- (vii) Section 18(1)(g): Written notification of the proposed issuance of the KIA Loan is being provided to the State Local Debt Officer (see **Exhibit "G"** attached hereto).
- (viii) Section 18(2)(a): See paragraph #7 above.
- (ix) Section 18(2)(b): Adair District does not have any outstanding trust deeds or mortgages.
- (x) Section 18(2)(c): 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 hereto as **Exhibit "H"**.

9. Copies of the bid tabulations as certified by the Engineers for the Project are attached hereto as **Exhibit "I"**.

10. Pursuant to 807 KAR 5:071, Section 3, Adair District hereby responds as follows:

- (i) Section (1)(a): Adair District has no third party agreements guaranteeing continued operation of the sewage treatment facilities in place as of the date of this Application.
- (ii) Section (1)(b): The required Kentucky approval letters are attached hereto as **Exhibit "B"**.
- (iii) Section (1)(c): A detailed map of the sewage treatment facilities is being filed with this Application.
- (iv) Section (1)(d): The Final Project Cost Summary is attached hereto as **Exhibit "J"**.
- (v) Section (1)(e): The Financial Exhibit is set forth in Paragraph 7 above.

- (vi) Section (1)(f): The details of the financing of the Project are set forth in Paragraph 5(iv) above.
- (vii) Section (1)(g): The estimated cost of operation after the proposed Project is attached hereto as **Exhibit "E"**.
- (viii) Section (1)(h): The Project is expected to directly benefit 96 residential customers (rehabbing or replacing lines). The average monthly water usage for these customers is estimated to be 4,276 gallons.
- (ix) Sections (1)(h), (i), (j), (k) and (l): These sections do not apply as no rate increase is being requested in connection with this Application.
- (vii) Section (3)(3)(a): The amortization schedules of present and proposed indebtedness are contained in the Note #6 of the Audited Financial Statements for years ended December 31, 2019 and 2018 on file with the Commission which Financial Statements are incorporated herein by reference.

11. No rate adjustment will be necessary.

**WHEREFORE**, the Adair County Water District respectfully requests that the Commission take the following actions:

- A. Grant Adair District a Certificate of Public Convenience and Necessity permitting Adair District to construct the Project;
- B. Authorize the issuance of securities pursuant to the KIA Assistance Agreement evidencing the KIA Loan in an amount not to exceed \$2,104,870; and
- C. Grant Adair District any other relief to which it is entitled.

Adair County Water District d/b/a Columbia/Adair  
Utilities District

By William Harris

William Harris, Chairman  
109 Grant Lane  
Columbia, Kentucky 42728  
Telephone: (270) 384-2181  
Fax: (270) 384-3437  
Email: [lenny.stone@caud.net](mailto:lenny.stone@caud.net)

Rubin & Hays

By W. Randall Jones

W. Randall Jones  
Kentucky Home Trust Building  
450 South Third Street  
Louisville, Kentucky 40202  
Phone: (502) 569-7534  
Fax: (502) 569-7555  
Counsel for Adair County Water District  
[wrjones@rubinhays.com](mailto:wrjones@rubinhays.com)



STATE OF KENTUCKY            )  
  ) SS  
COUNTY OF ADAIR            )

The affiant, William Harris, being first duly sworn, states: That is the Chairman of the Adair County Water District, d/b/a Columbia/Adair Utilities District, the Applicant in this case; that he has read the foregoing Application and has noted the contents thereof; that the same are true of his own knowledge and belief, except as to matters which are herein stated to be based on information or belief, and that these matters, believes to be true and correct.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on the 13 day of April, 2021.

William Harris  
William Harris, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by William Harris, Chairman of the Adair County Water District, d/b/a Columbia/Adair Utilities District on this the 13 day of April, 2021.

My Commission expires: 4-22-2023.

Jennifer Carter  
Notary Public  
Notary ID#: 619579

**CERTIFICATE OF SERVICE**

The undersigned, in accordance with 807 KAR 5:001, Section 8, hereby certifies that Adair County Water District's electronic filing of the foregoing Application is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Kentucky Public Service Commission on April 14, 2021; that there are currently no parties that the Kentucky Public Service Commission has excused from participation by electronic means in this proceeding; and that this Response in paper medium will be delivered to the offices of the Kentucky Public Service Commission in Frankfort, Kentucky in accordance with the mandates set forth in the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085.



W. Randall Jones, Esq.

Rubin & Hays

Kentucky Home Trust Building

450 South Third Street

Louisville, Kentucky 40202

Phone: (502) 569-7525

Fax: (502) 569-7555

Counsel for Adair County Water District

# **EXHIBIT A**

## **Public Necessity and Project Description**

## **COLUMBIA/ADAIR UTILITIES DISTRICT – SEWER SYSTEM IMPROVEMENTS PHASE 1**

### **PROJECT DESCRIPTION**

The Columbia/Adair Utilities District (CAUD) is proposing to replace or rehab approximately 13,600 linear feet of sewer lines along various streets in the City of Columbia. The sewer pipe to be replaced is 8-inch clay tile. Approximately, 4,050 linear feet of the sewer line will be replaced with 8-inch PVC. The balance of 9,450 linear feet will be slip lined with 8-inch PVC. In the slip lining process, the new pipe is inserted as a resin then heated to form to the size and shape of the clay tile. Then it hardens and fractures the clay tile; effectively replacing the clay tile with PVC without having to excavate trenches. This process will enable CAUD to replace a major section of the old clay tile along a state highway without tearing up the roadway.

Also, as part of this project, the existing lift stations: Long Hunter #1 and #2 will be replaced and the pumps in the Don Franklin lift station will be replaced.

The areas where sewer lines will be replaced or rehabbed are:

Carrie Bolin Drive  
Jamestown Road  
Heskamp Street  
Hayes Lane  
Guthrie Avenue  
Elm Street  
Montgomery Avenue  
Trabue Street  
Lindsey Wilson Street  
Hellen Flatt Drive  
Maple Street  
Hudson/Burkesville Street  
Area from Don Franklin LS

### **PROJECT NEED**

This project is needed to eliminate health and safety threats from sewer stoppages and overflows. The existing manholes are in poor condition that causes constant inflow and infiltration. Most of the current lift stations have exceeded their life expectancy and are in need of larger capacities or pumps to handle the sewage volumes.

# **EXHIBIT B**

## Required Permits

**ANDY BESHEAR**  
GOVERNOR



**REBECCA W. GOODMAN**  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

**ANTHONY R. HATTON**  
COMMISSIONER

300 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40601

June 25, 2020

Mr. Lennon Stone  
Kentucky Engineering Group PLLC  
161 N Locust St  
Versailles, KY 40383-1235

RE: Phase 19 Sewer System Improvements-SRF  
A20-016  
Adair County, KY  
Columbia WWTP  
AI #: 2, FGL20200006

Dear Mr. Lennon Stone:

The Kentucky Division of Water (DOW) has reviewed for completeness and adequacy the construction plans and specifications submitted for the above referenced contract(s). 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. The plans consist of the replacement of Long Hunter Pump Stations 1 and 2, 100 GPM @ 95 TDH and 100 GPM @ 107 TDH; two (2) replacement pumps and new appurtenances for the Don Franklin Pump Station with pumps capable of 350 GPM @ 122 TDH; 60 LF of 4-inch PVC force main, and 4,100 LF of 8-inch PVC sewer replacement in-place, 6,100 LF of 8-inch CIPP rehab, 220 LF of 6-inch CIPP rehab, cleaning and rehab of nineteen (19) manholes, and other related point repairs. 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 have sent 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 the 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

Phase 19 Sewer System Improvements  
A20-016  
Columbia WWTP  
AI #: 2, FGL20200006  
June 25, 2020  
Page 2 of 3

Davis-Bacon wage rates are applicable for this project. Please contact all other funding sources for their requirements pertaining to federal wage rates.

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.

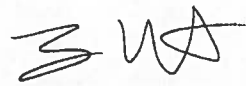
Upon completion of the project, as-built drawings shall be provided to the DOW. As-builts shall be stamped, signed and dated by a professional engineer. A written certification stating that the project was constructed according to the approved plans shall be provided to the DOW by a professional engineer.

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.

Phase 19 Sewer System Improvements  
A20-016  
Columbia WWTP  
AI #: 2, FGL20200006  
June 25, 2020  
Page 3 of 3

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 agreement. If we can be of further assistance, please call David Coe, Project Engineer, at (502) 782-6296.

Sincerely,



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

TH:DRC  
Enclosures

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

C: Columbia Adair Utility District  
Kentucky Infrastructure Authority  
Cabinet for Economic Development  
Adair County Health Department  
Division of Plumbing



**SRF ELIGIBLE ITEMS:**

Contract: Phase 19 Sewer System Improvements Sewer Main Replacement and Rehabilitation  
All bid items in the bid schedule are eligible.

1. Clean and Quick Pull TV 6" and 8"
2. Heavy Cleaning 6" and 8"
3. Mechanical Root Removal 6" and 8"
4. Reverse Set Up Cleaning
5. Install 8" Diameter Cured In Place Pipe
6. Point Repair 8" Pipe
7. Service Lateral Connection Replacement
8. Service Lateral Connection Reinstatement
9. Bypass Pumping Set-Up
10. Bypass Pumping
11. Asphalt Surface Replacement for Point Repair
12. Asphalt Surface Replacement for Service Connection
13. Asphalt Surface Replacement
14. Cementitious Manhole Coating
15. 8" Gravity Sewer
16. 4' Diameter Manhole
17. Connection to Existing Gravity Sewer
18. 6" CIPP Cured In Place Pipe
19. Dig and Replace 6" Gravity Sewer
20. Concrete Curb and Gutter
21. Clean Manhole
22. Seal Joint in Manhole
23. Install Trough
24. Replacement of Long Hunter 1 Pump Station
25. Replacement of Long Hunter 2 Pump Station
26. Rehabilitation of Don Franklin Pump Station including new pumps

**SRF INELIGIBLE ITEMS:**

Contract: Phase 19 Sewer System Improvements Sewer Main Replacement and Rehabilitation  
None of the bid items in the bid schedule are in-eligible.

**APPROVAL CONDITIONS:**

1. Provide Clear Site Certificates
2. Complete and return the Project Review and Cost Summary Form.

# 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) Revised (As-bid) Budget (form attached).
  - c) Original bid advertisement or copy of advertisement with affidavit of publication.
  - d) Certified Bid Tabulations with engineer's seal.
  - e) Davis-Bacon ATA Certification form (with Project Wage Rate Sheet HUD-4720 form).
  - g) Clear Site Certificates.
  - h) DBE Documentation (See Attachment No. 11 of the Supplemental General Conditions (SGC)):
    - (1) Disadvantaged Business Enterprise Participation Policy form 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.

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  enter date

As Bid  enter date

Revised  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									
<b>Total</b>									

Funding Sources	Amount	Date Committed
1		
2		
3		
4		
5		
<b>Total</b>		

Local Funding Sources	Amount	Date Committed
1		
2		
3		
<b>Total</b>		

Total Funding \$ \_\_\_\_\_

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)		
<b>Total Costs</b>		

**Sewer Line Construction**  
Columbia WWTP  
Facility Requirements

Activity ID No.: APE20200002

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**GACT0000000014 (Phase 19 Sanitary Sewer Improvements) Replacement of Long Hunter Pump Statons 1 and 2, 100 GPM @ 95 TDH and 100 GPM @ 107 TDH; 60 LF of 4-inch PVC force main, and 4,100 LF of 8-inch PVC SLE:**

**Submittal/Action Requirements:**

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Condition No.	Condition
S-1	When this project is completed, the applicant shall: submit written certification: Due 30 calendar days after Completion of Construction to the Division of Water that the facilities have been constructed and tested in accordance with the approved plans and specifications and the approval conditions. Such certification shall be signed by a registered professional engineer. Failure to certify may result in penalty assessment and/or future approvals being withheld. [401 KAR 5:005 Section 24(2)]

**Narrative Requirements:**

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Condition No.	Condition
T-1	The plans and specifications submitted for the project are approved by the Department of Environmental Protection as to sanitary features, subject to the requirements contained within the permit. [401 KAR 5:005 Section 24(3)]
T-2	Authority to construct these sewers is hereby granted. This approval is issued under the provisions of KRS Chapter 224.10-100 (19) regulations promulgated pursuant thereto. Issuance of this permit does not relieve the permittee from the responsibility of obtaining any permits or licenses required by this cabinet and other state, federal, and local agencies. [401 KAR 5:005 Section 24(3)(c)2]
T-3	A permit to construct a facility shall be effective and valid for twenty-four (24) months upon issuance unless otherwise conditioned. If construction has not commenced within twenty-four (24) months following a permit's issuance, a new permit shall be obtained before construction may begin. [401 KAR 5:005 Section 24(1)]
T-4	The permit is issued to the applicant, and the permittee shall remain the responsible party for compliance with all applicable statutes and administrative regulations until a notarized applicable change in ownership certification is submitted and the transfer of ownership is acknowledged by the cabinet. [401 KAR 5:005 Section 28(1)]
T-5	The issuance of a permit by the cabinet does not convey any property rights of any kind or any exclusive privilege. [401 KAR 5:005 Section 24(5)]
T-6	There shall be no deviations from the plans and specifications submitted with the application or the conditions specified, unless authorized in writing by the cabinet. [401 KAR 5:005 Section 24(3)(b)1]

**Sewer Line Construction**  
Columbia WWTP  
Facility Requirements

Activity ID No.:APE20200002

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**GACT0000000014 (Phase 19 Sanitary Sewer Improvements) Replacement of Long Hunter Pump Statons 1 and 2, 100 GPM @ 95 TDH and 100 GPM @ 107 TDH; 60 LF of 4-inch PVC force main, and 4,100 LF of 8-inch PVC SLE:**

**Narrative Requirements:**

Condition No.	Condition
T-7	<p>For subfluvial pipe crossings, a floodplain construction permit will not be required pursuant to KRS 151.250, if the following requirements of 401 KAR 4:050 Section 2 are met:</p> <ol style="list-style-type: none"><li>1) During the construction of the crossing, no material may be placed in the stream or in the flood plain of the stream to form construction pads, coffer dams, access roads, etc., unless prior approval has been obtained from the cabinet.</li><li>2) The trench shall be backfilled as closely as possible to the original contour. All excess material from construction of the trench shall be disposed of outside of the flood plain, unless the applicant has received prior approval from the cabinet to fill within the flood plain.</li><li>3) For subfluvial crossings of erodible channels, there shall be at least thirty (30) inches of clear cover above the top of the pipe or conduit at all points.</li><li>4) For subfluvial crossings of nonerodible channels, there shall be at least six (6) inches of clear cover above the top of the pipe or conduit at all points, and the pipe or conduit shall be encased on all sides by at least six (6) inches of concrete.</li><li>5) The weight of a pipe and its contents during normal operating conditions at all points must exceed that of an equal volume of water, or the applicant must provide the division with sufficient information to show that the pipe and joints have sufficient strength.</li></ol> <p>Contact the Floodplain Management Section of the Surface Water Permits Branch at (502) 564-3410 with any question on these requirements. [KRS 151.250 &amp; 401 KAR 4:060]</p>
T-8	<p>If any portion of the sewer project will be constructed in or along a stream or wetland, contact the Water Quality Certification Section, located within the Water Quality Branch, at 502-564-3410, to determine if a 401 certification will be required. [KRS 224.16-050]</p>
T-9	<p>Facilities shall be designed and constructed in accordance with the "Recommended Standards for Wastewater Facilities" of the Great Lakes-Upper Mississippi River Board of State Public Health and Environmental Managers, commonly referred to as "Ten States' Standards", 2004 edition. [401 KAR 5:005 Section 7(1)(a)]</p>
T-10	<p>Gravity sewer lines and force mains shall be designed and constructed to give mean velocities, when flowing full, of not less than two (2) feet per second. Velocity calculations shall incorporate roughness coefficients pursuant to 401 KAR 5:005 Section 8(8). [401 KAR 5:005 Section 8(8)]</p>
T-11	<p>Sewer line pipe material, joints, fittings, and installation shall conform to the latest ASTM specifications. [Ten States (WW) 33.7-33.9]</p>
T-12	<p>Gravity sewer lines and force mains shall have a minimum of thirty (30) inches of cover or provide comparable protection. [401 KAR 5:005 Section 8(9)]</p>

**Sewer Line Construction**  
Columbia WWTP  
Facility Requirements

Activity ID No.:APE20200002

Page 3 of 4

**GACT000000014 (Phase 19 Sanitary Sewer Improvements) Replacement of Long Hunter Pump Statons 1 and 2, 100 GPM @ 95 TDH and 100 GPM @ 107 TDH; 60 LF of 4-inch PVC force main, and 4,100 LF of 8-inch PVC SLE:**

**Narrative Requirements:**

Condition No.	Condition
T-13	Sewer lines crossing water mains shall be laid to provide a vertical distance of eighteen (18) inches between the outside of the water main and the outside of the sewer line. This shall be the case where the water main is either above or below the sewer line. The crossing shall be arranged so that the sewer line joints are equidistant and as far as possible from the water main joints. Where a water main crosses under a sewer, adequate structural support shall be provided for the sewer line to prevent damage to the water main. [Ten States (WW) 38.32]
T-14	Sewer lines shall be laid at least ten (10) feet horizontally from any existing or proposed water main. The distance shall be measured from edge to edge. [Ten States (WW) 38.31]
T-15	If gravity sewer lines and force mains are to be constructed in fill areas, the fill areas shall be compacted to ninety-five (95) percent density as determined by the Standard Proctor Density test or to a minimum of ninety (90) percent density as determined by the Modified Proctor Density test prior to the installation of the sewer lines. [401 KAR 5:005 Section 8(10)]
T-16	An audible and visible alarm shall be provided at any proposed wastewater pump station. [Ten States (WW) 46]
T-17	All proposed pump station wetwells shall be sized such that, based on the average flow, the time to fill the wetwell from the pump-off elevation to the pump-on elevation shall not exceed thirty (30) minutes. [401 KAR 5:005 Section 8(16)]
T-18	All pump stations shall provide a minimum of two (2) hours of detention time, based on the average design flow, above the high level alarm elevation or provide an alternate source of power with wetwell storage providing sufficient time for the alternate power source to be activated. [401 KAR 5:005 Section 8(18)]
T-19	The integrity of a new gravity sewer line shall be verified by either the infiltration-exfiltration or low pressure air testing method, and a deflection test shall be performed, if using flexible pipe. The deflection test shall be performed after the final backfill has been in place for at least thirty (30) days with no pipe exceeding a deflection of five (5) percent. Additionally, each new manhole shall be tested for water tightness. [401 KAR 5:005 Section 8(6)(a)]
T-20	The entrance of groundwater into or loss of waste from a new gravity sewer line shall be limited to two-hundred (200) gpd per inch of diameter per mile of the gravity sewer line. This limitation includes manholes, gravity sewer lines, and appurtenances. [401 KAR 5:005 Section 8(5)]
T-21	The integrity of any proposed force main shall be verified by leakage tests. The specifications shall include testing methods and leakage limits. [401 KAR 5:005 Section 8(6)(b)]
T-22	Each high point in the sewer force main shall have an automatic air release valve. [401 KAR 5:005 Section 8(19)]

**Sewer Line Construction**  
Columbia WWTP  
Facility Requirements

Activity ID No.:APE20200002

Page 4 of 4

**GACT0000000014 (Phase 19 Sanitary Sewer Improvements) Replacement of Long Hunter Pump Statons 1 and 2, 100 GPM @ 95 TDH and 100 GPM @ 107 TDH; 60 LF of 4-inch PVC force main, and 4,100 LF of 8-inch PVC SLE:**

**Narrative Requirements:**

---

Condition No.	Condition
T-23	Adequate thrust blocks shall be provided at all significant bends in any proposed sewer force main, in order to prevent movement of the main. [Ten States (WW) 49.4]
T-24	Pumps and force mains handling raw wastewater shall be capable of passing spheres of at least three (3) inches in diameter. Pump suction and discharge openings, as well as sewer force main pipe, shall be a minimum of four (4) inches in diameter. The above requirements do not apply to grinder pump stations or force mains directly connected to grinder pump stations. [Ten States (WW) 42.33, 49.1]



# **EXHIBIT C**

KIA Conditional Commitment Letter



## KENTUCKY INFRASTRUCTURE AUTHORITY

Andy Beshear  
Governor

100 Airport Road  
Frankfort, Kentucky 40601  
(502) 573-0260  
(502) 696-0676 (fax)  
kia.ky.gov

Edith Halbleib  
Executive Director

March 6, 2020

The Honorable William Harris, Chairman  
Adair County Water District DBA Columbia/Adair Utilities District  
109 Grant Lane, PO Box 567  
Columbia, KY 42728

### KENTUCKY INFRASTRUCTURE AUTHORITY FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND CONDITIONAL COMMITMENT LETTER (A20-016)

Dear Chairman Harris:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On March 5, 2020, the Authority approved your loan for the Downtown Sewer System Improvement - Phase 1 project subject to the conditions stated in Attachment A to this letter. The total cost of the project shall not exceed \$2,104,870, without prior authorization, of which the Authority is the sole source of the funding. The final loan amount will be equal to the amount of funds disbursed for the project. Attachment B incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the Adair County Water District DBA Columbia/Adair Utilities District upon satisfactory performance of the conditions set forth in Attachment A. You must meet the conditions set forth in Attachment A and enter into an Assistance Agreement by March 6, 2021 (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.

Chairman Harris  
March 6, 2020  
Page 2

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,



Linda Bridwell, PE  
Deputy Executive Director  
Kentucky Infrastructure Authority

Attachments

cc: Holly Nicholas, Kentucky Engineering Group, PLLC  
Kentucky Engineering Group, PLLC, James C Thompson

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms along with the completed "Transparency Act Reporting Information Form". Complete the attached "Authorization for Electronic Deposit of Vendor Payment Form" and the "ACH Debit Authorization Form" **and return to the US Bank address at the bottom of each form**. Also included are the "Legal Counsel Certification Letter" sample and the "Statement of Approval of Projections of Revenue and Expenses" for you to complete at the appropriate time.

We have attached an SRF loan checklist to use as a guide.



Accepted



Date

The Assistance Agreement and this commitment shall be subject, but not limited to, the following terms:

1. The Authority project loan shall not exceed \$2,104,870 without prior authorization.
2. This loan was not eligible for principal forgiveness.
3. The loan shall bear interest at the rate of 0.50% 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. KIA requires the use of Automated Clearing House (ACH) debits for payment of all balances due on the loan. This will ensure that payments are credited timely to your account without the risk of incurring late payment fees. If the due date falls on a weekend or holiday your account will be debited on the next business day. Please complete and return the attached authorization to U.S. Bank for processing.
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 30 years from the date of initiation of operation for the project.
7. A loan servicing fee of 0.20% of the 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 "A" loan funds may be considered to be federal funds. If more than \$750,000 of federal funds is disbursed during any one (borrower) fiscal year, the borrower is required to have a single or program-specific audit conducted for that year in accordance with 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

11. The Authority requires that 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.
13. The borrower must maintain a 1.1 debt coverage ratio throughout the life of the KIA loan. All borrowers are subject to at least an annual financial review for compliance.

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. 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 B must be satisfied before the project is presented before the Committee.
4. 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.
5. The Borrower must complete and forward the attached "Authorization for Electronic Deposit of Vendor Payment" form to US Bank.
6. The Borrower must provide documentation of Eclearinghouse Endorsement and Eclearinghouse Comments.
7. Prior to the project bid, an environmental review shall be conducted by the Division of Water for all construction projects receiving State Revolving Fund ("SRF") money.
8. Technical plans and specifications and a complete SRF specifications checklist shall be approved by the Division of Water prior to project bid.

9. 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.
10. 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 SRF loan project.
11. Borrower 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.
12. 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.
13. 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 for all work relating to the subject Project.
14. 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.
15. This project qualifies for Green Project Reserve (GPR) funding for \$2,104,870, for the Energy Efficiency category.
16. Based on the final "as-bid" project budget, the Borrower must provide 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.
17. 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.
18. Pursuant to the Water Resources Reform and Development Act (WRRDA)

Chairman Harris  
March 6, 2020  
Attachment A

of 2014, all CWSRF loan recipients must certify that they have a Fiscal Sustainability Plan for projects that involve the repair, replacement, or expansion of treatment works. Additionally, borrowers must also certify that they have studied and evaluated the cost and effectiveness of the processes, materials, techniques, and technologies for the funded project and that they have selected, to the maximum extent practicable, a project that maximizes the potential for efficient water and energy conservation, taking into consideration capital cost, operation and maintenance, and replacement cost.

Any special conditions stated in Attachment B must be resolved.

## SRF LOAN CONDITIONS CHECKLIST

Congratulations on receiving a conditional commitment of funding from the State Revolving Fund (SRF) Program. Borrowers will now be assigned a Compliance Analyst to help guide them through the rest of the loan process based on which Area Development District (ADD) they are located. Please submit all documents to one of the following contacts:

- Julie Bickers ([Julie.Bickers@ky.gov](mailto:Julie.Bickers@ky.gov), 502-892-3455): Purchase, Pennyrile, Green River, Barren River, Lake Cumberland.
- Debbie Landrum ([Debbie.Landrum@ky.gov](mailto:Debbie.Landrum@ky.gov), 502-892-3454): Lincoln Trail, KIPDA, Northern KY, Bluegrass.
- Sarah Parsley ([Sarah.Parsley@ky.gov](mailto:Sarah.Parsley@ky.gov), 502-892-3177): Buffalo Trace, Gateway, FIVCO, Big Sandy, KY River, Cumberland Valley

After all of the conditions of the Conditional Commitment Letter have been fulfilled, KIA will initiate the Assistance Agreement with the borrower. The Assistance Agreement must be fully executed before any funds may be disbursed. The following is a list of items needed to process your loan (forms can be found here <https://kia.ky.gov/FinancialAssistance/Pages/Forms.aspx>):

Before bid opening, submit the following items to the designated Compliance Analyst/DOW Contact:

Submit To:	
KIA	<input type="checkbox"/> <b>Conditional Commitment Letter</b> (this letter is sent to the borrower via email shortly following KIA board approval and is to be signed by the authorizing official);
USBANK	<input type="checkbox"/> <b>Authorization for Electronic Deposit/Debit of Borrower Disbursements/ Payment</b> (these forms are attached to the loan commitment letter sent after KIA board approval and are to be signed by the authorizing official and forwarded directly to US Bank)
KIA	<input type="checkbox"/> <b>Transparency Form</b> (this form is attached to the loan commitment letter sent after KIA board approval)
DOW	<input type="checkbox"/> <b>Fiscal Sustainability Plan Certification and Cost and Effectiveness Certification</b> (required for "A" loans only, prior to plans approval)
DOW	<input type="checkbox"/> <b>Environmental review</b> (Kentucky Division of Water will review and is required prior to plans approval. KIA will need copy of approval letter)
DOW	<input type="checkbox"/> <b>Plans and specifications</b> (Kentucky Division of Water will review and KIA will need copy of approval letter)
KIA	<input type="checkbox"/> <b>Proof of compliance with any special condition identified in the Conditional Commitment Letter</b> (e.g. adopted ordinance)

After the project has opened bids, please submit the following items to the designated Compliance Analyst/DOW Contact. It is imperative that the remaining standard conditions are fulfilled by the deadlines set forth in the Conditional Commitment Letter.

Submit To:	
DOW	<input type="checkbox"/> <b>Authority to Award (ATA) Package</b> , the Kentucky Division of Water will review and forward approval to KIA.
DOW	<input type="checkbox"/> <b>Davis-Bacon prevailing wage rates</b> , the Kentucky Division of Water will review and forward approval to KIA.
KIA	<input type="checkbox"/> <b>Procurement and Wage Certification</b> (KIA sends to borrower after bid opening.)
KIA	<input type="checkbox"/> <b>Certification of obtainable revenue projections</b> (KIA sends to borrower after bid opening.)
DOW	<input type="checkbox"/> <b>Certification of clear site</b> (DOW will forward to KIA.)
	<input type="checkbox"/> <b>Plans and specifications approval</b> from the Kentucky Division of Water (DOW will send approval to KIA.)
KIA	<input type="checkbox"/> <b>Public Service Commission (PSC) approval</b> , (CPCN and Authorization to Incur Debt) if applicable.



**AUTHORIZATION FOR ELECTRONIC DEPOSIT  
OF BORROWER PAYMENT  
KENTUCKY INFRASTRUCTURE AUTHORITY**

**LOAN NUMBER: A20-016**

**Borrower Information:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: KY Zip: \_\_\_\_\_

Federal I.D. #: \_\_\_\_\_ Telephone: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Email: \_\_\_\_\_

**Financial Institution Information:**

Bank Name: \_\_\_\_\_

Branch: \_\_\_\_\_ Telephone: \_\_\_\_\_

City: \_\_\_\_\_ State: KY Zip: \_\_\_\_\_

Transit / ABA No: \_\_\_\_\_

Account Name: \_\_\_\_\_

Account Number: \_\_\_\_\_

I, the undersigned, authorize payments directly to the account indicated above and to correct any errors which may occur from the transactions. I also authorize the Financial Institution to post these transactions to that account.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name Printed: \_\_\_\_\_ Job Title: \_\_\_\_\_

**Send to: U.S. Bank  
Attention: Corporate Trust Administration  
One Financial Square  
Mail Code: CN-KY-0850  
Louisville, KY 40202**

KIA Loan # A20-016

**ACH DEBIT AUTHORIZATION FORM**

**AUTHORIZATION AGREEMENT FOR PRE-ARRANGED PAYMENTS  
(DEBITS)**

The undersigned hereby authorizes U.S. Bank National Association Corporate Trust Department ("U.S. Bank") to initiate debit entries to the Checking  Savings  (specify type) account indicated below at the bank named below:

BANK NAME \_\_\_\_\_ BRANCH \_\_\_\_\_  
CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_  
BANK TRANSIT/ABA NO. \_\_\_\_\_ ACCOUNT NO. \_\_\_\_\_

This authority is to remain in full force and effect until U.S. Bank has received written notification from the undersigned of its termination in such time and in such manner as to afford U.S. Bank a reasonable opportunity to act. The undersigned has the right to stop payment of a debit entry by reasonable prior written notification to U.S. Bank. After the above account has been charged, the undersigned has the right to have the amount of any erroneous debit immediately credited to its account by U.S. Bank up to 30 days following issuance of a statement.

NAME OF ENTITY: \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
TAX IDENTIFICATION NUMBER: \_\_\_\_\_

By \_\_\_\_\_ Dated \_\_\_\_\_  
Authorized Signer

Send to: U.S. Bank  
Attention: Corporate Trust Administration  
One Financial Square  
Mail Code: CN-KY-0850  
Louisville, KY 40202

**TRANSPARENCY ACT REPORTING INFORMATION FORM**  
**CLEAN WATER STATE REVOLVING FUND**  
**AND**  
**DRINKING WATER STATE REVOLVING FUND**

This form is required for projects funded in whole or in part from the Clean Water State Revolving Fund or the Drinking Water State Revolving Fund. This form is to be completed and returned with the signed Conditional Commitment Letter from the Kentucky Infrastructure Authority.

**Borrower Information:**

Name:	
Data Universal Numbering system (DUNS) No.*:	
KIA Loan Number:	
Street Address	
City, State and Zip (Zip must include 4 digit extension)	
Federal Congressional District(s) of Borrower Utility Service Area:	

\*If the DUNS No. provided above is registered under a different name than the recipient of funding, please provide the registration name below:

DUNS Name	
-----------	--

\*If the recipient has not yet obtained a DUNS Number, please do so no later than 30 days after the KIA Board approval date of your loan request and provide notification to KIA of the number once issued. For instructions on DUNS registration, please contact [jeff.abshire@ky.gov](mailto:jeff.abshire@ky.gov).

**Physical Location of Project (Primary Place of Performance)**

Street Address	
City, State and Zip (Zip must include 4 digit extension)	
Federal Congressional District(s) of Project Location	

**Reliance upon Federal Assistance (please answer the below questions Yes or No):**

Did recipient receive 80% or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards) during the last fiscal year?	
Did recipient receive \$25 million or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards) during the last fiscal year?	
Does the public have access to compensation of senior executives of the recipient through periodic reports filed under Section 13A or 15D of the Securities Exchange Act of 1934 or Section 6104 of the Internal Revenue Code of 1986?	

**DUNS Registration Information:** <http://fedgov.dnb.com/webform> OR 1-866-705-5711

Registration can be completed over the phone or via the web. Phone registration requests take approximately 10 minutes and are free. Internet requests are fulfilled within 24 hours.

# SAMPLE LETTER

[Letterhead of Counsel for Water Utility]

[Date]

Kentucky Infrastructure Authority  
100 Airport Road  
Frankfort, Kentucky 40601

RE: SRF Loan#  
City of xxxxx

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the XXXXXXXXXXXXX, hereinafter referred to as the "Water Utility ". I am familiar with the organization and existence of the Water Utility and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the water project (the "Project") with respect to which the funding commitment by and between the Kentucky Infrastructure Authority ("Authority") and the Water Utility.

I have reviewed the commitment letter by and between the Authority and the Water Utility and the documentation regarding wage rates and procurement with respect to the Project.

Based upon my review I am of the opinion that:

The Water Utility has prepared construction specifications in accordance with all applicable 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 all applicable federal, state and local procurement laws.

Respectfully,

**COMPLETE AFTER BID OPENING**

**STATEMENT OF APPROVAL  
OF PROJECTIONS OF REVENUE AND EXPENSES**

Borrower Name: \_\_\_\_\_

Loan No.: \_\_\_\_\_

I hereby certify that the revenue projections in the attached descriptions are still obtainable and that projections of operating expenses have not materially changed based on the "as-bid" budget submitted for the Project.

**Signed:** \_\_\_\_\_

\_\_\_\_\_  
**Borrower**

\_\_\_\_\_  
**Date**

**ATTACHMENT B**

**Adair County Water District DBA Columbia/Adair Utilities District  
A20-016**

<b>EXECUTIVE SUMMARY</b> KENTUCKY INFRASTRUCTURE AUTHORITY FUND A, FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND		Reviewer Date KIA Loan Number WRIS Number	Meili Sun March 5, 2020 A20-016 SX21001004	
<b>BORROWER</b>		ADAIR COUNTY WATER DISTRICT DBA COLUMBIA/ADAIR UTILITIES DISTRICT ADAIR COUNTY		
<b>BRIEF DESCRIPTION</b> This project will replace or rehab approximately 12,865 LF of 8 inch gravity sewer and public service laterals to alleviate health and safety threats from the stoppages and overflows in portions of downtown Columbia. The scope of work also includes replacements of 75 existing manholes, the Long Hunter Lift Station #1 and #2, and the pumps in the Don Franklin Lift Station.				
<b>PROJECT FINANCING</b>		<b>PROJECT BUDGET</b>		
Fund A Loan	\$2,104,870	Administrative Expenses	\$7,500	
		Legal Expenses	2,500	
		Planning	15,000	
		Eng - Design / Const	134,170	
		Eng - Insp	82,200	
		Eng - Other	30,000	
		Construction	1,666,800	
		Contingency	166,700	
<b>TOTAL</b>	<b>\$2,104,870</b>	<b>TOTAL</b>	<b>\$2,104,870</b>	
<b>REPAYMENT</b>	Rate Term	0.50% 30 Years	Est. Annual Payment 1st Payment 6 Mo. after first draw	
			\$79,854	
<b>PROFESSIONAL SERVICES</b>	Engineer Bond Counsel	Kentucky Engineering Group, PLLC Rubin & Hays		
<b>PROJECT SCHEDULE</b>	Bid Opening Construction Start Construction Stop	Jul-20 Oct-20 Oct-21		
<b>DEBT PER CUSTOMER</b>	Existing Proposed	\$13,316 \$13,979		
<b>OTHER DEBT</b>	See Attached			
<b>RESIDENTIAL RATES</b>	Current Additional	<u>Users</u> 1,689 0	<u>Avg. Bill</u> \$25.80 (for 4,000 gallons) \$25.80 (for 4,000 gallons)	
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.			
<b>CASHFLOW</b>	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2016	1,582,906	2,860,051	(1,277,145)	0.6
Audited 2017	1,520,068	1,767,710	(247,642)	0.9
Audited 2018	1,493,692	1,985,357	(491,665)	0.8
Projected 2019	1,343,029	1,590,920	(247,891)	0.8
Projected 2020	1,280,122	1,476,224	(196,102)	0.9
Projected 2021	2,147,673	1,543,825	603,848	1.4
Projected 2022	2,069,553	1,617,866	451,687	1.3
Projected 2023	2,002,796	1,650,040	352,756	1.2

Reviewer: Meili Sun  
Date: March 5, 2020  
Loan Number: A20-016

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
ADAIR COUNTY WATER DISTRICT, ADAIR COUNTY  
PROJECT REVIEW  
SX21001004**

**I. PROJECT DESCRIPTION**

The Adair County Water District (ACWD) is requesting a Fund A loan in the amount of \$2,104,870 for the Downtown Sewer System Improvement project. This project will replace or rehab approximately 12,865 linear feet of 8-inch gravity sewer and public service laterals in portions of downtown Columbia. Also included in the scope of work are replacements of 75 existing manholes, Long Hunter Lift Stations #1 and #2, and the pumps in the Don Franklin Lift Station.

The purpose of this project is to eliminate health and safety threats from sewer stoppages and overflows. The existing manholes are in poor condition that causes constant inflow and infiltration. Most of the current lift stations have exceeded their life expectancy and are in need of larger capacities or pumps to handle the sewage volume.

ACWD is a Public Service Commission (PSC) regulated utility producing 93% of the water supply and purchasing the remainder to serve approximately 1,700 retail customers in Adair County and 3 wholesale customers. All retail and wholesale rate adjustments are subject to PSC approval.

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 7,500
Legal Expenses	2,500
Planning	15,000
Engineering Fees – Design	93,919
Engineering Fees – Construction	40,251
Engineering Fees – Inspection	82,200
Engineering Fees – Other	30,000
Construction	1,666,800
Contingency	166,700
<b>Total</b>	<b>\$ 2,104,870</b>



### III. PROJECT FUNDING

	Amount	%
KIA Fund A Loan	\$ 2,104,870	100%

### IV. KIA DEBT SERVICE

Construction Loan	\$ 2,104,870
Principal Forgiveness	0
Amortized Loan Amount	\$ 2,104,870
Interest Rate	0.50%
Loan Term (Year)	30
Estimated Annual Debt Service	\$ 75,644
Administrative Fee (0.20%)	4,210
<b>Total Estimated Annual Debt Service</b>	<b>\$ 79,854</b>

### V. PROJECT SCHEDULE

Bid Opening	July 2020
Construction Start	October 2020
Construction Stop	October 2021

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

	Current
Residential	1,330
Commercial	288
Industrial	71
Total	1,689

#### B) Rates

	Sewer	
	Current	Prior
Date of Last Rate Increase	07/23/14	07/01/11
Minimum (No Usage)	\$5.00	\$4.00
All Usage per 1,000 Gallons	5.20	4.10
Cost for 4,000 gallons	\$25.80	\$20.40
Increase %	26.5%	
Affordability Index (Rate/MHI)	1.1%	0.9%

Date of Last Rate Increase	Water	
	Current	Prior
	02/03/12	11/01/09
First 1,000 Gallons	\$19.90	\$15.35
Next 3,000 Gallons	\$7.00	\$5.75
Next 5,000 Gallons	\$6.25	\$5.00
Cost for 4,000 gallons	\$33.90	\$26.85
Increase %	26.3%	
Affordability Index (Rate/MHI)	1.2%	0.9%

## VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2013-2017, the Utility's service area population was 4,562 with a Median Household Income (MHI) of \$27,317. The median household income for the Commonwealth is \$46,535. As a disadvantage community, ACWD will qualify for a 0.50% interest rate.

Year	Population				County Unemployment	
	City	% Change	County	% Change	Date	Rate
1980	3,710		15,233		June 2005	5.7%
1990	3,845	3.6%	15,360	0.8%	June 2010	11.8%
2000	4,014	4.4%	17,244	12.3%	June 2015	7.6%
2010	4,452	10.9%	18,656	8.2%	June 2019	6.0%
Current	4,852	9.0%	19,304	3.5%		
Cumulative %		30.8%		26.7%		

## VIII. 2019 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve – The total project cost of \$2,104,870 qualifies for the Energy Efficiency category of Green Project Reserve (GPR) funding.
- 2) Additional Subsidization – This project does not qualify for additional subsidization.

## IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended December 31, 2016 through December 31, 2018. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

## HISTORY

Revenues increased 1.5% from \$4.49 million in 2016 to \$4.56 million in 2018 while operating expenses increased 5.8% from \$2.91 million to \$3.08 million during the same period. The Supplies and Materials costs were higher than normal in 2018 due to purchase of radio read meters. The debt coverage ratios of 2016, 2017, and 2018 were below 1.1 due to absence of rate increases since 2014.

The balance sheet reflects a current ratio of 1.7, a debt to equity ratio of 1.1, 32.3 days of sales in accounts receivable, and 0.4 month of operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Combined water and sewer revenues will increase approximately \$900,000 based on the special conditions for rate increases.
- 2) The proposed rate increases will be subsequently approved by the PSC.
- 3) RD will commit \$2,316,280 in grant and loan funding to assist ACWD with the Southern Bypass Water Main and Telemetry project which is not funded by KIA.
- 4) Combined operating expenses including water purchase will increase 2% annually for inflation.
- 5) Debt coverage ratio is 1.3 in 2022 when principal and interest repayments begin.

Based on the pro forma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan.

## REPLACEMENT RESERVE

The replacement reserve will be 5% (\$106,000 total) of the final amount borrowed to be funded annually (\$5,300 yearly) each December 1 for 20 years and maintained for the life of the loan.

**X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
2004 Utilities Revenue Bonds	\$ 403,000	2043
2005 Water Revenue Bonds	1,017,000	2045
2006 Water Revenue Bonds	3,000,500	2045
2007 Water Revenue Bonds	651,500	2046
2008 Water Revenue Bonds	269,900	2048
2008 Utilities Revenue Bonds	101,100	2047
2009 Water Revenue Bonds	992,200	2050
2011 Water Revenue Bonds	1,095,000	2051
2012 Water Revenue Bonds	1,359,500	2052
2013D Water Revenue Bonds (Refunding)	2,700,000	2040
2014 Water Revenue Bonds	668,500	2054
KIA Loan F06-01	2,260,853	2028
KIA Loan F07-01	524,917	2028
KIA Loan F10-01	2,882,619	2032
KIA Loan F10-02	1,180,062	2032
KIA Loan F11-10	769,490	2034
KIA Loan F12-04	2,491,225	2044
Bank of Columbia Note	123,258	2019
KIA Loan F20-009 i.a.o. \$671,265		TBD
RD Loan i.a.o. \$1,621,396		TBD
<b>Total</b>	<b>\$ 22,490,624</b>	

**XI. CONTACTS**

<b>Legal Applicant</b>	
Name	Adair County Water District DBA Columbia/Adair Utilities District
Address	109 Grant Lane, PO Box 567 Columbia, KY 42728
County	Adair
Authorized Official	William Harris
Phone	(270) 384-2181
Email	utility@caud.net

**Project Contact - Applicant**

Name	Lenny Stone, Manager
Organization	Columbia/Adair Utilities District
Address	109 Grant Lane, PO Box 567 Columbia, KY 42728
Phone	(270) 384-2181
Email	<a href="mailto:lenny.stone@caud.net">lenny.stone@caud.net</a>

**Project Administrator**

Name	Holly Nicholas
Organization	Kentucky Engineering Group, PLLC
Address	161 North Locust St, PO Box 1034 Versailles, KY 40383
Phone	(859) 333-9742
Email	<a href="mailto:hnicholas@kyengr.com">hnicholas@kyengr.com</a>

**Consulting Engineer**

Name	James C Thompson
Firm	Kentucky Engineering Group, PLLC
Address	161 North Locust St, PO Box 1034 Versailles, KY 40383
Phone	(859) 251-4127
Email	<a href="mailto:jthompson@kyengr.com">jthompson@kyengr.com</a>

**XII. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions and the following special conditions:

- 1) ACWD shall apply to the Public Service Commission (PSC), pursuant to KRS 278.300, for debt authorization for KIA loan A20-016, F20-009, and the pending RD loan. This debt authorization application should include a forecast meeting debt service projected through 2025.
- 2) By March 31, 2020, ACWD shall pass a resolution for a 20.7% or \$650,000 increase to water revenues and 38.8% or \$250,000 to sewer revenues, effective October 1, 2020 to meet operating expenses and debt service requirements when principal and interest repayments begin.

- 3) Prior to the assistance agreement being executed, ACWD must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020, from the PSC for any portion of the project that may require it, or provide an opinion from legal counsel or the staff of the PSC, or a declaratory order from the PSC, that a CPCN is not required for any portion of the assets to be constructed as part of the loan agreement.

ADAIR COUNTY WATER DISTRICT DBA COLUMBIA/ADAIR UTILITIES DISTRICT  
 FINANCIAL SUMMARY (DECEMBER YEAR END)

	Audited 2016	Audited 2017	Audited 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	689,863	890,914	760,210	512,317	316,215	1,002,463	1,454,150	1,806,906
Other Assets	52,050,007	50,935,078	49,753,410	47,792,662	45,831,914	49,634,846	47,561,006	45,487,165
<b>Total</b>	<b>52,739,870</b>	<b>51,825,992</b>	<b>50,513,620</b>	<b>48,304,979</b>	<b>46,148,129</b>	<b>50,637,309</b>	<b>49,015,156</b>	<b>47,294,071</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	311,132	343,040	445,105	450,292	455,592	460,992	466,492	472,092
Long Term Liabilities	26,105,761	26,053,948	26,495,332	25,343,484	24,291,629	27,614,678	26,475,271	25,234,273
<b>Total Liabilities</b>	<b>26,416,893</b>	<b>26,396,988</b>	<b>26,940,437</b>	<b>25,793,776</b>	<b>24,747,221</b>	<b>28,075,670</b>	<b>26,941,763</b>	<b>25,706,365</b>
<b>Net Assets</b>	<b>26,322,977</b>	<b>25,429,004</b>	<b>23,573,183</b>	<b>22,511,203</b>	<b>21,400,908</b>	<b>22,561,639</b>	<b>22,073,393</b>	<b>21,587,706</b>
<b>Cash Flow</b>								
Revenues	4,490,076	4,486,762	4,557,728	4,557,728	4,557,728	5,489,444	5,489,444	5,489,444
Operating Expenses	2,913,484	2,970,140	3,083,669	3,234,332	3,297,239	3,361,404	3,439,524	3,506,281
Other Income	6,314	3,446	19,633	19,633	19,633	19,633	19,633	19,633
<b>Cash Flow Before Debt Service</b>	<b>1,582,906</b>	<b>1,520,068</b>	<b>1,493,692</b>	<b>1,343,029</b>	<b>1,280,122</b>	<b>2,147,673</b>	<b>2,069,553</b>	<b>2,002,796</b>
<b>Debt Service</b>								
Existing Debt Service	2,860,051	1,767,710	1,985,357	1,590,920	1,476,224	1,543,825	1,577,939	1,570,186
Proposed KIA Loan	0	0	0	0	0	0	39,927	79,854
<b>Total Debt Service</b>	<b>2,860,051</b>	<b>1,767,710</b>	<b>1,985,357</b>	<b>1,590,920</b>	<b>1,476,224</b>	<b>1,543,825</b>	<b>1,617,866</b>	<b>1,650,040</b>
<b>Cash Flow After Debt Service</b>	<b>(1,277,145)</b>	<b>(247,642)</b>	<b>(491,665)</b>	<b>(247,891)</b>	<b>(196,102)</b>	<b>603,848</b>	<b>451,687</b>	<b>352,756</b>
<b>Ratios</b>								
Current Ratio	2.2	2.6	1.7	1.1	0.7	2.2	3.1	3.8
Debt to Equity	1.0	1.0	1.1	1.1	1.2	1.2	1.2	1.2
Days Sales in Accounts Receivable	32.6	34.8	32.3	32.3	32.3	32.3	32.3	32.3
Months Operating Expenses in Unrestricted Cash	0.3	0.9	0.4	(0.5)	(1.3)	1.0	2.6	3.8
Debt Coverage Ratio	0.6	0.9	0.8	0.8	0.9	1.4	1.3	1.2

# **EXHIBIT D**

KIA Commitment Extension Letter





## KENTUCKY INFRASTRUCTURE AUTHORITY

**Andy Beshear**  
Governor

Capital Center Complex  
100 Airport Road, Third Floor  
Frankfort, Kentucky 40601  
(502) 573-0260  
(502) 573-0157 (fax)  
kia.ky.gov

**Sandy Williams**  
Deputy Executive Director

March 10, 2021

William Harris, Chairman  
Adair County Water District DBA Columbia/Adair Utilities District  
109 Grant Lane, PO Box 567  
Columbia, KY 42728

KENTUCKY INFRASTRUCTURE AUTHORITY  
FEDERALLY ASSISTED CLEAN WATER REVOLVING LOAN FUND  
CONDITIONAL COMMITMENT LETTER (A20-016)  
EXTENSION

Dear Mr. Harris:

The Kentucky Infrastructure Authority ("the Authority") has approved an extension of the Clean Water State Revolving Fund (CWSRF) loan A20-016 for the Downtown Sewer System Improvement Project. The Authority has extended the deadline for the District to meet the conditions set forth in the conditional commitment letter (dated March 6, 2020) for a period of six (6) months. The original expiration date was March 6, 2021. The new expiration date will be September 6, 2021. If the project does not meet the conditions by the new expiration date, the commitment may be rescinded.

All original terms and conditions from the commitment letter dated March 6, 2020, shall remain in effect.

Please inform the Authority of any changes in your financing plan as soon as possible. We wish you every success for this project to benefit both your community and the Commonwealth.

Sincerely,

  
Sandy Williams  
Deputy Executive Director

Chairman Harris  
March 10, 2021  
Page 2

Please sign and return a copy of this letter indicating your acceptance of this commitment letter extension and its terms.

William Harris  
Accepted

3-11-21  
Date

# **EXHIBIT E**

## Estimated Annual Cost of Operation

**XXIV. PROPOSED OPERATING BUDGET - (SEWER SYSTEM) - EXISTING SYSTEM  
AND NEW USERS (1st Full Year of Operation)**

Year Ending 12/31/2021

A. *Operating Income:*

<i>Sewer Revenue</i>	\$969,775
<i>Late Charge Fees</i>	
<i>Other (Describe)</i>	

*Less Allowances and Deductions*

<i>Total Operating Income</i>	<u>\$969,775</u>
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B. *Operation and Maintenance Expenses:*  
*(Based on Uniform System of Accounts prescribed by National  
Association of Regulatory Utility Commissioners)*

<i>Operation Expense</i>	\$400,000
<i>Maintenance Expense</i>	\$67,000
<i>Customer Accounts Expense</i>	
<i>Administrative and General Expense</i>	<u>\$270,000</u>

<i>Total Operating Expenses</i>	\$737,000
---------------------------------	-----------

<i>Net Operating Income</i>	<u>\$232,775</u>
-----------------------------	------------------

C. *Non-Operating Income:*

<i>Interest on Deposits</i>	
<i>Other (Identify)</i>	

<i>Total Non-Operating Income</i>	<u>\$0</u>
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D. <i>Net Income</i>	<u>\$232,775</u>
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E. *Debt Repayment:*

<i>RD Interest</i>	\$8,499
<i>RD Principal</i>	\$5,462
<i>Non-RD Interest</i>	\$44,804
<i>Non-RD Principal</i>	\$169,350

<i>Total Debt Repayment</i>	<u>\$228,115</u>
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F. <i>Balance Available for Coverage and Depreciation</i>	<u>\$4,660</u>
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# **EXHIBIT F**

## **Financial Statements**

**ADAIR COUNTY WATER DISTRICT**  
**DBA COLUMBIA/ADAIR UTILITIES DISTRICT**  
**STATEMENT OF NET POSITION**  
**December 31, 2019 and 2018**

ASSETS	Water	Sewer	Total 2019	2018
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	\$ 157,120	\$ 27,727	\$ 184,847	\$ 107,489
Customer Accounts Receivable, net	318,285	118,076	436,361	403,302
Inventory	184,778	9,725	194,503	204,423
Prepaid Expenses	50,889	3,265	54,154	44,996
Restricted Cash and Investments	954,893	106,099	1,060,992	1,134,478
<b>Total Current Assets</b>	<b>1,665,965</b>	<b>264,892</b>	<b>1,930,857</b>	<b>1,894,688</b>
<b>NON-CURRENT ASSETS</b>				
Capital Assets:				
Land and Construction in Progress	463,119	95,901	559,020	559,020
Other Capital Assets				
Net of Accumulated Depreciation	34,977,951	10,531,823	45,509,774	47,408,032
<b>Total Non-Current Assets</b>	<b>35,441,070</b>	<b>10,627,724</b>	<b>46,068,794</b>	<b>47,967,052</b>
<b>TOTAL ASSETS</b>	<b>37,107,035</b>	<b>10,892,616</b>	<b>47,999,651</b>	<b>49,861,740</b>
<b>Deferred Outflows of Resources</b>				
Pension	393,651	58,181	451,832	409,704
Pension Contributions	129,615	30,324	159,939	81,386
OPEB	175,568	38,394	213,962	134,397
OPEB Contributions	51,298	12,000	63,298	26,393
<b>Total Deferred Outflows of Resources</b>	<b>750,132</b>	<b>138,899</b>	<b>889,031</b>	<b>651,880</b>

See accompanying notes to financial statements.

ADAIR COUNTY WATER DISTRICT  
 DBA COLUMBIA/ADAIR UTILITIES DISTRICT  
 STATEMENT OF NET POSITION  
 December 31, 2019 and 2018

	Water	Sewer	Total 2019	2018
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable - Trade	\$ 244,518	\$ 19,725	\$ 264,243	\$ 259,813
Accrued and Withheld Taxes	61,037	18,784	79,821	75,074
Customer Deposits	47,215	8,144	55,359	54,291
Accrued Payroll	27,591	4,312	31,903	28,744
Accrued Sick Leave	67,208	14,909	82,117	81,474
Liabilities Payable from Restricted Assets:				
Interest Payable	185,551	21,156	206,707	238,374
Current Portion of Revenue Notes and Bonds Payable	971,185	79,850	1,051,035	1,028,590
Current Portion of Notes Payable	101,210	-	101,210	123,258
Total Current Liabilities	1,705,515	166,880	1,872,395	1,889,618
NON-CURRENT LIABILITIES				
Long-term Liabilities (Excluding Current Portion):				
Net Pension Liabilities	2,324,622	424,736	2,749,358	2,308,469
Net OPEB Liability	537,719	119,624	657,343	672,941
Non-Current Portion of Revenue Notes and Bonds Payable	18,783,594	1,504,800	20,288,394	21,338,776
Total Non-Current Liabilities	21,645,935	2,049,160	23,695,095	24,320,186
TOTAL LIABILITIES	23,351,450	2,216,040	25,567,490	26,209,804
DEFERRED INFLOWS				
Advances for Construction	153,328	-	153,328	166,140
Premium on Debt Refunding	222,133	-	222,133	232,968
Pension	102,197	16,003	118,200	194,493
OPEB	192,691	49,088	241,779	137,032
TOTAL DEFERRED INFLOWS	670,349	65,091	735,440	730,633
NET POSITION				
Invested in Capital Assets, Net of Related Debt			24,421,448	25,238,054
Restricted			1,060,992	1,134,478
Unrestricted			(2,896,688)	(2,799,349)
TOTAL NET POSITION			\$22,585,752	\$23,573,183

See accompanying notes to financial statements.

ADAIR COUNTY WATER DISTRICT  
 DBA COLUMBIA/ADAIR UTILITIES DISTRICT  
 STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
 For the Years Ended December 31, 2019 and 2018

	Water	Sewer	Total 2019	Total 2018
<b>OPERATING REVENUES</b>				
Water Sales	\$3,719,468	\$ 694,136	\$ 4,413,604	\$ 4,397,714
Service Charges and Other	254,741	-	254,741	160,014
<b>Total Operating Revenues</b>	<b>3,974,209</b>	<b>694,136</b>	<b>4,668,345</b>	<b>4,557,728</b>
<b>OPERATING EXPENSES</b>				
Personal Service	1,430,634	355,846	1,786,480	1,725,791
Contractual Services	64,878	19,823	84,701	60,435
Supplies and Materials	388,468	14,207	402,675	490,975
Repairs and Maintenance	106,151	52,711	158,862	140,872
Operational	585,413	235,725	821,138	868,841
Depreciation and Amortization	1,442,788	519,689	1,962,477	2,049,738
<b>Total Operating Expenses</b>	<b>4,018,332</b>	<b>1,198,001</b>	<b>5,216,333</b>	<b>5,336,652</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>(44,123)</b>	<b>(503,865)</b>	<b>(547,988)</b>	<b>(778,924)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Other Non-Utility Income	2,459	-	2,459	6,210
Interest Income	1,042	64	1,106	13,423
Bond Issuance Costs	(1,295)	(560)	(1,855)	(1,496)
Interest Expenses	(444,464)	(84,475)	(528,939)	(583,369)
Amortization of Bond Debt	7,260	3,576	10,836	10,836
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(434,998)</b>	<b>(81,395)</b>	<b>(516,393)</b>	<b>(554,396)</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	<b>(479,121)</b>	<b>(585,260)</b>	<b>(1,064,381)</b>	<b>(1,333,320)</b>
Capital Contributions	74,200	2,750	76,950	488,714
Grants	-	-	-	-
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>(404,921)</b>	<b>(582,510)</b>	<b>(987,431)</b>	<b>(844,606)</b>
<b>NET POSITION</b>				
Beginning of Year, Restated			23,573,183	24,417,789
End of Year			<u>\$22,585,752</u>	<u>\$23,573,183</u>

See accompanying notes to financial statements.



ADAIR COUNTY WATER DISTRICT  
 DBA COLUMBIA/ADAIR UTILITIES DISTRICT  
 STATEMENT OF CASH FLOWS  
 For the Years Ended December 31, 2019 and 2018

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received From Customers	\$ 4,635,285	\$ 4,582,630
Cash Payments to Employees for Services	(1,561,337)	(1,511,631)
Cash Payments to Suppliers for Goods and Services	(1,474,995)	(1,570,661)
Customer Deposits Received	32,120	25,939
Customer Deposits Returned	(31,052)	(23,381)
Net Cash Provided/(Used) By Operating Activities	1,600,021	1,502,896
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and Construction of Capital Assets	(64,219)	(1,279,547)
Debt Retired	(1,050,986)	(1,398,724)
Debt Issued	1,000	1,181,749
Interest Paid on Debt	(562,459)	(586,633)
Capital Grants and Contributions	76,950	488,714
Net Cash Provided/(Used) By Financing Activities	(1,599,714)	(1,594,441)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Miscellaneous Non-Operating Income	2,459	6,211
Net Cash Provided/(Used) by Noncapital Financing Activities	2,459	6,211
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest	1,106	13,423
Net Cash Provided/(Used) By Investing Activities	1,106	13,423
Net Increase/(Decrease) In Cash and Cash Equivalents	3,872	(71,911)
Cash and Cash Equivalents - Beginning of Year	1,241,967	1,313,878
Cash and Cash Equivalents - End of Year	\$ 1,245,839	\$ 1,241,967
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS</b>		
Cash and Cash Equivalents	\$ 184,847	\$ 107,489
Restricted Cash	1,060,992	1,134,478
TOTAL CASH AND CASH EQUIVALENTS	\$ 1,245,839	\$ 1,241,967

See accompanying notes to financial statements.

ADAIR COUNTY WATER DISTRICT  
 DBA COLUMBIA/ADAIR UTILITIES DISTRICT  
 STATEMENT OF CASH FLOWS (CONTINUED)  
 For the Years Ended December 31, 2019 and 2018

	2019	2018
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) FOR OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (547,988)	\$ (778,924)
ADJUSTMENTS TO RECONCILE OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) FOR OPERATING ACTIVITIES		
Depreciation	1,962,477	2,049,738
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable	(33,059)	24,902
(Increase)/Decrease in Inventory	9,920	(8,306)
(Increase)/Decrease in Prepaid Expenses	(9,158)	(11,306)
(Increase)/Decrease in Deferred Outflows	(237,151)	203,957
Increase/(Decrease) in Accounts Payable	4,430	10,321
Increase/(Decrease) in Salaries and Wages Payable	3,159	2,456
Increase/(Decrease) in Customer Deposits	1,068	2,558
Increase/(Decrease) in Accrued and Withheld Taxes	4,747	7,814
Increase/(Decrease) in Accrued Sick Leave	643	645
Increase/(Decrease) in Deferred Inflows	28,454	35,554
Increase/(Decrease) in Advances for Construction	(12,812)	(247)
Increase/(Decrease) in Net Pension Liability	440,889	62,262
Increase/(Decrease) in Net OPEB Liability	(15,598)	(98,528)
Total Reconciling Adjustments	2,148,009	2,281,820
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	\$ 1,600,021	\$ 1,502,896

See accompanying notes to financial statements.

# **EXHIBIT G**

Notification to State Local Debt Officer

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410  
Telephone (502) 569-7525 Telefax (502) 569-7555 www.rubinhays.com

CHARLES S. MUSSON  
W. RANDALL JONES  
CHRISTIAN L. JUCKETT  
NICHOLAS J. LOCOCO

April 14, 2021

Honorable Dennis Keene  
Commissioner and State Local Debt Officer  
100 Airport Road, Third Floor  
Frankfort, Kentucky 40601

Re: Adair County Water District  
Notice of Intent to Issue Securities

Dear Commissioner Keene:

Pursuant to the regulations of the Kentucky Public Service Commission, specifically 807 KAR 5:001: Section 18(1)(g), please be advised that the Adair County Water District (the "District") hereby notifies the State Local Debt Officer that the District intends on issuing securities in the form of a loan from the Kentucky Infrastructure Authority for the purpose of financing certain improvements to the sewer system of the District.

We will file the appropriate documents with your office in accordance with the requirements of KRS 65.117, once the securities are issued.

Very truly yours,

Rubin & Hays

By

  
W. Randall Jones

WRJ:jl  
Enclosures

# **EXHIBIT H**

## Uniform System of Accounts Classification

CAUD - CWSRF A20-016

USOA		Amount of Construction Budget
352.1	Collection Sewers - Force	\$ 3,000.00
352.2	Collection Sewers - Gravity	\$ 804,985.00
354	Services to Customers	\$ 211,266.00
362	Receiving Wells and Pump Pits	<u>\$ 457,090.00</u>
	<i>total</i>	\$ 1,476,341.00

**EXHIBIT I**

**Bid Tabulations**



**BID TABULATION**  
 Phase 19 Sewer System Improvements Sewer Main Replacement and Rehabilitation  
 Columbia Adair Utilities District  
 Adair Co. Kentucky  
 KEG Project No. 20001  
 BID OPENING: Thursday, March 11, 2021, 2:00 pm Local Time

Item No.	Description	Quantity	Unit	Cumberland Pipeline Columbia, Kentucky		Buchanan Contracting, Inc Winchester, Kentucky		Akins Excavating Company, Inc Corbin, Kentucky		Cleary Construction, Inc. Tompkinsville, Kentucky		Twin States Utilities & Excavators, Inc Mount Vernon, Kentucky	
				\$ / Unit	Bid Amount	\$ / Unit	Bid Amount	\$ / Unit	Bid Amount	\$ / Unit	Bid Amount	\$ / Unit	Bid Amount
1	Clean and Quick Pull TV 6" & 8"	400	LF	\$2.50	\$1,000.00	\$4.00	\$1,600.00	\$2.00	\$800.00	\$6.40	\$2,560.00	\$2.70	\$1,080.00
2	Heavy Cleaning 6" and 8"	10	HRS	\$220.00	\$2,200.00	\$280.00	\$2,800.00	\$325.00	\$3,250.00	\$532.00	\$5,320.00	\$240.00	\$2,400.00
3	Mechanical Root Removal 6" & 8"	400	LF	\$2.00	\$800.00	\$5.25	\$2,100.00	\$65.00	\$26,000.00	\$5.40	\$2,160.00	\$2.40	\$960.00
4	Reverse Set-Up	10	EA	\$82.00	\$820.00	\$1.00	\$10.00	\$1,035.00	\$10,350.00	\$532.00	\$5,320.00	\$90.00	\$900.00
5	Service Connection Investigation	20	HRS	\$220.00	\$4,400.00	\$225.00	\$4,500.00	\$330.00	\$6,600.00	\$213.00	\$4,260.00	\$240.00	\$4,800.00
6	Install 6" Dia Pipe Liner	220	LF	\$26.00	\$5,720.00	\$26.00	\$5,720.00	\$32.00	\$7,040.00	\$58.60	\$12,992.00	\$29.00	\$6,380.00
7	Install 8" Dia Pipe Liner	4,150	LF	\$32.00	\$136,800.00	\$28.00	\$117,200.00	\$38.00	\$157,200.00	\$47.90	\$199,585.00	\$34.00	\$141,100.00
8	Point Repair 8" Pipe	15	EA	\$2,500.00	\$37,500.00	\$2,750.00	\$41,250.00	\$3,700.00	\$55,500.00	\$4,043.00	\$60,645.00	\$5,000.00	\$75,000.00
9	Service Lateral Connection Replacement	13	EA	\$2,500.00	\$32,500.00	\$1,500.00	\$19,500.00	\$2,000.00	\$26,000.00	\$2,128.00	\$27,664.00	\$5,000.00	\$65,000.00
10	Service Lateral Connection Reassessment	03	EA	\$2.00	\$166.00	\$1.00	\$80.00	\$200.00	\$16,600.00	\$213.00	\$17,679.00	\$2.00	\$166.00
11	Service Connection Linking	50	EA	\$2,832.00	\$141,600.00	\$2,850.00	\$142,500.00	\$3,375.00	\$168,750.00	\$532.00	\$26,600.00	\$3,090.00	\$154,500.00
12	Service Lateral Lining	1,000	LF	\$28.00	\$28,000.00	\$30.00	\$30,000.00	\$45.00	\$45,000.00	\$63.90	\$63,900.00	\$30.00	\$30,000.00
13	Bypass Pumping Set-Up	5	EA	\$100.00	\$500.00	\$1,000.00	\$5,000.00	\$2,885.00	\$14,425.00	\$3,192.00	\$15,960.00	\$2,500.00	\$12,500.00
14	Bypass Pumping	20	HRS	\$100.00	\$2,000.00	\$250.00	\$5,000.00	\$250.00	\$5,000.00	\$314.00	\$6,280.00	\$600.00	\$12,000.00
15	Bituminous Surface Replacement (Trench width) for City Streets, Driveways and parking lots	2,500	LF	\$32.00	\$80,000.00	\$22.00	\$55,000.00	\$40.00	\$100,000.00	\$37.30	\$93,250.00	\$40.00	\$100,000.00
16	Bituminous Surface Replacement (Trench Width) for State Road	470	LF	\$50.00	\$23,500.00	\$32.00	\$15,040.00	\$75.00	\$35,250.00	\$58.60	\$27,542.00	\$100.00	\$47,000.00
17	Concrete Curb and Gutter	50	LF	\$30.00	\$1,500.00	\$50.00	\$2,500.00	\$50.00	\$2,500.00	\$102.00	\$5,100.00	\$100.00	\$5,000.00
18	Cementitious Membrane Coating	110	VF	\$125.00	\$13,750.00	\$130.00	\$14,300.00	\$145.00	\$15,950.00	\$197.00	\$21,670.00	\$130.00	\$14,300.00
19	8" Gravy Sewer	2,800	LF	\$60.00	\$168,000.00	\$85.00	\$238,000.00	\$82.00	\$229,600.00	\$127.70	\$357,560.00	\$243.00	\$680,400.00
20	Dig and Replace 8" Gravy Sewer	1,400	LF	\$60.00	\$84,000.00	\$95.00	\$133,000.00	\$76.00	\$106,400.00	\$117.10	\$163,940.00	\$260.00	\$364,000.00
21	Dig and Replace 6" Gravy Sewer	250	LF	\$58.00	\$14,500.00	\$65.00	\$16,250.00	\$74.00	\$18,500.00	\$107.00	\$26,750.00	\$210.00	\$52,500.00
22	New 4" Diameter Manhole	17	EA	\$3,673.00	\$62,441.00	\$4,250.00	\$72,250.00	\$2,750.00	\$46,750.00	\$3,724.00	\$63,308.00	\$3,500.00	\$59,500.00





**BID TABULATION**  
 Phase 19 Sewer System Improvements Sewer Main Replacement and Rehabilitation  
 Columbia Adair Utilities District  
 Adair Co, Kentucky  
 KEG Project No. 20001  
 BID OPENING: Thursday, March 11, 2021, 2:00 pm Local Time

23	New 5" Diameter Doghouse Manhole	1	EA	\$4,777.00	\$4,777.00	\$7,000.00	\$7,000.00	\$3,050.00	\$3,050.00	\$6,383.00	\$6,383.00	\$5,000.00	\$5,000.00
24	Replace Existing Manhole	6	EA	\$4,507.00	\$27,042.00	\$4,350.00	\$26,100.00	\$4,400.00	\$26,400.00	\$5,852.00	\$35,112.00	\$6,000.00	\$36,000.00
25	Connect to existing Gravity Sewer	8	EA	\$2,095.00	\$16,760.00	\$1,400.00	\$11,200.00	\$1,800.00	\$14,000.00	\$1,915.00	\$15,320.00	\$2,500.00	\$20,000.00
26	Bore and Jack 8" Gravity Sewer in 16" Main	100	LF	\$270.00	\$27,000.00	\$295.00	\$29,500.00	\$220.00	\$22,000.00	\$320.00	\$32,000.00	\$550.00	\$55,000.00
27	6" Force Main	100	LF	\$30.00	\$3,000.00	\$49.50	\$4,950.00	\$38.00	\$3,800.00	\$41.50	\$4,150.00	\$40.00	\$4,000.00
28	6" Sanitary Sewer Lateral	250	LF	\$36.00	\$9,000.00	\$60.00	\$15,000.00	\$75.00	\$18,750.00	\$93.70	\$23,425.00	\$75.00	\$18,750.00
29	Clean Manhole	19	EA	\$210.00	\$3,990.00	\$450.00	\$8,550.00	\$240.00	\$4,560.00	\$235.00	\$4,465.00	\$230.00	\$4,370.00
30	Seal Joint in Manhole	11	EA	\$165.00	\$1,815.00	\$700.00	\$7,700.00	\$190.00	\$2,090.00	\$213.00	\$2,343.00	\$180.00	\$1,980.00
31	Install Trough	6	EA	\$495.00	\$2,970.00	\$575.00	\$3,450.00	\$570.00	\$3,420.00	\$532.00	\$3,192.00	\$540.00	\$3,240.00
32	Replacement of Long Hunter 1 Lift Station	1	LS	\$173,895.00	\$173,895.00	\$173,000.00	\$173,000.00	\$154,000.00	\$154,000.00	\$172,341.00	\$172,341.00	\$317,890.00	\$317,890.00
33	Replacement of Long Hunter 2 Lift Station	1	LS	\$187,745.00	\$187,745.00	\$138,000.00	\$138,000.00	\$153,000.00	\$153,000.00	\$172,341.00	\$172,341.00	\$314,206.00	\$314,206.00
34	Rehabilitation of Don Franklin Lift Station	1	LS	\$95,450.00	\$95,450.00	\$105,000.00	\$105,000.00	\$116,000.00	\$116,000.00	\$106,383.00	\$106,383.00	\$268,852.00	\$268,852.00
35	Traffic Control	1	LS	\$10,000.00	\$10,000.00	\$15,000.00	\$15,000.00	\$6,000.00	\$6,000.00	\$21,277.00	\$21,277.00	\$25,000.00	\$25,000.00
36	Abandon Manhole	7	EA	\$1,600.00	\$11,200.00	\$1,200.00	\$8,400.00	\$625.00	\$4,375.00	\$2,128.00	\$14,896.00	\$2,500.00	\$17,500.00
	<b>Total Base Bid</b>				<b>\$1,476,341.00</b>		<b>\$1,531,453.00</b>		<b>\$1,705,810.00</b>		<b>\$1,918,573.00</b>		<b>\$2,990,162.00</b>

I certify that this is true and accurate tabulation of the bids.  
 The above is a true and complete tabulation of the bids received at 2:00 P.M. local time, Thursday March 11, 2021  
 at 109 Grant Lane, Columbia, KY 42728

KENTUCKY ENGINEERING GROUP, PLLC

By

Mark A. Upton, P.E.

Project Manager



# **EXHIBIT J**

## **Final Project Cost Summary**

## Clean Water SRF Project Cost Summary

WRIS# SX:21001004

Project Title: Downtown Sewer System Improvements - Phase 1

**Project Budget: Estimated**    7/23/2019    **As Bid**    3/11/2021    **Revised**    2/10/2020  
enter date                      enter date                      enter date

Cost Classification	CWSRF 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	7,500								7,500
2 Legal Expenses	2,500								2,500
3 Land, Appraisals, Easements									-
4 Relocation Expense & Payments									-
5 Planning	15,000								15,000
6 Engineering Fees - Design	93,919								93,919
7 Engineering Fees - Construction	40,251								40,251
8 Engineering Fees - Inspection	82,200								82,200
9 Engineering Fees - Other	30,000								30,000
10 Construction	1,476,341								1,476,341
11 Equipment									-
12 Miscellaneous									-
13 Contingencies	357,159								357,159
<b>Total</b>	<b>2,104,870</b>	-	-	-	-	-	-	-	<b>2,104,870</b>

Funding Sources	Amount	Date Committed
1	-	
2	-	
3	-	
4	-	
5	-	
<b>Total</b>	<b>-</b>	

Local Funding Sources	Amount	Date Committed
1		
2		
3		
<b>Total</b>	<b>-</b>	

Construction Cost Categories	Funding Source	Total Cost
(I) WWTP Secondary Portion		
(II) WWTP Advanced Portion		
(III A) Inflow and Infiltration Correction		
(III B) Major Sewer Rehabilitation		
(IV A) Collector Sewers		
(IV B) Interceptor Sewers including Pump Stations		
(V) Combined Sewer Overflow Correction		
<b>TOTAL CONSTRUCTION COSTS</b>		
		<b>-</b>

**Total Funding**                      2,104,870